



Massachusetts Package Stores Association, Inc.

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FEBRUARY 2018 NEWSLETTER

FROM THE DESK OF FRANK ANZALOTTI

I write this letter to you while filled with many emotions. After nearly 23 years of serving as your Executive Director, it has come time to step aside and begin enjoying more relaxed times. I am fast approaching 71 years of age, and I know you will be better suited with a new face and voice to lead you through the next phase of retailing. Your Board of Directors and I have hired Robert (Rob) Mellion as the Association's new Executive Director. Before I sign off, I want to tell all of you that I have felt extremely fortunate for having had the experience to meet and spend time with so many wonderful people in this industry. I wish to thank everyone who has helped provide leadership to an association of 320 members in 1994 and bring it to its current level 700 members today. Together, we worked through some tough times and some great times, and every minute was rewarding and enjoyable for me. We defeated an attack against our licenses in 2006 when a ballot question was placed before the voters that would have added new beer and wine licenses to every grocery store. We repealed an unwanted sales tax on alcohol by introducing our own ballot question in 2010. We helped draft an agreement to phase in a law that would increase the ownership level of licenses over an eight year period. Many of you have grown because of this law while others have had the opportunity to move on from this industry by selling their licenses at a premium level. I could not have helped guide you through these times without your efforts and your support. I am so thankful for having met most of you at one time or another and I feel blessed for having been with you for 23 years.

Rob Mellion began on February 1st and I have worked closely with him since then. I will continue working with him until the end of February and beyond as necessary. Rob comes to us with an extensive background of leadership positions. He most recently served as CEO of a large Chamber of Commerce along the south coast of Massachusetts. He also holds a law degree which when combined with our lobbyist and attorney, will strengthen the Association on Beacon Hill.

Sincerely,
Frank Anzalotti

MESSAGE FROM THE EXECUTIVE DIRECTOR

It is truly an honor to be following Frank Anzalotti as the new Executive Director and General Counsel of the Massachusetts Package Stores Association. Frank has been an exceptional leader within the MassPack organization. My hope is to carry on what has been started and to build off of the successes of a very engaged and knowledgeable Board of Directors.

Please know upfront that I applied for the Executive Director position because of a deep respect for the membership. I came from a small business background and I have experienced the many triumphs and frustrations that many of you face. That is why I am devoting 100 percent of my time, energy and resources to the membership of MassPack.

In the days and weeks ahead, I will be out amongst the membership conducting interviews with members, directors, elected officials and other stakeholders. The goal is to hear from all of you about how to improve MassPack in a way that earns your respect and continued interest in this great organization. Please do not wait for me to call upon you. The door to my office is always open. I also assure you that MassPack will be engaged on your behalf!

Thank you very much for allowing me this opportunity to introduce myself. I sincerely look forward to serving the membership of MassPack and to working with all of you.

Respectfully,
Rob Mellion



EMPLOYER MEDICAL ASSISTANCE CONTRIBUTION AND OTHER ANTI-BUSINESS BILLS

In my 10 years as an association executive I have never seen so many anti-business bills and cost increasing ballot questions going to the Massachusetts voters all at once. The one certainty is that last year's Employer Medical Assistance Contribution (EMAC) supplement will be an increase to the cost of doing business for many package stores in Massachusetts. Please know that MassPack is hard at work toward mitigating the impact of the EMAC charges. MassPack is also advocating against the establishment of a \$15 minimum wage, employer paid family and medical, a millionaire's tax that is a tax on limited liability companies and strict scheduling legislation.

Here is what you need to know. The new Health Care Assessment on businesses in Massachusetts went into effect on January 1, 2018. The assessment will be imposed on employers through a two-prong system aimed at capturing revenues. The first prong will be through the state's unemployment insurance tax system by raising the existing annual EMAC from \$51 to \$77, per employee. That is a 33% increase paid by employers on each of their employees. The tax applies to all businesses with six (6) or more employees. The second hit, EMAC(2) is the new requirement of a \$750 assessment per employee on employers that have non-disabled workers enrolled on MassHealth, or another subsidized healthcare plan. There are still many unanswered questions about the new EMAC(2) tax on businesses.

On Friday, February 9, 2018, MassPack acted proactively by submitting written testimony to the Department of Unemployment Assistance at their hearing on the EMAC(2). In the MassPack testimony it was demonstrated that the EMAC increases are particularly harmful to package stores, because the employer payments are unfairly front loaded during the first two quarters of the year. For most businesses, the taxes are fully paid by the end of the second quarter, but it does not work if the employee leaves the employer before 12 months. An example would be seasonal employees. The state can also collect \$750 multiple times from different employers for the very same recipient of subsidized healthcare who simply changed their job during the year. MassPack recommended that in the short term the assessment should be spread over four payment quarters, rather than two. In the long term we are advocating for the 2-year sunset clause to be triggered.

In addition to the new Health Care tax, there is deep concern over the 2018 ballot questions to raise the minimum wage to \$15, and mandate an employer paid family and medical leave benefit. Both ballot initiatives were filed in 2017 with hearings in early 2018. In early February, MassPack testify at the public hearings on both ballot initiatives held by the Joint Committee on Labor and Workforce. The basis of our testimony was that the imposing of higher labor costs on Massachusetts package stores places them at a disadvantage against out of state competition and potential online retailers. MassPack also alerted legislators that the total cost of doing business in Massachusetts has already been greatly impacted by recently imposing sick pay leave, one of the highest minimum wages in the nation, an increase to unemployment insurance and having to pay the highest costs for electricity in the continental United States.

Needless to say, MassPack is hard at work advocating for the interests of the membership. Independent package stores have looked to MassPack since 1942 as their voice and advocate. Please know that MassPack is working and advocating every day for you. Read the testimony submitted by MassPack by visiting the News – Legislative tab on the MassPack website – www.masspack.org.

MASSPACK ESTABLISHES SUB-COMMITTEE TO REVIEW AND ADDRESS FINDINGS OF THE SPECIAL ALCOHOL TASK FORCE REPORT

In January, 2018, MassPack informed the membership that the Special Alcohol Task Force (SATF), led by Treasurer Deb Goldberg, had released their final report on December 29, 2017. The Task Force put forward numerous recommendations aimed at streamlining regulatory processes and making things simpler for consumers to purchase alcohol products. Everything from more access to craft beers, to more power for the municipalities, to higher excise and/or sales taxes, to the creation of more licenses for retailers were part of the final report.

MassPack is now closely reviewing all of the topics that were addressed within the SAFT Report. To assist with this endeavor, the Board of Directors has established a special sub-committee to be chaired by Chris Gasbarro. The intent is to ensure that nothing damaging gets enacted in the last few months of the 2018 legislative session. Membership feedback about the Task Force Report is encouraged, read the entire report by visiting our website at www.masspack.org. Please forward your comments to rmellion@masspack.org.

MASSPACK SETS UP MEMBER DISCOUNT WITH INTELLICHECK AGE ID

A member informed MassPack that Confirm Inc., which owns Advanced ID Detection, has entered into an agreement to be acquired. MassPack has confirmed that as part of this acquisition, Advanced ID Detection had notified several members of an intent to terminate all of their customer contracts. Needless to say, we at MassPack were more than concerned.

While it is our understanding that Advanced ID Detection may in time offer an alternative to its many customers, MassPack has expeditiously set up a new membership discount program with Intellicheck, Age ID, Inc. Under the new member discount program MassPack members will receive discounted pricing when setting up an account with Intellicheck Age ID. Please contact Will Benson wbenson@Intellicheck.com (603) 953-3615 to learn more.

SAVE THE DATE FOR THE ANNUAL MEETING OF THE MEMBERSHIP

Mark your calendars for the MassPack Annual Membership Meeting that is scheduled for March 22, 2018. This important event will be held at the Doubletree by Hilton, Westborough at 6:00PM.

- Frank Anzalotti will personally introduce new Executive Director, Robert (Rob) Mellion to the membership.
- ABL (American Beverage Licensee) Executive Director, John Bodnovich will provide an update on policy, regulatory and legal issues that affect package store owners.
- Christopher Carozzi from the National Federation of Independent Business (NFIB) will address and answer questions about the impending anti-business ballot questions, which include paid family and medical leave and the \$15 minimum wage.
- Legislative update provided by Roger Donoghue, of Murphy, Donoghue Partners. An item that will be addressed is the Treasurer's Task Force report.
- Q & A for members.

Look for your meeting invitation in email early next month.

NEW MASSPACK OFFICE

We are excited to announce we are moving to a more centrally located office in the state. As of March 1st please mail all MassPack correspondence to:

MA Package Stores Association
30 Lyman St., Suite 2
Westborough, MA 01581
(800)322-1383
info@masspack.org



DATES TO REMEMBER

March 11-13, 2018

ABL Annual Meeting

March 22, 2018

***MassPack
Membership Meeting***

May 9, 2018

MassPack's Premier Tasting Event

MASSPACK WELCOMES ITS NEWEST MEMBERS

New Retail Members

*Dannys Wine & Spirit, Sudbury - Dinesh Patel

*Dion's Fine Wine, Newton - Joseph Dion

* Freitas Liquors, Middleboro - Anthony Freitas

*Johnnies Superstore, Pittsfield - Greg Panwala

MASSACHUSETTS PACKAGE STORES ASSOCIATION

**We acknowledge those suppliers who have shown their support
for the package store industry in Massachusetts by becoming...**

2017/2018 ASSOCIATE MEMBERS

3 x 3 Insights	Intellicheck ID
Abacus Distributing LLC	J Polep Distribution
American Insulated Panel Co.	Latitude Beverage Co.
Anheuser Busch, Inc.	Lemate of New England, Inc.
Association Members Insurance	Martignetti Companies
Atlantic Beverage Distributors	MA Beverage Business Journal
Atlas Distributing, Inc.	Merrimack Valley Distributing
Bacardi USA	Miller Coors
BayState Business Brokers	mPower Beverage Software
Baystate Wine Co. Inc.	M.S. Walker, Inc.
Black Lab Alarm, Inc.	Narragansett Brewing Co.
Burke Distributing Corp.	PC Solutions
Carolina Wine & Spirits	POS Advisors LLC
Charles River Wine Co.	Quality Beverage Ltd.
CheckWriters Payroll	Retail Control Systems
Classic Wine Imports	Ruby Wines Inc.
Colonial Wholesale Beverage	Seaboard Products Co.
Commercial Distributing Co.	Squizzero, Carp & Associates
Commonwealth Wine & Spirits	Summit Ice Inc.
CoveRisk Services, LLC	The Business Exchange
Craft Brewers Guild	TOMRA of North America
Distilled Spirits Council	Tri Wine Company
Drync	Truro Vineyards of Cape Cod
ENVIPCO	Turn-Key Distrib. Systems
First Data	United Liquors
Forbes Snyder - dba Advanced Business solutions	WB Mason Co., Inc.
George & Co. Business Brokers	Westborough Books Inc.
Harold Levinson Associates	White Lion Brewing
Horizon Beverage Co.	Williams Distributing Co.
HUB International NE	Winebow Boston
	Yiannis Distributing

THANK YOU FOR YOUR SUPPORT!

New Associate Members – *We invite you to support these businesses that support your association.*

FORBES SNYDER (dba- Advanced Business Solutions) - www.forbes-snyder.com

INTELLICHECK INC. - www.intellicheck.com

WHITE LION BREWING, CO. – www.lionbrewing.com