

Nevada News

Serving the Retail Community Since 1969

May 2005

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2005 Legislative Session Nears End

By Mary Lau

Executive Director, RAN

First of all, I have to thank our editor, Joan Morrow, for her patience. The May newsletter is very late so that we could get past the next “milestone” of the session where the committees had to pass out all bills in their possession from the second house. This was accomplished on Friday, May 20, and now any new piece of legislation or creative amendments will require slight of hand and “vegimatic” techniques.

Our grocers will note that Senate Bill 457 passed out of the Assembly Commerce and Labor Committee on Friday, May 20. The bill does have an amendment that creates a private right of action for liquor manufacturers, wholesalers and retailers should franchise territories and other contract matters be infringed upon. Barring objections from our members, this bill should clean up a long-standing problem between retailers and wholesalers and make sure that the liquor business in the state can get back to common business practices and a cooperative atmosphere.

All members should be aware of the passage of A.B. 87, which mirrors the ballot initiative that would amend the Nevada Constitution to put minimum wage at \$1.00 over the federal wage and index it to CPI adjustments annually. The initiative also includes language that, excluding unions, includes a complicated health care credit for

employers (which can't be attained) and also served as a GOTV effort for the Democratic party. The Senate Commerce Committee amended this bill in the form of an initiative for the 2006 ballot to raise the minimum wage by \$1.25 starting in October 2006, which would not amend the constitution and would be null-and-void if the Constitutional amendment passes. This amendment will be rigorously fought in the Assembly but should be concurred, as it would allow voters to choose between encroaching on the Constitution and accomplishing the originally stated goal of raising the minimum wage.

Pharmacies received a blow on Friday when A.B. 195 passed the Senate Commerce Committee. This bill is a cornerstone bill for Assembly Democratic leadership for their reelection campaigns as it allows the federally illegal importation of Canadian drugs into the state of Nevada. Freshman Senator Joe Heck was able to amend the bill to allow for importation subject to “FDA approval of each drug with tracking on all protocols and pedigrees.” RAN opposes this bill even as amended.

What we are still waiting on is SB 352, which would roll back the taxes on banks that passed last legislative session. RAN never thought the separate bank tax should

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Seen & Noted

Convincing Consumers to Buy

What will drive consumers to shop and buy this year? The Food Marketing Institute (FMI) has some ideas. The Institute regularly conducts research to track consumer behavior on topics such as types of foods purchased, store features most used, economizing behaviors, cooking preferences, and health and nutrition. Recent research shows:

- More than half of shoppers purchase gasoline at their supermarket gas pumps.
- More people are cooking and eating meals at home—83 percent do so at least three times per week.
- Forty-six percent of working women shop in the evening.
- In shoppers' opinions, the grocery store does the best job of providing them all of the products they need to maintain their health.

FMI Research reports also break out consumer groups in several specific categories including working women, organic shoppers and certain age segments of the population. They've found that:

- Full-time working women are more likely to participate in frequent shopper programs.
- Organic shoppers earn a higher income and spend more money on groceries.
- Younger shoppers are less likely to look in newspapers for grocery specials.
- Advertisements in Spanish-language newspapers or television influence Hispanic grocery shoppers' purchasing decisions more than those in English-language media.

FMI publishes a quarterly newsletter, *Advantage Supermarket Research*, that contains news on consumers, food products, government releases and more. To find out more about FMI research and other products they have available, go to their website, www.fmi.org.

Business Involvement in Government Issues

By Paul Enos

Manager of Government Affairs, RAN

Senate Bill 488 will encourage business involvement in local government issues. Currently when a local government in Nevada proposes an ordinance, rule or fee increase, they are required to produce a statement on how the change in law will impact business.

Bill Affects Millennium Scholarship

By Michael Pennington

Reno-Sparks Chamber of Commerce

The Assembly Ways and Means Committee voted on Friday to adopt Assembly Bill 560 that changes the Millennium Scholarship Program. The bill places restrictions on the use of Millennium Scholarship funds and infuses funding into the program to keep it solvent through 2012. The bill infuses a \$35 million one-shot appropriation from surplus funds, plus \$7.6 million annually in unclaimed property funds, to make up for a shortfall in the program due to lower than expected tobacco settlement revenues. The eligibility changes include no use of scholarship funds for remedial classes required of some college freshmen, and a "two strikes and you're out" provision for students who don't maintain their eligibility while in college. The bill now moves to the Assembly for full consideration and then to the Senate, if adopted.



Sales Tax Holiday – Friend or Foe?

By Elizabeth MacMenamin
Director of Government Affairs, RAN

There has been much discussion this session regarding a sales tax holiday for the citizens of Nevada. We have consistently stated our position on the two different proposals. One would simply exempt all sales tax for three days in August. The other proposal would be very problematic for the retail

industry because it leaves the two percent sales tax that would create a computer programming issue. It is always better to have no sales tax rather than having to reprogram a different amount.

We have offered our support for Senator Carlton's proposal, SB 167, that would require that her proposal go to the voters for approval and give a complete sales tax holiday to the citizens. This would allow the 2007 legislative body to determine the goods and the amounts allowed, if any, that would be included in this scenario. Her legislation would enable the retailer to simply "shut off" a key on the computers. Senator Carlton's proposal would be preferable because of the ease of implementation not only for the retailer but also for the tax department.

The other proposal, AB 320 by Speaker Richard Perkins, is by far a retail nightmare and one that we have continuously opposed. The Nevada Department of Taxation reported that this would create an implementation problem for them programming their systems to be able to be in compliance. While the Speaker was overheard stating that the industry supported his proposal, I would suggest that he never spoke to any of us regarding his proposal. His proposal failed in the Senate and was then inserted in SB 189 regarding the way taxes are paid on new vehicles.

I guess we can assume that AB 320 and SB 189 are germane because the Speaker says they are. I guess that we could say that this issue plays well in the press for his run at governor. I hope this is not an indication of what his policy would be if he were to win the election.

AB 320 originally stated that it would include sales up to \$1000. Now, as a consumer, I find this to be a great idea. I would wait to do all my shopping on the designated "sales tax holiday." I could shop at many different stores, purchase the limit in all of them, and receive the county tax exemption. I am sure all the local governments are excited at the prospect of this proposal, specifically the rural counties that rely on these taxes to function. What an idea! I actually think that this is something that plays well in the press for a gubernatorial race. But I have been wrong before, so I could be mistaken.

We will be following the progress of this bill and many others very closely and will let you know the final outcome. At the time of this article, we have two weeks left in this building, which is good news for the business community because that leaves very little time for more games. We hope that in future sessions we will see a more consumer and business friendly legislature. We will continue to try to bring the clear understanding that a business is in

business to provide a service to the community and to make a profit. If the business is able to be profitable, provide jobs, and provide service to the community with restrictive government oversight, the consumer will ultimately receive a better price at the register.

Legislative Session Nears End

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have passed, nor was it necessary as evidenced by the over-producing tax revenues experienced in '04-'05. The 2003 tax bill imposed a 2 percent payroll tax on banks—more than three times the .65 percent rate of other employers—and a \$7,000 fee on each branch in the state after exempting the "home office." This is entirely inequitable, as all non-privileged businesses should be taxed equally. As privileged industries, gaming and mining have separate tax structures. Retailers and other businesses should be concerned about the possibility that in the future, their payroll tax rates could be raised or "location" fees could be imposed. Nevada's hospitals have been in the barrel this session, and we're taking bets on who is on the auction block for the 2007 Legislative Session. Mind you, this is all happening while the state is experiencing a tremendous surplus.

We will be ending this session June 6. Look for the next newsletter for more information on Nevada's 73rd Legislative Session.



Summary of Meal Break Regulation Provisions

By Mike Dyer
Attorney at Law

Following is a summary of the proposed regulation that goes before the Nevada State Board of Pharmacy on June 1. Look in the June 2005 newsletter for more information.

The NRS 608.019 has been interpreted by the Labor Commissioner of the state of Nevada as mandating that all employees in the state, regardless of their position, be offered the opportunity to take a 30-minute meal break if they are employed for a continuous period of eight hours. No employee may be required to take a meal period break if he or she does not wish to do so. Subsection 4 of the statute allows the Labor Commissioner, on an employer-by-employer basis, to waive the requirement that an employee has an opportunity to take a meal break. Subsection 5 allows the Labor Commissioner, upon the application of an association of employers, to exempt a category of employers from the requirements. Both exceptions must be based on business necessity.

The Labor Commissioner also interprets NRS 608.019 as prohibiting the employer from requiring the employee to remain on the employer's premises during a meal period. The statute does not require that the employee be paid for the meal period, and, unless altered by a collectively bargained agreement, whether or not the employee is paid for the meal period is entirely within the discretion of the employer.

The Meal Break Regulation is an attempt to build a foundation which will 1) assure that all pharmacists are allowed the opportunity to take a duty-free uninterrupted meal period, 2) allow the employer to determine

whether the meal period must be taken on the employer's premises if only one pharmacist is on duty, and 3) address the practical issues involved if the employer requires the sole pharmacist on duty to remain in the building during his or her meal period. The Labor Commissioner has reviewed the proposed regulation and has indicated that if the Pharmacy Board adopts it, he will adopt a similar regulation so as to grant an industry-wide exception authorizing pharmacies to require pharmacists to remain on the premises of the employer during their meal period.

Set out below is a basic summary of what the regulation does and does not allow and does and does not require. This summary is not intended to address every possible situation that might theoretically arise, but rather is an attempt to clarify the basic procedures and rights that will be established by the Pharmacy Board Meal Break Regulation. Rather than addressing the proposed regulation on a section-by-section basis, this summary attempts to address the overall impact of the regulation on a "bullet point" basis.

The Proposed Meal Break Regulation:

- Requires that all pharmacists have an opportunity for a meal break, but does not require any pharmacist to actually take a meal break. The decision to take or not take a meal break must be at the sole discretion

of the pharmacist.

- Only has a practical impact on pharmacy operations where there is a single pharmacist on duty, and the owner requires the pharmacist to stay in the "building during the Meal Period."
- Provides that if the sole pharmacist on duty is allowed to leave the pharmacy and the building in which the pharmacy is located, then the pharmacy must be totally closed and secured during the pharmacist's absence.
- Provides that if the single pharmacist is allowed to leave the pharmacy, but is required to remain in the building in which the pharmacy is located, then:
 - 1) The pharmacist must be paid his or her usual rate of pay for the meal period; and
 - 2) The pharmacist may not be interrupted during their meal period except (a) if the pharmacist requested to be interrupted for specific items, or (b) in the event of "extraordinary circumstances" that cannot be addressed by other pharmacy personnel. It is entirely within the pharmacist's discretion as to whether the circumstance can be "addressed by other pharmacy personnel."
- Specifies that if the pharmacist is required to remain in the building during their meal period, the pharmacist, at the pharmacist's sole discretion, may either allow other

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continued on page 5*



Meal Break Provisions

continued from page 4

pharmacy personnel to remain in the pharmacy or may require that the pharmacy be fully closed and secured during the meal period.

- Makes it clear that if the pharmacist decides to allow the pharmacy to stay open for other personnel, the pharmacist has the sole discretion to decide which other pharmacy employees may remain inside the pharmacy and to decide what functions such personnel may actually perform during the meal period.
- Provides that a pharmacist may be required to remain in the pharmacy during a rest period, but cannot be required to serve the public during the rest period. However, the pharmacist, at his or her sole discretion, can agree to be interrupted during a rest period to serve the public.
- Acknowledges that a collectively bargained agreement, which addresses meal periods or rest periods, is controlling with respect to the manner in which any meal period or rest period will be taken and whether the meal period will be paid time.
- Does not alter or render ineffective any other statute or regulation regarding the practice of pharmacy.
- Repeals all sections of the NAC that would conflict with or prohibit action allowed by the proposed regulation. The repealed sections are specified in section two of the proposed regulation.

Education Bills of Interest

By Randi Thomson
Guest Contributor

Most of the bills related to education have heavy price tags.

AB 198, which would provide for full-day kindergarten at schools that want to have it, is in Assembly Ways and Means. This bill would cost about \$72 million annually.

AB 525 was approved by Assembly Ways and Means to allocate \$25 million for grants to schools that want to develop and implement innovative education programs, from Special Ed to Gifted and Talented. This is similar to what the Governor wants to do with his \$100 million grant program, but his program is focused on helping schools improve their annual school scores as required by the No Child Left Behind Act.

Assemblyman Perkins' bill, ACR 10, which directs the Legislative Commission to conduct an interim study on adequacy of school finance in Nevada, passed the Assembly Education Committee and is in Assembly Ways and Means. This would be the first analysis of the Nevada Plan in 10 years. The cost is estimated at between \$150,000 - \$250,000.

Perkins is trying to revive his lottery bill in the Senate to help pay for some education programs. There seems to be little support for establishing a lottery.

AB 209 passed out of the Education Committee and is in Ways and Means. The bill makes an appropriation of \$175,000 to the Department of Education to fund pilot programs to teach the English language to pre-kindergarten children during

the summer before they attend kindergarten who have limited proficiency in English.

AB 222 would require selected school districts to undergo a review of their financial management principles once every six years. However, no dollars are allocated to this audit. It would be done when funded by the Legislature. Existing law requires each school district to conduct an annual audit of its financial statements.

The Assembly Education Committee and the Assembly passed AB 397, and Senate Finance heard the bill on May 24th. It designates different types of diplomas that may be issued specifically allowing students to receive an "adjusted" diploma if they fail the proficiency exams, and a "certificate of credit completion" if they fail to make passing grades. (Students who pass all their classes and the proficiency exams would receive an advanced high school diploma.)

It is doubtful that the diploma element will remain, since few Legislators want to see the standards lowered. However, parts of this bill may be joined with Brooks Holcomb's bill to create a program of career and technical education.



Now That's **Killer Salsa!**

When my daughter first told me I had to buy Killer Salsa, we went through the Abbott & Costello "Who's on First" routine. After a few rounds of "Great, what's the name...Killer Salsa...And what's the name...", I found out that Killer Salsa was the name of what my daughter said was the best salsa she'd ever tasted. She's right. And the story of how it came to be is as good as the salsa tastes.

In 1992, Frances Pritchard, the creator and owner of Killer Salsa (Panchitas, Inc.), moved to Gardnerville with her husband who had retired from the corporate world and was looking for a small-town life. Frances had run a small cafeteria for 3 Com Corp. in the San Francisco Bay Area. At 3 Com, Frances cooked and served breakfast, then prepared for the lunch crowd.

Although she had a part-time person come in to help for lunch, she pretty much ran the whole show, ordering everything needed, staying within the budget she was given, keeping the books, setting up the cash register, and cooking and serving the food. She also whipped up a batch of fresh salsa everyday to serve on the breakfast burritos she cooked. The salsa was a hit, she says, and customers would tell her, "That's killer salsa." Frances says running that cafeteria was "a lot of fun and very challenging."

Frances hadn't planned on retiring when she moved to Gardnerville, but there just wasn't a lot of work available in the town, so she took a job in a mini mart at a Chevron station there. She missed the challenge of running the cafeteria, though, and thought about her customers telling her she should sell her salsa. It was time, she decided, to take a run at it. She mixed up some batches of her salsa, packaged it, and started offering samples to the mini mart customers. It wasn't long before she realized she had a business brewing.

One of the first things she found out about



From left: Vivian Rumken, supervisor; John Brooks, delivery driver; Mary Belmonte, salsa maker; and Fran Pritchard, owner, pose in front of the Killer Salsa tomato.

the food business is that when it comes to retail, you can't sell food you've made at home. Her first business move was to find a place to make her salsa. When she met two women who owned a deli who were willing to rent her space at \$5 an hour in their store, she was in business.

It's a good thing that Frances is a quick study because the lessons came fast. Her first test was to meet with a health inspector who told her she needed her own health inspection, and no, she couldn't use her home blender to mix up her salsa, and she needed a physical address on her label, not the P.O. box number she had as she and her husband waited for their house to be built. She complied, and when she sold out her first 14 batches of 16 oz. containers of Killer Salsa, she was on her way.

Within a year-and-a-half, Frances had outgrown the deli space and took over an old 550 square-foot sandwich shop. It had one small door that meant she had to take deliveries outside and then pack into the store

"It's been an incredible adventure, that's for sure," says owner Frances Pritchard.



Killer Salsa!

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as many as 200 cases at a time, box by box. She learned. After two years there, she moved the operation to its present 2000 square foot facility—with a roll-up door big enough to take inside deliveries.

It's one thing to have a yummy food product to sell. It's another to get it into the hands of the consumer. She moved quickly from putting Killer Salsa into the refrigerated section of the mini mart to getting it into grocery stores in northern Nevada, Lake Tahoe and gourmet food shops across the country. And she did it with the same can-do attitude that she started the business with in the first place.

One day she was making some deliveries in Sparks and just happened to notice the big Scolari's warehouse/headquarters on McCarran. Next thing she knew, she'd walked into the reception area and asked to see the "person in charge," who happened to be Joey Scolari. The secretary said his next appointment had just cancelled, so go on in. Scolari took a chance, and Frances had her first grocery store. Now you can find Killer Salsa in Safeway, Albertsons, Smith's, Sak'n'Save and Raley's. Harvey's and Harrah's uses it, it's distributed by the US Foodservice, and travelers can buy it at both the Reno and Las Vegas airports. At present, Killer Salsa is in 89 stores around the northern Nevada area and a few in California. I guess you could say that Frances has found her niche for Killer Salsa.

Oh, yes, and there is the website, www.killersalsa.com Not only can you order the jarred salsa, you can buy her Nacho Cheese Sauce and find at least a dozen recipes for everything from breakfast burritos to Chicken & Salsa Soup and Killer Bloody Mary's. And she's also linked to a specialty Bay-area based salsa website, Salsa2u.

Frances still sets up taste demos in grocery stores and continues to have booths at the Candy Dance in Genoa, at small craft fairs and at chili cook-offs. And soon her newest product, Killer Salsa in a jar, will be in Wal-Mart stores in Reno and Douglas County. She added salsa in a jar two years ago, so now consumers can find it on the grocery shelves as well as the refrigerated cases. Frances says she uses the same fresh ingredients, no chemicals or preservatives. The difference is it goes through a cooking process.

What does it take to become a successful entrepreneur? Complete commitment, says Frances. "Unless you plan on being totally consumed, don't start. You find yourself eating, dreaming and sleeping with that product. It consumes your life." She isn't complaining, though. "It's been an incredible adventure, that's for sure."

It's been a journey from making and delivering everything herself, to expanding to the current site with seven employees, two of them delivery men—and that only happened a few months ago when she was out of the delivery business after having back surgery. She's fine now, but sees there was great wisdom in hiring those employees. She's going to concentrate on the marketing and another part of her dream. She's writing a cookbook with the story of her journey through the world of business, and she's asking for Killer Salsa lovers to send her their favorite recipes.

Ah, a cookbook. Or is this going to be the chutzpah guide to business ownership. The Killer Salsa guru may just become the next entrepreneur guru of the common sense, hard work, just do it variety.

• Seminars •

July 2005

ASI Chicago

July 12 - 14, 2005
Chicago, IL
Contact: 866-564-6274 or
www.asicentral.com

NRHA Annual Convention

July 18 - 20, 2005
Vail, CO
Contact: 317-290-0338 or
www.nrha.org

August 2005

NRF Tech – IT Leadership Summit

August 7 - 9, 2005
La Jolla, CA
Contact: 202-783-7971

September 2005

National ERA Convention & Exposition

September 19 - 21, 2005
Las Vegas, NV
Contact: 800-987-6462 or
www.retailing.org

October 2005

RILA' ALEx 2005

October 9 - 12, 2005
Chicago, IL
Contact: 703-841-2300 or
www.retail-leaders.org

Western Food Industry Exposition

October 23 - 25, 2005
Las Vegas, NV
Contact: 916-448-3545 or
www.cagrocers.com

Abbreviations

ASI • Advertising Specialty Institute
ERA • Electronic Retailing Association
NRHA • National Retail Hardware Association
NRF • National Retail Federation
RILA • Retail Industry Leaders Association



Nevada Medicaid PDL & Other Updates

All Medicaid prescribers and pharmacies in Nevada need to be aware of an update to the Nevada Medicaid Preferred Drug List (PDL) and Addition of New/Revised Clinical Prior Authorization (PA) Edits.

Nevada Medicaid Preferred Drug List:

The Nevada Pharmacy and Therapeutics Committee of the Department of Human Resources' Division of Health Care Financing and Policy reviewed additional drug classes for the Preferred Drug List on April 28, 2005. The classes reviewed and the corresponding preferred drugs selected by the committee were as follows:

Drug Class:

Anti-Migraine Triptans

Antemetics: Oral, 5-HT3's

ADHD/Stimulants/Non-Stimulants

Preferred Drugs:

Maxalt (all dosage forms)
Zomig (all dosage forms)
Immitrex (injection only)

Zofran added for patients < 18 years old

Provigil added for ICD-9 codes 347.00, 347.01, 347.11, 780.53 and 780.57

Non-preferred agents in the Triptan class will require prior authorization, effective June 1, 2005. The Zofran and Provigil changes will also become effective June 1, 2005.

A complete Preferred Drug List (PDL), including additions, is posted on the First Health Services' website at <http://nevada.fhsc.com> (select "Preferred Drug List" from the "Pharmacy" drop-down menu).

Clinical Prior Authorization (PA) Edits:

Several new or revised drug edits will also become effective June 1, 2005. These edits involve clinical and/or quantity limitations. The drugs affected are as follows:

Drug or Drug Class:

Proton Pump Inhibitors

ADHD Agents

Long-Acting Narcotics

Change:

Increase in length of approval period for GERD

PA requirement extended to Strattera®

Change in allowable Oxycontin® doses per day. Dose-per-day limitations added to Morphine Sulfate SR, Avinza®, and Kadian®

Find specific details regarding these edits at <http://www.dhcfp.state.nv.us> (click on "Medicaid Manuals" and select "Chapter 1200, Appendix A").

If you have questions regarding the PDL or the edits described above, please contact the First Health Services' Clinical Call Center at 1-800-505-9185.

ProDUR Denials

Nevada Medicaid is required by federal law to provide a mechanism to allow pharmacists to perform Prospective Drug Utilization Review denials (ProDUR). This mechanism has been in place, via online messaging, since the implementation of the pharmacy point-of-sale system in February 2003.

Based on a recommendation by the Nevada Medicaid Drug Use Review Board, severity level 1 ProDUR conflict messages will require the pharmacist to enter appropriate Intervention and Outcome Codes to override the denial. This requirement is effective June 15, 2005.

Additional information regarding this change is available online at <http://nevada.fhsc.com>. Select "Announcements/Meetings" from the "Pharmacy" drop-down menu.

Any questions or concerns regarding this change should be directed to the First Health Services' Technical Call Center at 800-884-3238.

Cell Phone Taxes

Cell phone taxes are going up across the nation. It seems that every government entity wants a piece of the action with both cities and states going after a piece of that ripe pie.

Word has it that lots of people are going the cellphone only route and dumping their land lines. That loss of revenue has government entities recouping by taxing cell phones.

Nevada comes in at the bottom of state and local taxes at 1.11 percent; Florida and New York charge the most at 16.10 percent and 16.16 percent respectively.



Just Want to Get Rid of It? Then Freecycle

Been freecycling lately? No, it's not a new sport and it's not the latest telemarketing gimmick to reach that ideal weight. It's an idea whose time has come. As landfills fill up and mountains appear in the flatlands (mountains created by shoveling earth over trash), it's become evident around the globe that there is simply just too much stuff thrown away. In 2003, one

guy thought about that environmental problem and came up with "freecycle," a way for people to give away stuff they no longer want.

Deron Beal from Tucson, AZ, thought of it as a simple, logical way to help redirect goods from landfills to another useful life. He thought he'd be joined by other "tree-huggers" and has been surprised by how many people have joined what can now be called a movement.

It's a simple idea. He created a website, the Freecycle™ Network found at www.freecycle.org, which now has 820,481 members and is in 2,210 communities around the world. It's a blending of cyberspace and physical place that moves all kinds of stuff. If you go to the website, you can find postings in just about any language you want.

Don't let the word "member" scare you. Membership is free and it involves a simple act of signing up, finding your local community, reading the rules, and posting what you want to give away or what you would like to find. There is no buying and selling allowed, just giving and getting. There are very strict rules about that, and if you defy the rules twice, you don't get to be a member anymore.

Stuff changing hands is a varied as you can imagine, everything from refrigerators, to furniture, to computers, to video games—the list could take up pages. What's not allowed is anything not appropriate for all ages, legal or safe. Things like

tobacco, alcohol, firearms, drugs and otherwise are not allowed.

Most people go online at Freecycle™ to just get rid of something that's too good to toss. Lots of people do it because it makes them feel good to help someone out, no charge, no strings attached. Floridians suffering from last fall's hurricanes have been recipients of needed stuff. One family even received an old mini-van after they'd lost everything. Then there are the people like Sherrie Cagle, a freecycle member who created her own email group, Angels in Action, that collects free stuff to give to those less fortunate in her Virginia town.

Freecycle.org has another rule—give locally. Don't forget your local charities. Perhaps they need exactly what you would like to give away. In fact, non-profits are invited to join and take advantage of asking for exactly what they need.

Freecycle™ is global and local. It's around the world, but members join a local group to participate. Nevada has eight local groups, including ones in Carson City, Elko County, Henderson, Humboldt County, Lander County, Las Vegas, Moapa Valley/Mesquite and Reno. To find a local site, go to the Freecycle™ site, and then click on the US Southwest link where you can go to the area of your choice and find out more. If none of the sites listed are close to you, you're invited to host your own group.

Finding Drug Information on the Internet...

Americans are turning to the Internet to find out information about their prescription and non-prescription medications. According to the *Pew Internet Report on Rx Drugs Online*, one in four people surveyed, 26 percent, said they have used the Internet to get information about the medicines they take.

Although 26 percent reported that they search for information online about drugs, only 4 percent said they have bought their medications online. Indeed, 62 percent of those surveyed said they think that it is less safe to buy drugs online than at a local pharmacy. Another 20 percent think online purchases are safe, while 18 percent responded that they don't know or that it depends on the situation.

Three-quarters of those 4 percent surveyed who said they do purchase their medications online, say they bought a drug for a chronic medical condition such as high blood pressure or arthritis; one-quarter of those who made online purchases said it was for something other than chronic medical conditions, such as weight loss or sexual performance.

Of those polled, 63 percent said they have received an unsolicited email advertising a sexual enhancement medication such as Viagra. Interestingly, 71 percent of those were male and 56 percent female.

One of the sources that Internet users go to for their drug information is the medicare system site, which publicizes prescription drug prices.

Source: *PewInternet.Org*



Are processing fees cutting into your profits?

Cut your processing costs and boost your overall savings with our new, discounted payments program from our endorsed processor - Global Payments.

With Global Payments, you get the advantage of industry-leading hardware and software with market specific features designed for retail systems.

- End-to-End Payment Card Processing for Credit, Debit, Purchasing, Gift & Loyalty, Stored Value and EBT
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Important information for SIG members

The NRS governing self insured groups requires notifying members of all new members to the Nevada Retail Network Self Insured Group. New members for NRNSIG from April 26, 2005 to May 24, 2005 are listed below. For a complete member list, please call RAN at 775-882-1700.

- | | |
|---|--|
| A Simple Solution LLC | LandMarc Landscapes, LLC |
| ATM of Las Vegas, Inc. | Laser Printer Specialists, Inc. |
| Card Player | Lawn Pro |
| Carson Orthopedic Center | LT Mufflers & Brakes |
| Connected | Northwest Health Careers |
| Curves - Reno | Patio Paradise |
| David R. Jones, DDS | Pizza Factory Spring Creek |
| Desert Copy | Sonovision, Inc. |
| Dynamic Home Health Care LLC | Southern Nevada Home Health Care, Inc. |
| Four X Eight Design | Southwest Putting Greens of Reno |
| G | Sun Spot Tanning Center |
| Gaston & Wilkerson, Inc. | Wallis Steel, Inc. |
| Greene Valley Rentals, Inc. | Western Dump Trailers LLC |
| JR's Home Services | Western Nevada Surgical Center |
| Kantor Nephrology Consultants Ltd. | |
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One of the Guys

An Antidote for the Doubt & Suspicion that Sometimes Greets New Supervisors

Back in the good old days, we followed a different practice in staffing the first-line supervisor position. We considered the group this person would lead, and then we looked for an ideal group member to take over as supervisor. This ideal person was energetic, knew the work, and related well with others. Further, this ideal person resembled the group. If the group was all women, we looked for a woman. If it was all men, we looked for a man. We tried to match age, race, ethnicity, and socio-economic backgrounds. We even tried to match interests, and maybe even religion.

That's changed, but in making this change, we lost sight of the reasons we had been doing it in the first place.

Work groups have collective work that they care about. They want to complete this work efficiently and effectively, and groups know instinctively that they need supervisors to be dedicated to this goal.

When ideal group members are made supervisors, it reassures work groups that these supervisors can be trusted to be dedicated to the group's goals and interests. Group members project their own attitudes about the work on the new supervisor and assume that this person shares these attitudes. The resemblance between them encourages this trust.

With the implementation of equal employment practices, new supervisors today often do not resemble the groups they lead, and the supervisors themselves most acutely feel the consequences of this. A woman, for example, facing a new group of male subordinates may hear their words of welcome but also feel their suspicion and lack of confidence. A black man may hear reassurances from white subordinates that race doesn't matter yet feel their distance.

New supervisors who sense suspicion and a lack of confidence often have a strategy to combat it: they try to be "one of the guys." Unfortunately, this can lead to comical scenes like men attending baby showers.

Barbara van Knippenberg, professor at Vrije University in the Netherlands, recently studied two separate leadership theories with a goal of

integrating them into a unified theory, and one of the first problems she explored was the problem new supervisors face when they are different from their subordinates.

Ms. van Knippenberg's analysis led her to the conclusion that new leaders who are different and who arouse doubt and suspicion can allay these negative feelings by demonstrating, through their words and actions, their commitment to the group's goals and interests. She also believes that the easiest and fastest way new leaders can demonstrate this commitment is to perform occasional acts of self-sacrifice.

In an experiment posing new supervisors who were similar to the groups they led with new supervisors who were different from their groups, those who were different, yet also demonstrated self-sacrifice in a group task they assigned, prompted their new subordinates to outperform all others on this task. Subordinates of these "different" supervisors also strongly endorsed these new supervisors as effective, charismatic, and committed to the group and its goals. Their doubt and suspicion vanished with a single statement from their supervisor—a statement, which informed them that the supervisor would also perform the task and accept a higher goal than group members received.

This single statement demonstrated the ease with which these doubts and suspicions were allayed, and it astonished Ms. van Knippenberg. The impact on task performance also surprised her. No one had yet demonstrated a significant impact on task performance before her experiments, although many had tried.

Leader self-sacrifice has a long, storied history in leadership. Alexander the Great always led his armies into battle and was wounded many times. He also never lost a battle. After the 9-11 attack, the CEO of a Dutch Airline sharply reduced his own salary before asking any employees to accept wage and hour reductions. However, Ms. van Knippenberg emphasizes that supervisor self-sacrifice need not be often or significant to have the intended effect. She cites, for example, merely filling in for a subordinate so he can have a day off as an appropriate example.

Reference: van Knippenberg, Barbara and Daan van Knippenberg (2005) "Leader Self-Sacrifice and Leadership Effectiveness: The Moderating Role of Leader Prototypicality." *Journal of Applied Psychology*, 90 (1), 25-37.

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Capital Watch



Tax Burden Rises in Nevada—

Nevada citizens are 22nd in the nation in per capita state taxes paid, even without a state income tax that other states pay. The average Nevadan pays about five dollars more than the national average amounting to about \$2,029 each. That's not particularly significant for states in the middle rankings, according to Carole Vilardo, president of the Nevada Taxpayers Association. For instance, the 23rd ranking held by Arkansas, paid about \$2 less than Nevadans. The per capita taxes that states collected averaged \$2,024.

State governments across the nation collected about \$593 billion in taxes in 2004, an 8.1 percent increase from the \$44 billion they collected in 2003, the U.S. Census Bureau statistics show.

Taxes increased in all 50 states. States at the highest ranking include Hawaii, \$3,048; Wyoming, \$2,968; Connecticut, \$2,937; Minnesota, \$2,889; and Delaware, \$2,862. Texas ranked the lowest in taxes collected at \$1,367, followed by South Dakota, \$1,378; Colorado, \$1,533; New Hampshire, \$1,543; and Alabama, \$1,549.

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