NEW YORK STATE
Retailer

The Retailer is a publication of the Retail Council of New York State
James R. Sherin, President and Chief Executive Officer

VOLUME 35 • NUMBER 10 • DECEMBER 2009

Retail Council OF NEW YORK STATE

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Workers' compensation news

It's time to review your policy for changes!

If you participate in the Retail Council's Workers' Compensation Program, you should already have received your 2010 New York State Insurance Fund (NYSIF) policy renewal. Take a few minutes to review the policy for accuracy.

The issuance of renewals often spark policy adjustments concerning such issues as estimated payrolls, classification codes, address or name changes, changes of ownership and the addition of entities or locations. It's important to review your policy every year – making simple corrections now can prevent you from paying more premium than you need to or from receiving a large bill

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Clint Hegeman (L), Retail Council treasurer and member of the Safety Group 493 Executive Committee, and Retail Council President and CEO Jim Sherin hold the $4.2 million dividend check. Clint owns the Silver Parrot, a jewelry and women's apparel store in Albany and Clifton Park, N.Y.

Hiring and termination practices topic for upcoming seminar

Back by popular demand! Join Dick Polsinello and Dorianne Beyer Esq. of Labor & Monitoring Consultants (LMC) for a members-only teleseminar scheduled for Wednesday, Feb. 17, 2010 at 8:30 a.m. Dick and Dorianne will discuss employment at will, progressive discipline, proper documentation and hiring and termination practices for 20 minutes before opening the lines to answer any of your personnel questions.

Look for registration materials soon or register today via our Web site at www.retailcouncilnys.com.

Bargains gobbled up by budget-conscious shoppers

Merchants satisfied with predictable kick-off of holiday shopping season

Budget-conscious shoppers flooded stores Black Friday weekend gobbling up bargains as they headed for the door. In the wake of 2008's dismal holiday season, 53 percent of merchants surveyed by the Retail Council of New York State Nov. 30 and Dec. 1 said they were pleased with the sales activity in their stores over Black Friday weekend even though shoppers were frugal.

"Retailers monitored their customers' shopping habits all year long and weren't surprised by penny-wise purchases Black Friday weekend," said Retail Council President and Chief Executive Officer Jim Sherin. "Merchants entered the 2009 holiday season with a strategy: Stock lower-priced, practical merchandise and less of it to combat the potential of soft sales."

Fifty-eight percent of merchants also said their sales for the weekend were the same as or better than their sales over the same period of time in 2008.

Top sellers for Black Friday weekend revealed consumers' concerns about the struggling economy as basics like clothing, low-priced accessories, books and home goods (small home appliances and décor) flew off the shelves. For shoppers with more to spend, flat screen televisions, digital cameras and portable navigation devices were top sellers.

Retailers throughout the state reported on their Black Friday weekend sales through the Retail Council of New York State's annual "Holiday Sales Watch," a periodic snapshot of sales activity in stores small and large between late November and early January.

In addition to ordering less merchandise and stocking lower-priced, practical items, many survey participants confirmed they also offered special promotions of anywhere from 10 to 60 percent off. Other participants confirmed an increase in online sales over the holiday weekend.

"While store front retailers are trying to sell to recession weary and budget-conscious consumers this holiday season, Internet merchants have lost some of their unfair competitive advantage this year on the sales tax front. New York's new law, which the Retail Council strongly supported, requiring the imposition and collection of sales tax on many Internet transactions is helping to even the playing field and could drive more consumer business back to the store level," said Sherin.

Annual Report available on Web site

To learn about the Council's accomplishments during the 2008-2009 membership year, read President and Chief Executive Officer Jim Sherin's Annual Report on our Web site at www.retailcouncilnys.com. To request a hard copy, call our office at (800) 442-3589.

New York State Retailer

A publication of the
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The New York State Retailer (USPS 064370) is published monthly except for combined issues in July/August and September/October, for a total of 10 issues per year. Subscriptions are $12 per year for members. Periodicals postage paid at Albany, NY.

POSTMASTER: Send address changes to The New York State Retailer, 258 State Street, Albany, NY 12210.

The Retail Council of New York State is a full-service membership trade association that represents nearly 5,000 stores, of all size and sort, and affiliated businesses throughout the Empire State. The "Voice of Retailing" in New York State, the Council offers money-saving group benefit programs and government relations expertise to our members. For more information, visit www.retailcouncilnys.com.

Message from the President

High-profile appearances stress importance of retail industry and its issues

Retail Council President and Chief Executive Officer Jim Sherin.

The Retail Council has been in the news repeatedly over the past few weeks as our staff works with the media to stress the value of the retail industry in New York State. Council staff also made several high-profile media appearances to discuss issues of importance to our membership.

Take, for instance, Ted Potrikus' interview on Fox Business News on Black Friday. Ted is the Council's executive vice president and director of government relations – our foremost representative before the New York State Legislature. Fox requested the interview to discuss Organized Retail Crime (ORC) and its affect on consumers and retailers. Ted was happy to make the trip to New York City as ORC is one of the Council's legislative priorities. This crime costs retailers more than $30 billion each year and ultimately takes a toll on honest shoppers who pay more at the cash register as a result. We'd like to see the penalties for these criminals be clearly defined and more severe. See Ted's interview on our Web site: www.retailcouncilnys.com.

While Ted was talking Organized Retail Crime, I was working with the New York State Comptroller's Office on gift cards. Traditionally, the comptroller uses the holiday season as an opportunity to warn shoppers of the high fees and other restrictions that accompany some gift cards. The Council has a strong stance on this issue as it's primarily bank issued and mall gift cards that carry fees and restrictions, not retailers, and I was pleased to be invited to contribute to the comptroller's annual warning. You can read the comptroller's news release and my quote on our Web site at www.retailcouncilnys.com. We appreciated the opportunity to participate even as we continue to work with the state Legislature on gift card related issues.

Sometimes we're just plain lucky. On November 30 the *New York Times* ran an editorial in support of the Council-backed law requiring many Internet merchants to collect and remit New York State sales tax. The paper's arguments mirrored many of our own as we advocated for the law in 2008:

"Online retailers who do not collect sales tax enjoy a significant and unfair advantage over rivals who must add sales tax to their prices. They also cost the states billions of dollars a year in lost sales tax revenue – money that cash-starved states cannot afford to forgo."

We couldn't have said it better ourselves. This type of high profile media support goes a long way on an issue that is winding its way through the New York appeals court. It's a great example of the often high-profile nature of our work. You can read the *New York Times* editorial on our Web site at www.retailcouncilnys.com.

> "Online retailers who do not collect sales tax enjoy a significant and unfair advantage over rivals who must add sales tax to their prices."
>
> -*New York Times* editorial

You may have heard her on the radio or read a quote from her in your local papers – Rebecca Marion Flach, vice president of membership and communication, is inundated with media calls about holiday retail sales and trends from November through January each year. Rebecca directs our "Holiday Sales Watch," a survey of our members between Thanksgiving and post-Christmas and prepares a news release on what participating members reported. The survey prompts a lot of press calls – so many that Ted Potrikus continues to field media inquiries on the topic during this busy time. You can see them both in action on the topic of holiday sales and trends at www.retailcouncilnys.com.

These are all examples of the Council at work for you. On behalf of the entire staff, best wishes for a profitable and less tumultuous 2010.

Jim Sherin

Shaffer and Sherin re-elected to top Council posts

The Board of the Retail Council of New York State cast their ballots in favor of keeping progressive leaders in the association's top posts at the Annual Meeting of Members held Nov. 5 in Albany, NY. Michael Shaffer, regional manager of J.C. Penney and Co., was re-elected as chairman of the Board while Jim Sherin, also chief executive officer of the Retail Council, was re-elected president.

Chairman of the Board Michael Shaffer.

"Consistency in leadership is important to the growth of any organization," said Mr. Sherin. "Mike has served as a vice chair and is an active voice on the Council's Legislative Committee. He knows our members and our mission, and is an ideal fit for another year in this post."

President and Chief Executive Officer Jim Sherin.

Also elected by the Board were Sharon Fenno and Ted Potrikus as vice chairs of the Retail Council. Ms. Fenno is owner and president of Circles, a specialty women's clothing store. She also serves as a member of the Executive Committee of the Workers' Compensation Safety Group. Mr. Potrikus is the Retail Council's executive vice president and director of government relations.

Tom Zapf, director of consumer and government affairs for Macy's, was elected secretary. Mr. Zapf is a long-standing and active participant of the Council's Legislative Committee.

Clint Hegeman was elected treasurer of the Council. Mr. Hegeman also continues to serve on the Executive Committee of Safety Group 493.

In addition to the above named officers, the following retailers were elected to the Board of Directors:

- Michael Altier, Walgreen Co.
- Darcy Davidson, Target Stores
- Mike Hiltner, Best Buy Co., Inc.
- Ted Potrikus, Retail Council of New York State.

Making small changes can have a big impact on your electricity bill

A few energy saving tips from Energy Plus™

As winter approaches, it is important to make sure your house and business are weather-proof. Making small changes to improve efficiency can make a big impact – on both your electricity bill and the environment. Try a few of these fast and easy changes to see what kind of impact you can make:

- Let the sunshine in. Open drapes and let the sun heat for free.
- Rearrange your rooms. Move your furniture around so you are sitting near interior walls - exterior walls and older windows are likely to be drafty.
- Keep it shut. Traditional fireplaces are an energy loser – it's best not to use them because they pull heated air out of the house and up the chimney. When not in use, make absolutely sure the damper is closed.
- Shorten showers. Showers account for 2/3 of your water heating costs. Cutting your showers in half will reduce your water heating costs by 33 percent.

- Use appliances efficiently. Do only full loads when using your dishwasher and clothes washer.
- Use the cold water setting on your clothes washer when you can. Using cold water reduces your washer's energy use by 75 percent.
- Put your computer and monitor to sleep when it's not in use.
- Stop leaking energy in

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Attention major appliance retailers: New York's "Great Appliance Swap Out" program plan approved

Consumers to receive rebates for purchasing energy-efficient appliances during President's Week, 2010

The U.S. Department of Energy has approved New York's plan to provide consumers with rebates for purchasing certain energy-efficient refrigerators, clothes washers, freezers and dishwashers through a program funded by the American Recovery and Reinvestment Act (ARRA). New York's Great Appliance Swap Out (NYApplianceSwapOut.com) will allow the state to issue more than 170,000 rebates totaling $16.8 million during President's Week, Feb. 12 – 21, 2010.

Rebates for high-efficiency appliances will range from $50-$105 for a single unit and up to $555 for the purchase of a three-appliance package. In addition, the program, administered by the New York Research and Development Authority (NYSERDA), encourages recycling by offering a larger rebate to consumers who recycle their discarded appliances.

"As a result of the U.S. Department of Energy's recent approval of New York State's Appliance Rebate Program, retailers are poised to promote and sell affordable appliances generating less energy than other options in the marketplace," said Jim Sherin, president and chief executive officer of the Retail Council of New York State. "We commend Governor Paterson and NYSERDA for creating a workable Appliance Rebate Program that balances the need to stimulate sales in this difficult economy, while also giving consumers a practical incentive to consider the environment when making major purchasing decisions."

The Retail Council worked closely with NYSERDA to develop an e-mail survey of members and provide input on program design.

Under the plan, consumers could receive rebates for purchasing eligible appliances individually or in a bundle. For an individual purchase, appliances will qualify only if they have earned the ENERGY STAR® label, meaning that they are up to 30 percent more efficient than standard models on the market. For a bundled purchase, consumers may receive a larger rebate by purchasing three eligible appliances that meet standards issued by the Consortium of Energy Efficiency (CEE) that are higher than ENERGY STAR standards. Appliances qualifying for a bundled rebate would be a CEE Tier dishwasher, clothes washer and refrigerator together.

Customers purchasing appliances may receive the following individual rebates:

- Refrigerators: $75 ($105 with documented recycling)
- Clothes washers: $75 ($100 with documented recycling)
- Freezers: $50 ($75 with documented recycling)
- Dishwashers: Rebates are only available for dishwashers when they are purchased as part of a three-appliance package of CEE-rated appliances. These will qualify for a $500 rebate ($550 with documented recycling).

Many retailers are expected to offer free recycling to make it easier for the customer to receive the maximum rebate, and NYSERDA is coordinating efforts with the New York State Department of Environmental Conservation and New York City Department of Sanitation so consumers can also recycle their appliances at local landfills, waste stations and recycling centers.

Guidelines for the program:

- Consumers must be New York State residents to be eligible for the proposed rebate program.
- Appliances can be purchased at any retail location and must meet specified ENERGY STAR or CEE standards.
- The program is open only to individuals purchasing appliances for their own use.
- To qualify for the rebates, consumers must attest in writing that the purchased appliances are replacing existing appliances. Consumers applying for a rebate must do so by sending necessary paperwork and documentation via mail.
- Adequate documentation of recycling must be included to receive the maximum rebate amount and the rebate cannot be combined with other appliance rebate programs from utilities or municipalities. The rebate can, however, be combined with other manufacturer rebates or retail promotions.

The Retail Council continues to offer NYSERDA input on the rebate forms and other specific details of the program. The rebate forms and instructions will be available soon at www.NYApplianceSwapOut.com or through NYSERDA's hotline (1-877-NY-SMART). Members with questions about the program should call the Retail Council's Melissa Googas, assistant director of government relations, at (518) 465-3586.

Retail Council member awarded Small Business Person of the Year

Jack Yonally, owner of B. Lodge & Co. Inc. in Albany, was awarded the Small Business Person of the Year by *The Business Review* of the Capital Region.

Lodge's, a Retail Council member since 1977, is an independent department store opened in downtown Albany in 1867. Yonally began his employment at the 142-year-old store in 1983 after working as a regional salesman for Fruit of the Loom (Lodge's happened to be the first account he worked on). In 1997, Yonally and his wife Elaine bought the store from the previous owners who were ready to retire and shut the store for good.

Though the clothing and department store industry has been hit hard by the recession, Yonally has not changed his business practices, as he explains to *The Business Review*:

"This is not a good time to be inventive, as far as I'm concerned. It is not a time to be creative. It's a good time to be the best at what you have been doing. It's time to solidify what you've got, and promote that."

Jack Yonally stands in front of Lodge's in Albany, NY. In the lower left-hand corner is the Historic Albany Foundation's 2002 Preservation Award.

Yonally considers giving to charity a cost of doing business and believes Lodge's and all businesses play a vital role in their community. He runs a coat drive with Albany Mayor Jerry Jennings every winter and never hesitates to donate hundreds of items to local charities, such as the St. Anne Institute and Capital City Rescue Mission, to help out the community.

In addition to his charity work, Yonally currently participates in the Retail Council's Safety Group 493 Executive Committee and formally sat on the boards of directors for the Retail Council and the Downtown Albany BID.

He has won several awards during his many years as an independent business owner, including the Albany-Colonie Regional Chamber of Commerce Excellence in Business (2003), Historic Albany Foundation's Preservation Award (for Lodge's in 2002 and Downtown Albany Housing Rehabilitation in 2006), the Jacob H. Herzog Leadership Award, and the one he is most proud of, the U.S. Small Business Administration's Small Business Person of the Year for New York State (2004).

The next generation will continue what Jack Yonally started as he prepares to turn the business over to his daughter, Sharon, and his son, Mark. Yonally suffered a heart attack this past February after putting in a typical work day (arriving at 5:30 a.m.) and shoveling snow from the sidewalk in front of the store three times that day. His children have to forbid him from entering the store just to get him to slow down sometimes.

Still, they recognize it is their dad's work ethic and discipline that has made Lodge's the iconic cornerstone of downtown Albany it is today. And that is the same reason, no doubt, that *The Business Review* selected Jack Yonally as Small Business Person of the Year for 2009.

Retail Council members talk budget with Governor

A contingent of Retail Council members and staff met with Governor David Paterson on Nov. 9 to discuss his proposed deficit reduction plan. The governor reached out to the business community for support of his plan and to hear some suggestions from meeting participants. At the table, pictured from L to R are: Governor David Paterson; Jim Sherin, Retail Council; Jack Yonally, B. Lodge and Company; Susan Novotny, Book House of Stuyvesant Plaza; Clint Hegeman, Silver Parrot; Ted Potrikus, Retail Council, and Roger Hannay, Hannay Reels.

It's time to review your policy for changes!

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at audit time. Look for these types of changes when you review your policy:

• Payroll estimation, classification codes and policy endorsements. These are all areas that can affect your policy premium. If, for example, your 2010 renewal payroll is estimated higher than you anticipate, please contact us so we can assist in making the appropriate adjustments. Many times payrolls are higher due to an estimated audit. Please give us a call, as this situation is easily rectified.

• Company name, address, additional entities and location changes. For appropriate coverage, please make sure all entities and locations are accurately listed on your policy. Be sure to verify all names and addresses for locations and entities are listed accurately.

• Change of ownership. If an officer of the company has retired or left the business, they should be removed from the policy. The same goes for new officers – if your company has acquired a new officer, please notify us so we may advise SIF of the addition.

If you aren't participating in the Council's Workers' Compensation Program, consider joining us now! In November, the Council declared a dividend of more than $4.2 million and sent checks to qualified members of Safety Group 493.

We're here to answer all of your insurance questions. If your policy is in need of revisions or you would like more information about any of our insurance products, please call Virginia Hitchcock or Ken

Rutsky at the Retail Council toll free at (800) 442-3589.

Making small changes can have a big impact on your electricity bill

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electronics. Many new TVs, VCRs, chargers, computer peripherals and other electronics use electricity even when they are switched "off."

• Shop around at www.EnergyPlusCompany.com/Conserve for energy saving household products to help cut back even more.

Energy Plus™ is an electricity supply company (ESCO) that offers Retail Council members a unique electricity program that helps you take advantage of sales tax savings and earn a little extra cash. By signing up your business, you'll receive an automatic 3-8 percent cash back rebate on your electricity supply charges every year AND an automatic sales tax waiver of up to 9.75 percent on the delivery portion of your bill each month. You'll even receive a $50 activation bonus for each meter you sign up at your business. If you enroll your home, you'll receive a 2 percent cash back rebate, a $25 bonus and the same tax savings.

The best part is that there are no sign-up fees, cancellation fees or long-term commitments so you can try Energy Plus™ risk-free. You'll also receive the exact same service as your local utility company will continue to deliver your electricity, mail your bill, read your meter and handle any power outages. To be eligible you just need an address within the Energy Plus™ service area, which covers all of New York State except areas covered by the Long Island Power Authority (LIPA).

As always, keep striving to live an energy efficient, energy conscious lifestyle! For more information on energy saving tips and the Energy Plus™ green option, Call (866) 964-5672 and mention Offer Code "0112" or visit www.EnergyPlusRewards.com/RetailCouncil112.

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Look past $$$ when considering large foreign credit card transactions

You've packaged $1,200 worth of merchandise and are preparing to send it overseas to a customer you've never done business with before. In fact, you have never talked to him; he called you using a translator service to place the order using a credit card. Your prices are competitive, but can't they get merchandise similar to yours in their own country without the expense and delay of shipping? Seems odd, but this big sale could help you reach your numbers for the month.

If it appears too good to be true…it probably is! A Retail Council member recently received just such a phone call, but remembered from an article in our newsletter similar to what you're reading now that such transactions are highly suspicious and could be fraudulent. After additional fact-checking, the order turned out to be a scam.

While it's hard to pass up a large sale, it's even harder to lose your merchandise without compensation. The Council cautions members to look past the big dollar signs to protect your business' best interests. If you're suspicious about a transaction, ask for a certified check, money order or some other form of payment. Or call your credit card processor for a Code 10 Authorization; by saying "code 10" you are secretly telling the processor without alarming the customer who may be standing within ear shot that you are suspicious of the card they presented for the transaction. Follow the processor's guidance.

If you have questions about fraudulent credit card transactions and how to prevent them, contact Michele Coons or Nicholl Bautochka, the Council's in-house processing experts, at (800) 442-3589.