

An official publication of the Service Station Dealers Association of Michigan

# Ed Weglarz sworn in as new SSDA President

SSDA is proud to announce the new officers for 1998 and 1999. The new officers are as follows:

President Mr. Ed Weglarz. First Vice President Mr. Gary Fuller. Second Vice President Mr. Rich Bratschi. Third Vice President Mr. George Schuhmacher. Treasurer Mr. Keith Anderson.

SSDA's new President is Mr. Ed Weglarz. Ed operates Hunter and Oak Amoco where he is a lessee dealer. He also owns Schuster's Marathon Service in Warren. Ed brings with him over 32 years of business experience. He is married to Merriam and they have two sons and one special grandchild. Ed and Merriam have created an environment at Hunter and Oak Amoco where they are known as Birmingham's full service gasoline and repair center.

When discussing with Ed about what he enjoys most about his business he stated educating consumers and employees about our business and how the independent dealer must operate today.

This is a constant process in today's business climate and a process that every

continue to go through. We look forward to working with Ed and all of the new officers as they go through this next term of office. We want to thank these

dealer must

dealers for giving their time and commitment to our association.



SSDA President Ed Weglarz owns Hunter and Oak Amoco in Birmingham and Shuster's Marathon Service in Warren.

### **Dates announced for SSDA-AT World Transportation Services Conference and Exhibition**

The Service Station Dealers Association of America and Allied Trades and the International Tire and Rubber Association (ITRA) have announced the dates for their upcoming joint World Transportation Services Conference and Exhibition. During recent meetings of both association's Board of Directors, convention dates were set for Friday, Saturday, and Sunday, April 3-5, 1998 at the Kentucky Fair and Exhibition Center in Louisville, Kentucky.

Additional educational workshops will take place on Thursday, April 2, the day prior to the opening of the exhibition through Sunday, April 5, 1998. A few examples of scheduled workshops are as follows:

• Pros and cons of cobranding

• Legal issues affecting petroleum marketers

• Labor rates and technician compensation

Increasing C-store profits

The international conference will include seminars on



business management, exhibitors, a golf outing and a backyard barbecue. The exhibition will feature the newest technology and will cover almost 300,000 square feet of indoor space and a vast outdoor demonstration area at the Kentucky Fair and exposition center. There will be more than 250 exhibitors for this event.

This will be a very important meeting for the National SSDA. Dealers from around the world are expected to attend this conference. Please mark your calendar now so that you can attend.

If you have any questions or would like to register for the exposition, please call the SSDA office at 1-517-484-4096

# Oscar W. Larson Co.



Celebrating 50+ Years of Excellence



Petroleum Equipment Service, Sales, and Installation THE ONLY COMPANY YOU NEED

in

### "Full Service" Contractor

- Licensed Electrical, Mechanical and HVAC
- Certified Service Technicians
- Certified Construction Installers
- Licensed Hazardous Material Hauler
- Product Recovery and Disposal
- Certified Confined Space Entry Crews
- Excavation Tank Removals and Disposals
- Building Renovations and Demolitions

### Financing/Leasing

Through our strategic alliance with funding partners, we offer numerous options and payment plans with minimal down payment.

#### **Excavation/Construction**

- New Tank Installations
- Existing Tanks Upgrades
- Tank Removal and Disposal
- Emergency Tank Repairs
- Confined Space Services
- Soil Removal and Disposal
- Canopy, Sign and Light Base Footings
- Soil Remediation Systems
- Ground Thawing and Building Heating

### Electrical Contractor

- Licensed Electricians
- New Service Installation
- Expansions, Repairs and Upgrades
- Canopy Lights
- Fuel Equipment Systems
- New Building Electrical
- Remodels
- Permit Application
- Supply and Installation of Area Lighting
- Tank Monitoring Equipment Wiring

#### Service 24 Hours

- Programming and System Start Ups
- Operator Training
- Dispenser Maintenance and Repairs
- Cash Registers, Printers and Consoles
- Precision Tank Testing
- Dispenser Calibration
- HVAC Maintenance and Freon Recovery
- Automotive Lifts
- Air Compressors
- Service Contracts



Wayne





#### DON'T WAIT UNTIL 1998, CALL NOW FOR A FREE EPA/DEQ COMPLIANCE REVIEW

10100 Dixie Hwy. Clarkston, MI 48348 Phone: (810) 620-0070 Fax: (810) 620-0071 or 72 Phone: (313) 549-3610 Detroit

Phone: (517) 732-4190 Gaylord Fax: (517) 732-3377



6568 Clay Ave., S.W. Grand Rapids, MI 49548 Phone: (616) 698-0001 Fax: (616) 698-2265

Phone: (906) 632-0491 SS Marie Fax: (906) 632-2284

Phone: (419) 697-0851 Ohio Fax: (419) 697-1181



# December 1997

4th Quarter Vol. IX No. XXXIX ISSN 1043-7053



from your SSDA staff

The SSDA staff would like to wish all of the readers of Service Quarterly a happy holiday season. We appreciate the opportunity we have to 10 serve the needs of dealers across the state and we hope that 1998 brings good fortune to all of SSDA's members and friends.

### **Features**

### **10-11** Dealer Profile: Chris Demo

Chris Demo, owner of Cid's Marathon in Clare, recently became an SSDA Board Member.



### Departments

- 5 Board Members
- 5 President's Corner
- 6 Member Briefs
- 7 Classified Ads
- 9 Viewpoint
- 10 Lottery Update
- 12 Member Application
- **19** News Briefs

# Articles

#### 7 Cigarette Tax Stamp Passes

A bill to reduce cigarette smuggling passes in the legislature; awaits action from Governor.

#### Lottery Update

Michigan Lottery Commissioner Bill Martin shares the latest lottery news, including updates on the Big Game and new instant games.

#### 13 Your Money

An overview of the capital gains tax and some suggestions on minimizing its effect; courtesy of the Michigan Association of Certified Public Accountants.

#### 14 Law Talk

SSDA Legal Counsel Mark Cousens discusses some simple rules that can prevent future problems.

### **Advertisers**

AKT Environmental	13
Cech and Associates	20
Comerica Bank	8
Compatible Software Systems	18
Dodson	8
Eby-Brown	11
Great America Brokers	
Hawkins Equipment	9
Harco	15
Mellema's Service Station Maintenance	6
Oscar W. Larson Company	2
Simpol	9
Sunrise Environmental	
Tire Wholesalers	10

Service Quarterly is published in March, June, September and December by the Service Station Dealers Association of Michigan, 200 North Capitol Ave., Suite 420, Lansing, Michigan 48933. ©1997, SSDA-MI.

Subscription price to all members is free. All other U.S. subscriptions, \$40 per year. Prepayment of \$10 is required for single copy orders. Subscription inquiries call SSDA-MI at (517) 484-4096. Address all single copy requests along with payment to SSDA-MI, 200 N. Capitol, Suite 420, Lansing, Michigan 48933. Postmaster: Please send address changes to same.

# THE INDUSTRY SHOW THAT SHOWS THE INDUSTRY

# A WORLD OF OPPORTUNITIES On the road to success

#### THE WORLD TIRE AND TRANSPORTATION SERVICES CONFERENCE AND EXHIBITION IS THE INDUSTRY'S SIGNATURE EVENT.

Sponsored for 40 years by the International Tire And Rubber Association (formerly ARA), this event gains the power of a new partner this year. For the first time, the Service Station Dealers of America and Allied Trades joins with ITRA to make the industry's biggest even bigger.

The Exhibition will feature the newest technology and will cover almost 300,000 square feet of indoor space and a vast outdoor demonstration area at the Kentucky Fair and Exposition Center.

The Conference Center and meeting facilities are adjacent to the Exhibit Hall, allowing you to make the most of both opportunities.



### THE 41ST WORLD TIRE AND TRANSPORTATION SERVICES CONFERENCE & EXHIBITION®





 APRIL 2, 3, 4,
 APRIL 3, 4,

 & 5, 1998
 & 5. 1998

Contact ITRA today for more information:

800-426-8835 502-968-8900 Fax: 502-964-7859 E-Mail: itra@itra.com hhtp://www.itra.com

# President's Corner —

Dennis Sidorski, SSDA-MI President

# New year brings many changes for SSDA

In early August 1997, two very important decisions were made for SSDA-MI and our National Association.

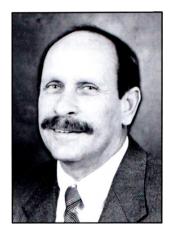
For our state association. the Election of Officers was held at our annual convention. Mr. Ed Weglarz was elected our new president for a term that begins January 1, 1998. The Association is very fortunate to have someone of Ed's caliber to take the reigns of president. He has a concern for dealers throughout the state and has made the commitment to see that this association continues to be a progressive association that represents dealers of all brands, sizes and locations.

I am very happy to have been able to serve the association as president and look forward serving on the Executive Board with Ed and the other fine members of the committee. Ed, we wish you the very best for the upcoming year. I know other members will agree when I say, if there is anything that we can help you do to further this association, please feel free to call upon us.

#### **EXPO**

Also, this August SSDA National made the commitment to join ITRA, the International Tire Rubber Association in providing a exposition for both Associations. This EXPO is scheduled for April 2-5, 1998.

This EXPO is extremely important to SSDA National. Our national association is in the transition to an individual membership association. This status will allow them to represent dealers from all over in states where there are no



current associations. The EXPO in April will provide an excellent opportunity for dealers from around the country and the world to join together do discuss business, attend seminars and enjoy social events together. It is going to be very important that dealers from Michigan, Ohio, Indiana attend this EXPO.

If ever there was a time for dealers to work together on issues and learn from one another it is now. Very soon you will begin seeing information on registration and the actual schedule for the meeting. Please go ahead and set aside time to attend. This will be an opportunity you don't want to miss. If you have any questions about the EXPO, please feel free to call me or the Association.

#### State Convention

While you are marking your calendars, go ahead and mark August 2-4, 1998 for the SSDA convention to be held in Frankenmuth. These conventions continue to get rave reviews and you will not want to miss this one. 1998 is already shaping up to be a busy and informative year for our Association.

Happy Holidays and I wish you the very best. **Publisher** Terry Burns



Editor Steve Ott

ERLY



Terry Burns Steve Ott Denise Bernwanger Jeri Miles Tony DeLuca Wilhe Calloway George Robb Executive Director Communications Director Membership Services/Blue Cross Executive Assistant Membership Services Marketing Representative Marketing Representative

#### Board of Directors (as of 12-97)

#### Officers

President Ed Weglarz Hunter and Oak Amoco 248-646-5300

Est Vice President Gary Fuller 12 & Evergreen Shell 248-358-2087

2nd Vice President Rich Bratschi Lake Lansing Mobil 517-484-2300

3rd Vice President George Schuhmacher Colonial Amoco Service, Inc 810-771-4990

Treasurer Keith Anderson Anderson Service Center 517-832-8895

#### **Executive Committee**

Connie Cothran M-59 Pontiac Lake Shell 810-674-0408

Warren Barrone University Amoco Service 517-351-0770

Dennis Pellicci D & M Pellicci Ent. 248-620-5483

Dennis Sidorski J & S Shell 313-994-0373

Robert Walter Franklin Service, Inc 810-626-2080

Service Station Dealers Association of Michigan 200 N. Capitol, Suite 420 • Lansing, MI 48933 (517) 484-4096 • Fax (517) 484-5705 E-mail: ssdami@voyager.net

#### Directors

Mark Ambroziak Wixom 1-96 Shell 248-349-9900

Reg Binge Binge's Limited 810-792-0430

Chris Demo Cid's Marathon 517-386-2276

Pete Doneth Auto City Service Center 810-750-0300

Jim Little H & H Mobil 517-332-6335

Tim Mariner Mariner Petroleum Co, Inc 616-538-7990

Darrell Marx Marx Auto Care 248-5553-2622

Joseph Nashar 6 & Telegraph Shell 313-534-5910

Tom Onofrey Standard on the Hill 313-885-4630

Rich Tignanelli Shadowood Auto Center 810-294-4160

Todd Uguccioni Maple & Jackson Soft Cloth 313-769-2150

# Member Briefs

#### Time is running out: Only one year to tank deadline

December 22, 1997 marks the date for only one year for all tanks to meet the EPA's 1998 upgrade deadline

On December 22, 1997, the Environmental Protection Agency and most of the major national petroleum associations will be hosting a press conference in Washington. This conference is to announce no extensions or suspensions of the December 22, 1998 deadline for upgrading or replacing underground storage tanks.

This press conference is intended to remind all marketers and retailers that the tank upgrade deadline is only one year away.

The EPA is also request-

ing information regarding enforcement and any discretion that should be exercised for locations not meeting the upgrade standards by the deadline date.

This concern will be addressed in the early part of 1998. SSDA-AT will be

taking part in that process.

Dec.

97

### Hisa fasi track Don't Wait until '98 to upgrade

#### SSDA expresses concerns at MUSTR rules public hearing

On December 9, 1997, the Department of Environmental Quality (DEQ), UST Division, held a public hearing on the proposed new MUSTR rules which are scheduled to be promulgated by April 1998.

SSDA made a statement of concern at the public hearing in reference to some new proposed language in a particular section of the rules. The language reads as follow: "Upgrading of existing tanks is not permitted bevond December 22, 1998."

SSDA feels strongly that if Dec. 98

an owner or operator is making efforts to be in compliance and the tank system's integrity allows upgrading, they ought to be given the opportuntiy to upgrade beyond the December 22, 1998 deadline.

SSDA fully understands that if the requirements are not met by Dec. 22, 1998, "red tagging" of tanks will occur and the retailing of gasoline will be stopped, as stated in the rules until the upgrade is complete.

But, if an owner or operator is in the stages of meeting the compliance guidelines the DEQ should allow upgrading to conform with EPA rules beyond the December 22, 1998 deadline.



SERVICE STATION MAINTENANCE, INC. 11644 S. Greenville Rd. Belding, Michigan 48809 616-794-2330 FAX 616-794-2606 PEL nichigan petroleum Total Containment/Enviroflex Bennett Red Jacket Gasboy **Clawson Tanks** O/C -ZORN EBW Emco Wheaton Hoists

**MELLEMA'S** 

Certified Tank & Line Testing

# **Cigarette stamping legislation passes**

Bill to reduce smuggling awaiting Governor's signature

House Bill 4215, a bill to initiate cigarette stamping in Michigan, has recently passed the House and Senate and is awaiting the Governor's signature.

The bill provides for stamping of all cigarettes sold throughout the State of Michigan. The implementation dates are as follows:

- April 15, 1998 Wholesalers can begin acquiring stamps and stamping products for Michigan.

• May 1, 1998 All of the products sold by wholesalers must be stamped.

• September 1, 1998, retailers can only sell Michigan stamped products.

This legislation overrides the Department of Treasury's

rule making on cigarette stamping. The legislature was brought back into the process once the Department of Treasury began promulgating rules to implement cigarette stamping. This new legislation allows Cigarette Tax wholesalers

1/4percent i n crease in

а

h t wholesalers' discount to cover costs of stamping, and

also maintains the same terms for the payment of the tax. These two provisions of the bill had intiated litigation from the wholesalers. The Department of Treasury's suggestion was to have no increase what so ever in the wholesaler's discount and change the terms of the tax payments.

> This is an extremely important piece of legislation to all re-

tailers who sell cigarettes. Cigarette stamping is expected to stop a considerable amount of the illegal smuggling of cigarettes and yield the State between \$25 and \$50 million

dollars in uncollected taxes. The tax stamp will make it much easier for customers and enforcement agencies to spot retailers who attempt to circumvent the law.

This has been a battle that SSDA has been fighting for many months in order to see a tax stamp placed on cigarettes. We are still pushing strong penalties and jail time for those who are convicted of selling smuggled cigarettes.

As the implementation process continues, we will update you of any changes and remind you of the above dates. Retailers must make sure to sell all non-stamped products before September 1, 1998. If you have any questions about this issue, please feel free to call the SSDA office at (517) 484-4096.

# **SSDA Classifieds**

#### **For Sale**

**Car wash**—Used Nu-star, Soft Cloth Roll Over with new brushes, stripper and dryer. Call James Graham at (616) 327-4026.

Repair shop—with auto sales. Four bays and two hoists with large office. Located on corner lot on the west side of Flint. Call (810) 233-9399.

Station—3 bay car wash and convenience store with gas, diesel, K-1, beer and wine, Lotto and more. Port Hope, MI. Call (517) 428-4441.

Station-4 bays, small c-store, veeder-root monitoring equipment and more. Approx. 25 commercial accounts, building and property included. Asking price (\$425,000.00). Call Bob or Greg at (810) 776-2345, Monday-Friday, 10 a.m. to 4 p.m.

\*\*Special\*\* Car Wash—Used rollover car wash. Nu-Star poly pad, five brush, soft cloth with underbody rinse. Good operating condition, well maintained, newer cloth. Used three years. Asking price \$4,000 or best offer. Call Tim Mariner at (616) 538-7990.

If you are interested in buying or selling an existing service station or equipment, please call the SSDA at (517) 484-4096. We are keeping a running list of sellers and buyers.

# Heads up on peddle truck deliveries

#### Department of Agriculture issues statement regarding gasoline delivery

The Department of Agriculture recently issued a bulletin regarding delivery of gasoline and end point temperatures. The following is an excerpt of that bulletin.

Gasoline specifications require that all of the gasoline be able to be burned at temperatures less than 437°F. Gasolines that require higher temperatures will not be fully utilized by the car's combustion system. This can result in fouled spark plugs, crankcase deposits, combustion chamber deposits, and dilution of the engine oil. The Michigan Department of Agriculture (MDA) Motor Fuels Quality Program gasoline samples recently taken from small retail locations are showing violative end point evaporation temperatures.

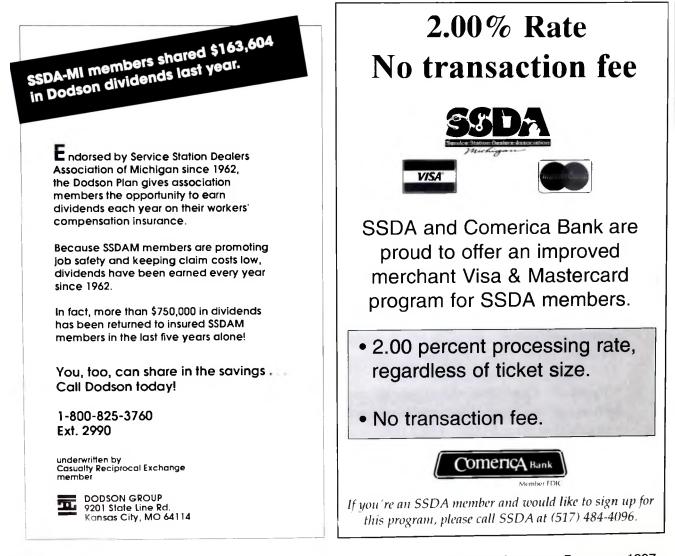
With winter months in full swing, small peddle trucks are used to deliver various types of petroleum fuels. These trucks, delivery lines, and manifolds must be purged of all previous product before filling with gasoline.

Increased efficiencies in refinery production produces gasoline products that are already at or near the 437°F end point temperature requirement. Gasoline end point temperatures close to the 437°F specification allow little tolerance for delivery errors. While a few gallons of diesel fuel or fuel oil left in the manifold and delivery lines may not seem like much, they can cause the end point distillation specifications of the gasoline to spike beyond the 437°F range.

If you received a letter from the MDA MFQ Program indicating the gasoline sold at your location or a location you deliver to had a high end point temperature, you should take steps to correct the matter immediately. As a violation of PA 44 of 1984, as amended, the Michigan Motor Fuels Quality Act, MDA MFQ Program will issue fines to delivery companies and retail firms found in violation of the end point distillation specifications.

If you have not received a letter, remember, an ounce of prevention is worth a pound of cure and will help keep your customers' vehicles running smoothly.

The MDA MFQ program is very important to dealers in Michigan. This program allows dealers to give customers the assurance that their fuel meets the state's quality standards. Those customers who think they are not receiving the proper quality may call 1-800-MDA-Fuel and ask the state to investigate. Those dealers who deliberately attempt to misrepresent their product should have legal actions imposed against them. Otherwise, all of the honest dealers are negatively affected by their actions. We thank the MDA for their hard work and support their actions in keeping Michigan's Motor Fuel quality credible.



# Viewpoint

Terry Burns, executive director SSDA-MI

# 1997 in review

1997 has been a very eventful year for dealers in the State of Michigan. Dealers spent a great portion of their time in 1997 attempting to recruit new employees. With Michigan's low unemployment rate and the need for additional help at retail outlets, dealers felt the squeeze. One dealer called the association and said that he had found the cure, he placed a classified ad for dishonest employees, references required. He stated at least he would know what type of dishonest actions to be watching for.

Dealers in 1997 also saw many new developments from their oil companies, extreme pressures on margins and a four cent gas tax hike. Dealers from many of the major brands have begun to question the relationship between the dealer and the oil companies. New lease requirements and rent justifications will continue to carry over into 1998.

In many of these instances the Association has been able to help dealers. Our Association was able to help in the employment category by providing employment screening services developed through CRIS Information Services. This program allows dealers to do background checks on potential employees so that a proper decision can be made the first time. We also had Mr. Mel Kleiman speak at our annual convention in August. Mr. Kleiman's expertise is on the hiring and retaining of qualified employees. The dealers that attended that seminar took a wealth of information back and were able to directly apply it to their business and see the effects immediately.

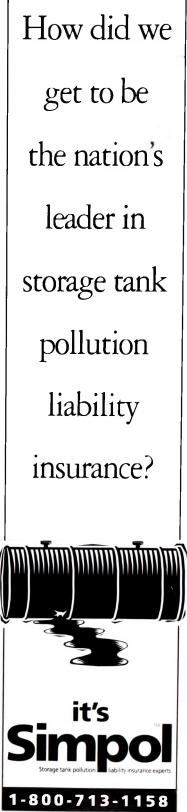
The association was also heavily involved in the gas tax issue and repercussions of the gas tax. Throughout September, October and November the Association was representing dealers throughout the state at gas price hearings. It was important for the members of the Gas Price Hearing Sub-committee to know that dealers were not the cause for any of the extreme gas price increase due to the gas tax. We testified that the price did increase across the country at the same time but in fact many

of the price increases were larger here due to zone pricing. This is a common fact for dealers throughout the state but for consumers it was an eye opening testimony. These hearings provided an excellent opportunity to educate consumers and the legislature on how gasoline in marketed in Michigan.

Many dealers asked for more programs in 1997 to help reduce costs, increase profits and increase customer service. SSDA has answered to those requests by providing group purchasing of many different products. New cellular telephone services throughout the state are now available at discounted prices for SSDA members. We also have added a new pager service that allows dealers throughout the state to receive a low cost pager service no matter where their retail location might be. Just recently we have also negotiated a new program through Check Alert Systems, Inc. that would allow dealers to participate in a check verification program. If and when a retailer does accept a bad check, Check Alert Systems,

Inc. can also provide check recovery.

The staff at SSDA wishes you a very happy holiday season and the very best for 1998. We offer ourselves and are ready to serve you.





# Lottery Update

Commissioner Bill Martin, Michigan State Lottery

## New year=new chances to win

After a full year of operation and a successful run in Michigan, The Big Game will expand to two drawings per week beginning Tuesday, February 10. The Multi-state lottery joint venture including Georgia, Illinois, Massachusetts, Maryland and Virginia will offer players the chance to win mega-jackpots and other great cash prizes on Tuesdays and Fridays each week.

Both the Tuesday and Friday Big Game drawings will continue to be broadcast on Superstation WGN as well as a network of other Michigan television stations.

Big Game jackpots will still be guaranteed to start at \$5 million and are sure to grow more quickly with the addition of a second draw.

Big Game wagers are \$1 each. Players select five numbers from a pool of 50, and one additional number from a pool of 25. A player wins the Big Game jackpot by correctly selecting all six winning numbers. There are eight other ways to win cash prizes in the Big Game.

Here in Michigan, The Big Game's inaugural year was a success on every level. Michigan Lottery retailers consistently led all Big Game states in weekly sales, while the players enjoyed a high return in cash prizes. In fiscal 1997 (unaudited), Big Game ticket sales totaled more than \$120 million. Players cashed in prizes worth nearly \$63 million, including three jackpot winners and 50 players who matched the first five Big Game numbers for a prize of \$150,000.

Look for new Big Game point-of-sale materials in the coming weeks. Call your Lottery representative for additional information on The Big Game drawings. Unclaimed Prizes

In addition to all the winning at the Lottery, unfortunately a number of prizes remain unclaimed. If your store has sold a top winning ticket that still has not been claimed by its rightful owner, be sure and ask your customers of they<sup>\*</sup>ve checked their tickets lately. All unclaimed prizes revert to the state School Aid Fund after one year from the draw date has passed.

#### New Instants!

Christmas may be over but there's plenty of gift-giving left in the holiday season! Making their debut in January are three new Michigan Lottery instant games. As the fastest-growing product segment for the Lottery, it looks like instant games will con-



tinue to increase in popularity. The following new games should help that increase.

A \$2 player favorite, "Wild Time," is available January 5 and offers a top prize of \$30,000 with other prizes ranging from \$2 to \$1,000. January 12 marks the start of "One -Eyed Jack," a new \$1 game with a top prize of \$6,000. Rounding out the month is the \$2 "Hearts & Roses," with a top prize of \$14,000. "Hearts & Roses" is available at retailer ticket counters January 26.

Happy Holidays from everyone at the Michigan Lottery!



# Customer EBQ-BROWN 399



## To Provide Value-Added Distribution.

Take us for a test drive and compare us against your current supplier. Chances are they don't stack up to our value-added products and services.



 Knowledgeable Customer Service Representatives Courteous and Efficient Delivery People Scheduled Visits by Professional Sales/Marketing Representatives
 Representatives are Effective in Communication • Privately Held, Family Owned Business

National Distributor Alliance Member



 Over 13,000 Items, Including Refrigerated, Frozen and Ice Cream

• Each Pick Selection in Grocery, HBC and Other Categories • Reduced Cost When Purchasing Full-Case Grocery Products • Quality Assured Controlled Label Product Line • Timely New Product Additions

### PROGRAMS

 Experienced In Supporting Customers' POS Conversions
 Accurate Price Book Support • E.D.I. Ordering, Invoicing, Payment and Reporting • On-Line Information Access Capability • Electronic Retail Maintenance • Custom Order Guides and Developmental Planograms • E.C.R. Support • Item Popularity Ranking Reports by Product Category . Gross Profit Contribution Ranking Reports by Product Category

Summarized Cost and Retails by Product Category
 Price Change Notification

Annual Customer Survey

### PRODUCTIV

 Next Business Day, On-Time Delivery of Order
 Straight Truck Delivery Vehicles • In Store Delivery • Accurate Orders With High In-Stock Ratio • Emergency Delivery Capability • Quality Assurance 

### PROMOTION

 Monthly Promotions with Displays and Banners
 Monthly "Super Values" Advertising Program • Customized In- Store Advertising Programs Seasonal Merchandise Advance Bookings

PRICE • New Product Allowances Every Week Quarterly "Super Savers" Sales Booklets Manufacturer Accrual Programs
 Annual Buying/Merchandising Trade Shows • No Cartage or Delivery Charge with Minimum Order No Service or Administration Charge

Superior Service At Competitive Prices



SERVING ILLINOIS, INDIANA, IOWA, KENTUCKY, OHIO, MICHIGAN, MISSOURI AND WISCONSIN PLEASE CALL TIM CAMPBELL 1 (800) 840-5100 EXT. 201

# **Q.** What can the SSDA do for me?



• Provide you with one hour of phone consultation with our legal consultant.

• Give you group insurance through Blue Cross/Blue Shield, which you can pass on to your employees.

• Regular updates on legislative, regulatory and membership issues through Service Monthly newsletter and Service Quarterly magazine.

• Save you up to 50 percent with a Visa/MasterCard program; with no transaction fees and a fixed rate of 2.0 percent.

• Earn you an annual dividend with Dodson workers' compensation; this year's is 16 percent!

• Give you additional promotional points toward Tire Wholesalers programs, as a Tire Wholesalers customer and SSDA member.

•Host an annual convention each year filled with business advantages and entertainment.

• Protect your interests by having an SSDA representative on the MUSTFA Policy Board.

• Make sure your voice is heard in Lansing with an active legislative support network and PAC.

• Put a staff at your fingertips to find the legislative and regulatory answers you need.

• Invite you to join a network of hundreds of other dedicated professionals in the industry who can help with advice and support.

THE SSDA CAN PROVIDE YOU WITH THE KNOWLEDGE YOU NEED AND THE SAVINGS YOU WANT.

A I (we), by submitting this application and the pa Association of Michigan, Inc.	PPLICATION FOR MEMBERSHIP yment of scheduled dues, hereby apply for mer	nbership in the Service Station Dealers
BUSINESS NAME:		
Business Address:		
Сіту:	MI Zip:	PHONE: ( )
County:	Type of ownership: Corpo	RATE NON-CORPORATE SOLE PROPRIETORSHIP PARTNERSHIP
ENCLOSED PLEASE FIND A CHECK FOR Please charge my membership to my MC Please Bill ME		DATE
F LEASE DILL IVIE	Annual Associate Membership Dues:	
\$41 monthly (electronic banking)	\$25 monthly (electronic banking	)
\$480 annual payment	\$250 annual payment	
Add \$120 per station after four stations.		
Signature	Date	December 1997 SQ

Please send the application below to SSDA, 200 N. Capitol Suite 420, Lansing, MI 48933

# Your Money

Courtesy of the Michigan Association of Certified Public Accountants

### Understanding capital gains: a taxing exercise

The lowering of the capital gains tax rate from 28 percent to 20 percent for most taxpayers has investors all over the country reviewing their portfolios. For those individuals who are scrambling to make year-end tax moves, the Michigan Association of Certified Public Accountants (MACPA) provides an overview of the capital gains tax and some suggestions on minimizing its effect.

#### What is Capital Gain?

A capital gain is a form of income that results when you sell capital assets that have increased in value. For the most part, any form of property you own and hold for personal or investment use is considered a capital asset. Such property includes stocks and bonds, your home and other real estate, household furnishings, automobiles, jewelry and collectibles. The profit you realize from the sale of capital assets is generally taxable.

While your decision to buy or sell property should be based on sound economic and investment principles, CPAs say it's advisable to take the tax implications of your sale into consideration as well. When it comes to capital gains, one advantage is that you typically have the flexibility to determine when to sell your assets. You can time the transaction so that you can recognize capital gains in the year of your choice.

### Computing your Capital Gain or Loss.

You compute your gain on the sale of your property by subtracting the property's adjusted basis from the proceeds of the sale. Generally, your adjusted basis is the price you paid plus any expenses associated with buying, holding, and selling the property. If the property was a gift to you, your basis generally will be the same as the donor's basis (called a carryover basis). If you inherited the property, your basis is the fair market value of the property at the time of the owner's death (unless the executor selects another method of valuation). Capital gains are reported on Schedule D.

### Long-Term vs. Short-Term Gains

There are several rule changes for long-term capital gains, which include sales such as a business and other investments.

Assets sold after July 28, 1997, must be held longer than 18 months to be considered "long-term." Before then, they had to be held more than 12 months. For sales before May 7, 1997, the top rate on long-term gains is 28 percent. For sales after May 6 and before July 29, the top rate on assets held for more than 12 months is 20 percent. However, for sales after July 28, 1997, the maximum rate of 20 percent only applies for assets held more than 18 months. The rate is 28 percent for assets held more than 12 months but less than 18 months.

There is also a ten percent maximum rate on capital gains for those taxpayers whose tax on such gains would otherwise be 15 percent. This applies to longterm gains after May 7 Finally, the maximum rate of 28 percent still remains on long-term gains of collectibles such as art, coins, stamps, antiques and gems.

#### **Tax Strategies**

To minimize or avoid the capital gains tax, consider the following strategies: Let your winners ride—Just because the capital gains tax has dropped doesn't mean you should cash out of your investments. If you don't need the cash and aren't planning to reinvest the funds, hold on to those high-performing stocks. Remember, a stock you bought for \$10 a share may soar to \$100 a share, but you don't owe a penny in taxes until you sell the stock. If you don't sell an asset, your beneficiaries can inherit it without ever owning taxes on the appreciation that occurred while you owned it.

Sell off losers to offset your gains—If you picked a

real winner a few years ago and sold it this year, consider unloading one or more of the losers in your portfolio. You can use long-term losses to offset long-term gains, and reduce or eliminate the capital gains tax on your profit.

Give it away—Another way to avoid the capital gains tax is to give the property to charity. When you donate appreciated long-term property, you can deduct the full market value of the property at the time of the contribution and avoid capital gains tax on the appreciation.

CPAs advise that the capital gains tax is just one factor in tax planning. Be sure to consider your long-term financial goals when making any tax-related decisions.



### Planning is Everything

As UST owners prepare to comply with the 1998 performance requirements, many will choose to remove and replace their USTs, discovering subsurface contamination in the process. AKT specializes in Risk Based Corrective Action (RBCA) closures for UST sites. Hundreds of contaminated sites across Michigan have been closed using the RBCA process, resulting in dramatically lower remediation costs and minimizing station down time.

#### Let AKT be part of your Plan

AKT Environmental Consultants, Inc. 24073 Research Dr. • Farmington, Michigan Phone (810) 615-1333 Fax (810) 615-1334

AKT is pleased to announce that it has recently become an Associate Member Service Station Dealers Association

# Law talk

Marck Cousens, SSDA-MI Legal Counsel

# Simple rules

Many business people get into trouble by failing to obey the simple rules. Sure, there are some people who do not pay taxes, who lie to the IRS. Some of these people wind up in jail. But we're not talking about those problems here. We're talking about some very easy and very basic steps that can save a lot of trouble later. But too many people disregard these common sense rules. And they pay for their negligence. **Read First** 

Read what you sign before you sign it. Sounds simple, yes? But, how often have you ignored this rule. Signed a contract with a uniform vendor lately? Did you read it? Some vendors have very restrictive clauses in their contracts. These clauses may prohibit termination of the contract, except during certain dates. Others prohibit suit for breach of the contract; permit either party to arbitrate instead. That means that a premature termination of the agreement could wind up in arbitration. And a dealer who did not follow the agreement may well pay dearly.

This rule applies to agreements and understandings of all types. So, nearly every supplier now provides a very detailed contract to their dealers. These agreements often have many parts. There is the basic dealer agreement, the lease and the credit card POS lease. And these agreements often include some document that grants some price concession. But the fine print of the contract may permit termination of the price contract on 24 hours notice or no notice at all.

So, you say, what differ-

ence does it make? I cannot modify these agreements anyway. Not true.

First, more and more dealers have choices about supply. The number of facilities owned by dealers is increasing. That means that dealers may have some leverage regarding their deal. They may move from one supplier to another because they can. Second, more dealers have multiple locations. They have greater leverage because they can promise volume.

So what about the single lessee dealer? What is he to do? The answer is that the dealer has to know what his or her agreement is. It may be that there is no room for change in these documents. But the dealer will be able to plan his or her business because he or she knows what they have approved. Does the dealer agreement contain a minimum volume clause? Does the clause permit sales at less then 100 percent of the volume floor? What penalty is imposed for failing to sell the minimum?

Knowing what you've agreed to is essential if a dealer is to keep control over his or her business. So, every document should be read; not just those that appear to be "important" Every contract is critical. SSDA members have the opportunity to have these contracts reviewed as a part of their membership. Take advantage of this opportunity. It may save a lot of trouble later. **Confirm Second** 

Confirm agreements by sending a letter. Much of the relationship between dealer and supplier is done on an informal basis. A territory representative may make certain promises regarding the dealer's treatment. The dealer may be promised repairs or upgrades to his or her facility. He or she may be told that they will be given preference in selecting another location. But these promises have a way of vanishing when it is convenient. The reason they can disappear is that they are not written.

It is unrealistic to assume that every aspect of a dealer/ supplier relationship is going to be part of a written contract. There will be some, perhaps many, verbal understandings. But that does not prevent the dealer from confirming those understandings.

Dealers should not rely on their memory or the integrity of a salesman to operate their business. The most simple solution to this problem it to confirm a verbal understanding. This is accomplished by writing a letter to the person who made the promise. It need not be complex; it can be in memo form, handwritten (if no other method is available) and simple. It need only say; "I am writing to confirm our agreement of December 17, 1997. You said that my station would be facelifted if I raised my volume by 6% in the first quarter of 1998. I agree to do what was necessary to accomplish this." The letter can be sent by facsimile or by mail. Certified mail is nice, but not mandatory. The point is to have some record of the agreement. And this letter does the trick.

Operating a dealership is a hard task today. But some dealers make it more difficult by not following some simple rules. The two listed here can save a lot of trouble.



"Knowing what you've agreed to is essential if a dealer is to keep control over his or her business."

"...these promises have a way of vanishing when it is convenient. The reason they can disappear is that they are not written. STOP!

# Meet the 1998 EPA Deadline with Impressed Current Cathodic Protection "An Economical Alternative to Replacement or Tank Lining "

If you are planning to replace or line your fuel storage tanks to meet the quickly approaching EPA deadline **STOP!** Corrpro's Mean Time to Corrosion Failure Analysis (MTCF<sup>®</sup>) combined with our Tank Pak<sup>®</sup> Impressed Current Cathodic Protection upgrade for existing steel tanks and piping not only meets EPA and State requirements for corrosion control but is the <u>most practical and economical retrofit method</u> <u>permitted under the law.</u> Specific advantages include:

- Brings older tanks and piping systems up to new tank standards regardless of their age.
- ✓ Typically is less than 1/6 the cost of tank replacement, and 1/2 the cost of tank lining.
- ✓ **Does not require cutting a hole** in the tank to conduct a potentially dangerous manned internal inspection.
- ✓ Normally installed in one (1) day while the facility remains open for business.
- Protects both the tanks and piping.
- Backed by a company with 50 years of experience in cathodic protection design, installation, and maintenance.

Why wait any longer? If you would like a free, no obligation quotation for our Tank-Pak<sup>®</sup> Impressed Current Cathodic Protection System for a particular site, just call us at one of the numbers listed below.

Take advantage of this opportunity now before the 1998 rush. For more details or information, please contact Amos Hamilton at toll free (888) 294-USTS (8787) or (810) 726-9021 or via fax (810) 726-8936.

U.S. TANK SERVICES

AMOS HAMILTON



An Affilliate of P.O. Box 180718 UTICA, MI 48318 TOLL FREE: 888.294.USTS (8787) PH: 248.726.9021 FAX: 248.726.8936



# Dealer Profile: Chris Demo

# Gateway to the North

#### By Steve Ott

For the northern-bound traveler, Cid's Marathon, as its home city of Clare also describes itself, is truly the Gateway to the North.

Chris Demo's station, located off I-27/U.S. 10 at the North Clare exit (Old 27), offers weary travelers an oasis as they journey to Michigan's north country and a nice break as they make their way back home again.

After making the necessary fill-up at the pump, customers of Cid's Marathon can enjoy snacks from the well-stocked c-store, a sandwich from the in-store Subway sandwich shop, or cool off with a hand-dipped ice cream cone. In addition, the station is a great place to get those last minute up-north souvenirs. Wind chimes, shirts, gifts, license plates and magazines are just a few examples of the novelty items available in the station.

Chris said the amount of different novelty items he



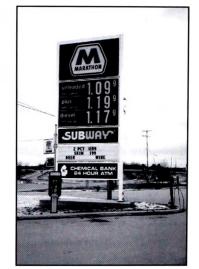
Cid's Marathon is a great gas-up spot for northern-bound travelers.

sells is a good example of one of his business philosophies. "I believe you have to listen to your customers and be willing to try new things," said Chris. "Something you try might not work, but it may give you an idea about something else that is even better."

One thing Chris knows is a sure thing is the importance of keeping his restrooms clean for his customers. "People really remember two kinds of stations—the ones with really clean restrooms and the ones that are really filthy, "Chris said. "We try to make sure they remember our station for the right reason."

Chris credits his parents, Vivian and the late Chris Sr., for a lot of the business knowledge he has today. Chris got into the service station business right out of college when his father and he bought the station he owns today. Chris grew up in Clare, where his father had owned a golf course prior to buying the station with his son. "We were going to buy a golf course together," said Chris, "but the deal fell through and we ended up buying the station instead."

The station is still a family business, with Chris's wife Sharon involved. Sharon attended Subway school and is in charge of that aspect of the business and she runs the Pacific



Cid's Marathon is at the North Clare exit (Old 27) off I-27/US 10.

Pride. Chris and Sharon are also kept busy at home by their four-year-old daughter Sydney and their two-year-old son Brock.

"Something you try might not work, but it may give you an idea about something else that is even better."

In the spirit of being a family business, the Demo's like to make sure they take care of their local customers as well as the highway traffic. They do this by offering specials oriented to locals and his ice cream keeps them coming in too. "My parents always said that with being located so far north, the locals pay your bills and the tourists are the icing," Chris said.

One way Chris stays connected to what is happening around the state and in the industry is through his SSDA membership. "I look at SSDA as being important because we are all in the same boat, and members need to use the Association to stay above water," Chris said.

Having been a member since the beginning of his business nearly twenty years ago, Chris has become progressively more active in SSDA. "I have always took part in the insurance programs, but over the past few years I have been able to take part more in SSDA events."

Chris also enjoys the SSDA Conventions. He had





Chris keeping busy at the register (left) and scooping ice cream (above right).

#### FORMALITIES

- Chris and his wife Sharon own Cid's Marathon in Clare, located at the north Clare exit (Old 27) off I-27/U.S. 10.
- The station offers a large c-store, a Subway sandwhich shop, hand-dipped ice cream, a large selection of novelty items, Pacific Pride commerical fueling and serves as a Greyhound Bus Terminal.

attended them in the past and missed a few years, but came to the 1996 Boyne Highlands Convention and loved it. He also attended some of last year's event at the Park Place Hotel in Traverse City. "I hated not being able to attend all of last year's convention (he had been moving at the time), because there is just too much valuable information to miss."

Chris is also looking forward to being able to give his time to SSDA as a newly elected Board Member. "I enjoy analyzing problems and coming up with realistic solutions," said Chris. "I hope to help SSDA by contributing in any way I can."

Chris is happy he will serve as a voice for northern dealers and one-station owners. "Our problems can sometimes be a little different than in metropolitan areas of Michigan, though deal-

ers' biggest problems are most often alike throughout the state."

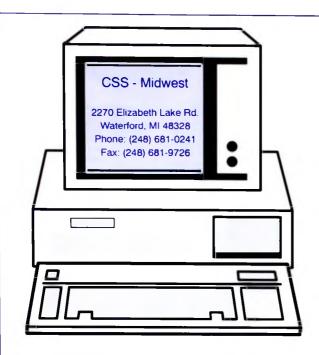
As for future plans, Chris plans on sticking to owning one station. "Though I will surly add new things, I want to concentrate all of my efforts on Cid's Marathon," Chris said.

SSDA is proud to represent dealers like Chris and his family, who are successful because they try new things yet stick to the old thought that customers come first. We look forward to working with Chris in the future as he joins the SSDA Board of Directors.



Cid's Marathon has a huge assortment of magazines, books and postcards (above) and a large stock of shirts, wind chimes and license plates (below).





#### SOFTWARE DESIGNED FOR THE RETAIL GASOLINE INDUSTRY OFFERING

Cash Register/Pump Interfacing **C-Store Inventory** Payroll Accounts Receivable **Accounts Payable** Daily Over/Short **EPA Gasoline Reconciliation Repair Order Generation** Parts Inventory General Ledger **On-Site Training** System Upgrades **Professional Support** Trained experts in hardware and software set-ups Windows '95 Users: We can put icons for CSS on your screen

Further Enhance Your Operations with Windows, Wordperfect and Lotus

#### Consulting and Training Available

# New SSDA benefits announced

SSDA is excited about many new programs to be offered to members in 1998

Recently SSDA announced a new cellular telephone program for members in the Southeast Michigan area. Now we are pleased to announce a cellular telephone program for the **entire** State of Michigan. This program works through both Ameritech and Century Cellunet in order to provide cellular service throughout Michigan.

The new program gives SSDA members a fantastic per month charge and also gives them free detailed billing, voice mail, call delivery, three way calling, call forwarding and call waiting. For those that do not currently have a cellular telephone, there are excellent options for both bag phones, flip phones and portable phones. All SSDA members who are interested in new cellular service or are currently on another program who would like to change to the SSDA program should contact SSDA. We can supply you with the proper information so that you can be on the SSDA program within just a few days.

#### Pager Service

Pagers have become a necessity for almost everyone in business and home life today. SSDA now has an excellent pager program through PAGETEC Wireless. This program covers all parts of Michigan and will include a local phone number and state wide service for only \$89 a year. If you need a pager, all you need to do is call SSDA and you can have your pager shipped the next day. These are special rates only available to SSDA members, their employees and family members. You must have an SSDA coupon in order to receive this special price.

#### **Check Verification**

SSDA has now negotiated with Check Alert Systems, Inc. in Cadillac, Michigan to provide check verification services.

Members will receive access to a national data base of check writers and accounts that are currently being identified as having outstanding or dishonored (returned) checks. This program will allow retailers to offer a higher degree of customer service to their customers by taking checks.

With credit card fees continually going up checks are an excellent alternative for retailers. Members can purchase electronic check readers at a very minimal cost that will allow fast and efficient check verification services through Check Alert.

Also, as a additional feature, Check Alert will provide check recovery services for any returned check that a retailer might receive. This program will be ready to go January 1, 1998, so call the SSDA office so that you can get more information and start the new year by accepting checks from your customers.

### **Pager Special!**

for SSDA members from PAGETEC Wireless

Statewide Service \$89 Paid for 1 year (\$7.50/month) (Regular monthly service \$12.95)

Call SSDA for the PAGETEC location near you SSDA coupon required for offer

# News Briefs

# Michigan House passes tank bills

The Michigan House of Representatives passed House Bills 5301 and 5302 on Wednesday, December 10, 1997. These two bills attempt to address some of the UST problems facing dealers in 1998.

House Bill 5301 (introduced by Rep. Tom Alley, D-West Branch) sets up a small business assistance loan program for retailers who own and operate only one retail gasoline facility. Also, all the tanks at the site must have been installed prior to 1988. Those eligible dealers would be allowed to borrow money at zero interest in order to meet their clean-up requirement obligations only.

If after those eligible retailers have spent \$50,000 including the tank pull and their site has not reached a class III or IV, there is a grant program set up to continue to clean up until the site reaches the III or IV Classification.

This legislation also allows all retailers that have cleaned up their site to a Class III or IV to only monitor their site on an annual basis. A new protocol for monitoring must be developed by the department in order for owners or an owners consultant to be able to meet the monitoring requirements. This is a very important part of the legislation. There are many dealers throughout the state who are in a Class III or IV position but yet are continually requested by consultants and the state to do more in the

clean up of their site. This provision would allow retailers to institute natural attenuation and continue to only monitor the site. If the site regresses to a site II then additional action must be taken at that time.

HB 5302, (introduced by Rep. Mick Middaugh, R-Paw Paw) sets up new criteria for consultants and certified professionals. It requires those two categories to now pay an application fee in order to be certified or classified by the state so that they can perform work under these rules.

Also, this bill allows retailers to request a state closure on their property. A retailer under these provisions could pay \$1,250.00 and request that the state certify their site as closed. A retailer also can continue to close the site as the provisions allowed today, using a consultant and a consultant's site closure.

These two bills needed to have House action before the end of 1997 and the House reacted positively. Now these bills must go to the Senate and for full discussion in the Senate Natural Resources and Environmental Affairs committee. Action on these bills will not begin until mid-February.

If you have any questions or concerns on these bills, please feel free to call SSDA at (517) 484-4096 to find out how you can get involved. There are many concerns regarding these bills that must be allowed in the Senate.



# Cech & Associates, P.C. Certified Public Accountants

We are a full-service accounting firm specializing in the automotive service industry, providing a wide variety of services, including:

### **Monthly Financial Statements**

(compilations, reviews and audits) Counseling for Improving Profits Payroll Checkwriting Service Business and Personal Income Taxes

> Call today to set up your appointment for a free initial review. Be sure to mention this ad!

28277 Dequindre Madison Heights, MI 48071-3016 Phone: (248) 547-3141 Fax: (248) 547-3223 Formerly Lawrence A. Wright, Inc.

SERVICE QUARTERLY 200 N. Capitol • Suite 420 Lansing. Michigan 48933

