CHANGE AND TRANSITION

FEATURE:
Changes at the Statehouse -
Roster of Legislators

GOVERNMENT:
State and Federal Updates

ASSOCIATION:
Gala Changes In the Bag
Not as profitable as you once were? Independent grocers are in a fight for their lives. Don’t be the next grocer forced to shut their doors. Continuing to operate in the same manner and hoping for different results will not be a winning long-term strategy. The future remains bright for those who embrace the change necessary to survive and prosper. While transitioning wholesalers may require some extra effort and a change to the status quo, isn’t it worth it to make the call sooner rather than later to learn how Associated Wholesale Grocers can provide you a lower cost of goods and a real chance to compete in the marketplace today and in the future?

For a lower cost of goods
PLEASE CONTACT:
Keith Ballinger 615-478-9664
Keith Knight 615-290-6093

Associated Wholesale Grocers, Inc., 5000 Kansas Avenue, Kansas City, KS 66106
Change at State and National Levels

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1335 Dublin Road, Suite 207B; Columbus, Ohio 43215-1000
T 614.442.5511  F 614.441.4292  www.ohiogrocers.org
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This publication is produced for members of Ohio’s food industry.

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kristin@ohiogrocers.org

EDITOR: Chris Schweitzer,
design@ohiogrocers.org
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Changes, Changes, All Around!

“There is nothing wrong with change ... if it is in the right direction.”
– Winston Churchill

With the changing of the new year, also comes many changes for OGA!

**Change in Location:** OGA welcomes 2019 by moving into new offices. Not too far away from our old ‘home,’ we moved just upstairs to a different suite number (207B). This new location not only made our work space more efficient and less costly, it more importantly gave a new fresh outlook for our staff. There’s nothing like a new space to work to reenergize your thoughts and ideas! We love our new space and invite you to come see us if you are in the neighborhood.

**Change in Legislative Leadership:** Of course the big news this year is all the new changes happening down at the Ohio Statehouse. Starting at the top with our new Governor, Mike DeWine and the cabinet changes he brings to the table. Couple that with 33 freshman legislators and we have a big job on our hands for us to get to know them – and more importantly for them to get to know us! One way we always do this is by having new member “meet and greets” where we drop off miniature shopping carts with a few goodies and information about OGA. Always well received, this serves as constant reminder of our industry! Learn more about our new legislative leadership in this issue’s centerspread!

At press time, things are just ramping up. The State Budget will be center focus as Governor DeWine is expected to drop his version of the budget by March 15th. Of course, here we will monitor for any potential harmful taxes or labor issues that would have negative effects on our industry and we will be advocating for funds to continue the HFFO program – a program that helps retailers deal with food desert issues. We’ve already seen DeWine’s recommendation of an 18 cent gas tax through the Transportation Budget (with the assumed goal of maintaining and repairing our Ohio roads). We will be watching and reporting on this closely in the next few weeks. We also have several bills we are starting to track as they made their way back on the agenda from the last general assembly so be sure to stay updated through our Bill Tracking page on our website.

**Change in Government Relations News Delivery.** We are very excited to add a new member benefit this year – our GR Podcast! This will take the place of our once-monthly GR calls where members can get a detailed update on the latest activities happening in the GR arena. But now, you don’t need to be tied down to a Friday morning call anymore, and instead will be able to listen at your leisure. Look for our first podcast in mid-March!

**Change in the Gala:** Another huge change for OGA is the format of our Annual Trade Relations Gala – called this year our Brown Bag Celebration! After 17 years of our gala format, OGA is moving forward with a fresh new concept. Our Brown Bag Celebration has become vendor-focused with food and fare. Food action stations – operated by our very own members – will be positioned throughout the venue, allowing attendees to sample all kinds of amazing fare while they enjoy the networking and entertainment. After all, who does food better than us? In addition, there will be small-plate dishes served for seated eating along with shortened award presentations.

A new pricing structure allows you to bring more guests for less. Add a new Brown Bag Auction to replace the traditional Silent Auction and a new event: the Brown Bag Bottle Pull. Take chances to win wine or bourbon in an exciting contest where you can “pull” a top-shelf bottle – or wind up with Grandpa’s Cough Medicine. Wrap up the night with the All-Dessert After Hours or a visit to the Pub, and you’re certain to have an amazing evening! So be sure to check out the Celebration information on our website – and come enjoy a whole new experience at OGAs biggest event of the year!

So change is always exciting! But I’d be remiss if I didn’t mention one thing that won’t change. And that of course is our dedication to you, our members! We are still here for you for anything you might need. So please, never hesitate to call on us. We can help – or we can find someone who can! We look forward to this year together and hope you will join us in the many ways we can change our industry in 2019!

**P.S.**

**Welcoming Our Newest Members…**

Geauga Farms Country

LL Kane Oil/Friendly Express Marathon

The Butcher Grocer

Kristin Mullins
OGA President/CEO

**Changes (additions really) in Member Programs.**

OGA is excited to be offering a few new programs in 2019, including our Sales Tax Software program (helping you accurately determine sales tax eligibility within your POS system), our Food Stretcher program (offering coupons to consumers in non-traditional methods) and our 401K MEP program (an aggregation program combining the volume of multi-employer programs for more efficient pricing fees).
New Administration and General Assembly with Familiar Faces

2019 marks a significant number of changes in the world of Ohio politics: a new governor and administration after eight years under Governor Kasich, a clean slate of statewide official holders, over 30 new legislators in the House and Senate as well as a new Speaker of the House, and countless other new local and municipal members across the state. Yet, for many Ohioans the leaders in these positions of power are familiar names in Ohio political history.

Newly installed Governor Mike DeWine is a household name on the Ohio political scene, having served in a number of capacities for over 40 years ranging from Congressman, to US Senator, to Attorney General, to now Governor. The start of any new administration after eight years under a former governor inevitably brings a considerable amount of change and turnover and yet there is a calming sense of familiarity as we start the DeWine administration.

Although there certainly is a feeling of stability as we dive into 2019, we expect the DeWine administration, and, to a certain degree, the new leadership in the state legislature, to push for their agendas and implement new policies. Right off the bat, with it being a budget year, Governor DeWine is putting the finishing touches on his first biennial budget proposal, which will be introduced in March. While we still don’t know exactly what will be in his budget proposal, we expect to see several new programs and initiatives around early childhood education and drug prevention, which will require additional funding. Meanwhile, the General Assembly is currently debating the Governor’s transportation budget, which by law must be finished by the end of March. The Governor has been adamant that the legislature must address our roads and bridging funding deficiencies, and he is proposing an $.18 gas tax increase to combat those. We expect that discussion to be heavily debated during the legislative committee process and possibly continue into the operating budget conversation.

In the Ohio Legislature, you will be hard pressed to find a Statehouse insider who doesn’t know the name Larry Householder. Having returned to the legislature in 2017 after nearly 15 years away, Speaker Householder was elected Speaker again in January after serving as Speaker from 2001 to 2004. Furthermore, with term limits and the start of a new General Assembly, you have over 30 newly elected members and members moving from one chamber to the other, bringing a certain level of complexity to the mix. Speaker Householder and Senate President Larry Obhof will look to navigate their respective agendas to mix the old in with the new.

Both the House and Senate are pushing for their priorities as well in the new General Assembly. While we still await specifics from the House, the Senate is reengaging in its efforts to pass required regulatory reduction and criminal sentencing reform legislation. Both are top priorities for his caucus, according to Senator Obhof, and we anticipate both may be brought up for consideration in the House as well.

Several bills that didn’t pass last year are being reintroduced and scheduled for hearings including the contentious abortion heartbeat bill, legislation to mandate an ID on a SNAP card, and a bill to prohibit the sale of dextromethorphan to anyone under 18 without a prescription. In addition, the legislature is going to be considering legislation aimed at legalizing hemp and hemp products for retail sale and establishing a hemp growing program, and many more bills should be on the way in the coming weeks. With a later than usual introduction of the biennial budget, and an anticipated normal extended summer recess, legislators will push for quick action of many of these bills before the end of June.

Of course, this is just what we know for now. There will be countless other bills or regulations that will call for OGA to provide input or be engaged on as the General Assembly and state agencies continue to develop their priorities. We are optimistic about the opportunity to engage with some of these familiar names and leaders and we look forward to cultivating relationships with the new policy makers. As we navigate this year, OGA stands ready and continues to be firm in our mission to be the leading voice and advocate of Ohio’s retail food industry.

If you have questions or comments on any state or federal issue, please contact Kristin Mullins OGA President and CEO, at (614) 442-5511 ex. 7110 or kristin@ohiogrocers.org
Retail Glitch: Fixing the Qualified Improvement Property Drafting Error

The Tax Cuts and Jobs Act (TCJA), passed in December of 2017, provided the business community with long-awaited tax relief and included many positive provisions for independent supermarket operators. NGA fought tirelessly to ensure the independent supermarket industry would experience the full benefits of tax reform just as much as other businesses. While we were grateful for lawmakers’ efforts to simplify the tax code and alleviate tax burdens on Main Street grocers, a provision in the bill that was intended by Congress to help retailers invest in their businesses could end up harming them if not fixed.

The law included a provision known as “100% bonus depreciation” that allows businesses to immediately write off the full costs of short-lived investments. However, due to a drafting error, the language excludes some categories of business investment, most notably qualified improvement property, from being eligible for 100% bonus depreciation.

Section 168 of the old tax law had three individual categories of qualified improvement property: leasehold improvement property, retail improvement property, and restaurant improvement property. Each category had a 15-year Modified Accelerated Cost Recovery System (MACRS) recovery period, meaning property could depreciate over the course of 15 years. To simplify the tax code, tax writers combined the three above categories into one category called “qualified improvement property” in the new bill and meant to designate it with a 15-year recovery period. The intent to designate this 15-year recovery period was explicitly stated in the conference agreement, but when the final bill was written, the 15-year recovery period was accidentally omitted from the text, and the recovery period defaulted to 39 years.

According to a report done by the Tax Foundation, despite effectively removing tax barriers to many categories of business investment, the new tax law “created new barriers for investing in qualified improvement property, seemingly by mistake. Businesses making investments to improve their property now face a more restrictive cost recovery period—more than twice than under prior law—and are excluded from 100 percent bonus depreciation. These businesses will face a higher tax burden on QIP investments than under previous law, an outcome that could have significant consequences, potentially slowing investment, employment, and output for those affected.”

Lawmakers have acknowledged this error, which has been dubbed the “retail glitch” and are supportive of correcting this issue. Since there is no cost associated with the fix, it is among the few provisions in the new tax law that has been identified by the Joint Committee on Taxation as needing a true “technical correction.” With a new Congress in place, including new chairmen of the Senate and House tax writing committees, the question now at hand is, when will Congress fix this glitch?

Along with a coalition of retail, restaurant and business organizations, NGA has been hitting the pavement, meeting with offices on Capitol Hill urging lawmakers to address this issue and fix the retail glitch as soon as possible.

Independent supermarket operators are driving innovation in the marketplace, but in a fiercely competitive industry in which the average profit margin typically ranges from one to two percent, any opportunity to fully depreciate improvements made to stores will significantly help these entrepreneurs upgrade their stores, and more importantly, expand offerings, and hire additional staff. NGA will continue to work towards a legislative fix for this retail glitch in addition to advancing policies that will protect and enable independents to grow and better serve their communities.

For more information on the Retail Glitch and ways to contact your Congressman, visit www.nationalgrocers.org/fixtheglitch.

Greg Ferrara, Senior VP of Government Relations and Public Affairs gferrara@nationalgrocers.org, or Laura Strange, VP of Industry Relations, Communications and Marketing lstrange@nationalgrocers.org
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SPECIAL SECTION:
Legislative Changes – Statewide and Nationally

Part of the OGA mission is representing membership through legislative and regulatory efforts on a state and national level. That advocacy begins with becoming familiar – and often establishing a relationship with – members of the legislature in our Statehouse as well as in Washington.

With the 133rd General Assembly starting, dozens of new faces will be taking seats in the House and Senate. Knowing the representatives in that transition can be helpful when you want to make your voice heard on issues affecting your business and livelihood. With the help of Hannah News Service, we hope this guide is a useful reference tool for U.S. and Ohio House and Senate.

(If you would like additional copies of this section, please email OhioGrocer editor Chris Schweitzer: design@ohiogrocers.org)

THE U.S. SENATE

Sherrod Brown
Ohio

Rob Portman
Ohio

THE U.S. HOUSE OF REPRESENTATIVES

Steve Chabot
1 - Cincinnati

Brad Wenstrup
2 - Cincinnati

Joyce Beatty
3 - Columbus

Jim Jordan
4 - Urbana

Bob Latta
5 - Bowling Green

Bill Johnson
6 - Marietta

Bob Gibbs
7 - Lakeville

Warren Davidson
8 - Troy

Marcy Kaptur
9 - Toledo

Mike Turner
10 - Centerville

Marcia Fudge
11 - Warrensville Heights

Troy Balderson
12 - Zanesville

Tim Ryan
13 - Niles

David Joyce
14 - Novelty

Steve Stivers
15 - Columbus

Anthony Gonzalez
16 - Westlake

Republicans (12)
Democrats (4)
FR - Freshman

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THE OHIO SENATE

Republicans (24)
Democrats (9)
FR - Freshman

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To learn more about our choice insurance programs especially for grocery, visit federatedinsurance.com or call 1-800-533-0472.
BWC Expanding the Better You, Better Ohio Program!

Ohio BWC has expanded its Better You, Better Ohio! Program. More people are now eligible to get paid to get healthy.

The expanded program now includes all injured workers regardless of comorbidity status and all employers with less than 150 employees.

If you do not already offer a wellness program to your employees, this is a great opportunity to get your employees involved to improve their health.

By partnering with ActiveHealth, qualifying employees will be given access to free health assessments, biometric screenings, lifestyle, and disease management, personalized health coaching and nurse advice line, access to a website with integrated coaching/tutorials, and other education/training.

Onsite biometric screening events have been offered for employers with at least 30 participants.

How It Helps Employers…

Employers can reap great benefits from having a healthy workforce. Healthy employees are less prone to injury. And, when they are injured, their ability to recover is enhanced greatly. Overall, employers with a healthy workforce have lower workers’ compensation and health-care costs. Better You, Better Ohio! can:

- Help prevent injuries through improved workforce health and safety.
- Reduce absenteeism and improve presenteeism.
- Reduce severity of an injury.
- Improve the recovery time from an injury.
- Reduce time away from work due to an injury.

Thank you for your support of CareWorks!

Thank you for continuing to support CareWorks as your Ohio workers’ compensation managed care organization (MCO). Your feedback and ideas have helped us create a special company founded on exceptional customer service. Please call us toll-free, at 1-888-627-7586 if you ever have any questions about our services.

For more information, please contact CareWorks MCO’s Jodie Napier at Jodie.Napier@careworksmco.com, call 1-888-627-7586 or visit online at www.careworksmco.com.
We help injured workers get back to health, work and productivity.
Community:

SpartanNash Raises $179,500 to Habitat for Humanity
Together with its store guests and company associates, the SpartanNash Foundation’s scan campaign to build hope and affordable housing raised $179,500 on behalf of more than 50 local Habitat for Humanity partners in Iowa, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. Since 2006, nearly $1.9 million has been raised by SpartanNash and its charitable giving arm – the SpartanNash Foundation – to support local Habitats and hardworking homebuyers.

What’s Hot:

Meijer Planning Expansion
Meijer is planning on opening a Supercenter at the site of a closed Super Kmart at the Eastwood mall Complex in Niles, Ohio. A nearly 160,000sq.ft. store with convenience store and fueling station will be constructed once the Super Kmart is demolished, and set to open in 2021. In addition, plans for construction of another Supercenter in the Seven Hills area of Cleveland may be in the works after the recent closure of a Kmart store. Once due diligence is completed, the retail/grocery store, fuel center and convenience store will take 12-14 months to build.

Kroger Broadens Home Chef Rollout
After making their debut at Kroger Co. stores in the fall, Home Chef meal kits are slated to become available at another 500 supermarkets, including six more retail banners, by the end of this month. The Kroger Home Chef subsidiary has also introduced a first among leading meal-kit brands: a customizable meal kit for online orders called Customize It.

Awards and Recognition:

Schild’s IGA Wins Hometown Proud Award
Congratulations to Kevin and Rose Schild and Schild’s IGA (Grafton, OH) for winning the 2019 IGA USA Hometown Proud Retailer Award. Each year, IGA honors a select few retailers who stand out as the best (among the nation’s more than 30,000 independent retailers). From this winners’ circle of IGA Hometown Proud Retailers, IGA then chooses its IGA USA International Retailer of the Year.

Ohio Contestant First Runner Up in National Best Bagger Competition
Ohio wins the 1st Runner Up position (out of 23 contestants) at the National Grocers Association National Best Bagger Competition in February. Elissa Chambliss continues the Buehler’s legacy by showing well in San Diego, and receiving $5,000 in prize money. Congratulations to Elissa - you’ve represented yourself, your family, Buehlers and all of Ohio well!

Walt Churchill’s Market Recognized by Progressive Grocer
Walt Churchill’s Market (WCM), with two locations near Toledo, was recently featured in a Progressive Grocer magazine article as an award-winning 2019 Outstanding Independent (Multistore). Churchill’s was one of only 21 grocers to receive this honor.

AR Marketing Awarded Red Oval Service Provider of the Year
IGA USA named AR Marketing as their Red Oval Service Provider of the Year for the development of two great social programs that connect with shoppers and build brand awareness. These programs offer a turnkey full-service option that includes full site management and custom-created posts, and the new lower-cost version that includes weekly posts promoting IGAs national digital ad and engaging original content housed on IGA.com.

“Notable and Quotable” spotlights Ohio grocers and industry leaders. To share your news with fellow grocers, email design@ohiogrocers.org, or call 614-442-5511 ext. 7130.
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**Gala Transitions to a Celebration**

In case you haven’t heard, the Annual Trade Relations Gala has shifted its focus and transitioned into a Celebration of the Industry! The new **Brown Bag Celebration on April 6th** will feature a brand new, network-heavy and vendor-featured format with food stations, a shorter program format, and maximized time to mingle and socialize.

**Food “Action Stations”:** Sample delicious fare provided by several vendors featuring some of their best offerings with this new, active show format. Seated small plate meals will also be served as well as desserts and drinks.

**Brown Bag Auction:** Replacing the traditional Silent Auction is the new Brown Bag option. Participants put tickets into the bag representing the prizes they want to win. There’s no limit to how many tickets you can buy or items you can try to win!

**Brown Bag Bottle Pull:** Take a chance on winning top-shelf Bourbon (or wine) or getting a bottle full of Grandpa’s Cough Medicine with this new feature.

New format, new entertainment, new opportunities – new fun! The transition from Gala to Celebration is a big one which we hope will be the beginning of more to come! For more information about the Brown Bag Celebration, visit www.ohiogrocers.org/events.

**LP Summit Transitions to New Topics**

Loss Prevention isn’t about employee theft anymore, and that was a point made very clear with the diverse topics covered at this year’s Loss Prevention Summit in February. More than 40 attendees learned about topics covering product shrink, self-checkout theft, lottery integrity and even finding criminals on Facebook! As focus changes to more digital and electronic technology, managers must alter their focus the same way to best manage their operations and personnel. Every year, OGA provides its members with Loss Prevention training and invites experts from various aspects of the LP profession to educate members. Find out more by contacting Shane Schaefer (shane@ohiogrocers.org) or by staying in touch through our website and communications.

**OGA’s Big Switch**

Don’t forget the office change for your Association. OGA is still in the same building, but switched to a different **Suite – 207B.** Be sure to make that change on all your contact information for us, and drop by for a visit to see our new office space!

If you have any questions or comments on any Association or Foundation issue or event, please contact Kristin Mullins, OGA President & CEO, at (614)442-5511 ext. 7110 or email kristin@ohiogrocers.org.
Enter your non-winning tickets for a chance to win 1 of 5 mystery prizes worth $10,000.

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