



## California Governor Unveils FY 2012-13 Budget Proposal—A Week Early

**A**t a hastily called press conference on Jan. 5, Governor Jerry Brown unveiled his FY 2012-13 budget proposal, nearly a full week before the Jan. 10 deadline. But the early release was not by design. The blueprint was accidentally posted to the Department of Finance's public website, leaving the governor with few alternatives but to push up the debut.

Holding true to earlier comments that he would focus efforts on working with fellow Democrats on a plan that could be passed on a majority vote, Brown's proposal avoids outright revenue increases that would trigger a two-thirds vote requirement. A proposal to temporarily increase the sales tax by one half of 1 percent and income taxes on high wage-earners through 2016 would be placed before voters in November.

As with the final 2011-12 budget, the 2012-13 proposal contains "trigger cuts" that would slash state spending on education and public safety even further if voters reject the governor's temporary tax measures.

Gov. Brown's budget proposal assumes a \$9.2 billion deficit absent corrective action, with the shortfall shrinking to just over \$2 billion over the next three fiscal years. Those numbers are significantly lower than the \$13 billion-plus deficit projected by the *Legislative Analyst*.

The unveiling was peppered with comments expressing regret for much of what the proposal contains but noting this was the best his administration could come up with in these difficult



## California Perspective

by Ronald Fong, President, California Grocers Association

*Ronald Fong is president and CEO of the California Grocers Association (CGA). Ron joined CGA in 2008 after 12 years with the California Credit Union League where he was VP of government affairs. He is the association's chief legislative and political advocate and oversees all CGA programs. He also is president of the California Grocers Association Educational Foundation (CGAEF).*

Many details remain to be determined through a series of hearings in both houses of the state legislature and negotiations between the governor and legislative Democrats. Lawmakers are required to pass a final budget by June 15 or they will be forced to forfeit pay and per diem benefits each day they are late. The governor has expressed hope that issues can be resolved by March, but many are skeptical that can be accomplished—even given the lower majority vote option and single-party control of California state government.

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that impact supplies and educational programs, Nestle USA and Superior Grocers, one of Southern California's largest independently owned supermarket chains, recently gave a \$144,000 donation to local schools.

Representatives from 144 schools were presented with a \$1,000 donation at a ceremony held at the Superior Grocers store in Montebello. The funds will help further students' nutrition, health and wellness education—helping them achieve academic potential, physical and mental growth as well as lifelong health and well-being.

Nestle USA and Superior Grocers started their school donation partnership in 2009. Over the last two years, more than \$270,000 in combined funds, school supplies and books have been donated to southern California schools.

"We are pleased to have Nestle USA join us in this important educational program," said Mimi Song, president and CEO of Superior Grocers. "In these difficult times, our local schools are in need of many basic supplies and teaching tools for students. We are happy to award these scholarships to the selected schools."

### WALMART ACKNOWLEDGES PLANS FOR GRANITE BAY STORE

Walmart Stores Inc. finally has acknowledged the planned Walmart Neighborhood Market in Granite Bay that everyone else has long been talking about, reports the *Sacramento Business Journal*.

In fact, this is the first Walmart Neighborhood Market in California that the giant retailer has announced.

The nation's largest retailer has 150 locations of its groceries-only format across the country.

"This is a new shopping experience that we're bringing to the area," Walmart spokesman Lorenzo Lopez told the *Journal*.

Walmart has received a building permit from Placer County to start remodeling store space at Sierra Oaks Shopping Center at Douglas and Sierra College boulevards. Walmart will occupy space where a Grocery Outlet store was unable to renew its lease—plus vacant space.

Walmart Neighborhood Market will occupy about 43,000 s.f. and will employ about 95 people, Lopez said.

"This is an ideal location for the format," he is quoted in the *Journal* as saying.

All the customers coming to the Walmart Neighborhood Market will provide a boost to the rest of the shopping center, he said.

Walmart isn't saying when the store will open—not even anything as vague as 2012, according to the *Journal*.

## OREGON

### NEW SEASONS MARKET MAY OPEN IN NORTH PORTLAND

Some big development news that will impact traffic on the popular Vancouver-Williams bike corridor in North Portland: New Seasons Market has applied for a permit to build a new store on N. Fremont between the heavily traveled couplet, reports *The Oregonian News Network*.

## REGION ROUNDUP

According to the permit application filed with the City of Portland Bureau of Development Services, the new store would be a one-story, 27,960-s.f. building with 60 surface-parking spaces. The building would span the entire block of Fremont from Vancouver on the West to N. Williams Avenue on the East.

The store would go in what is now a vacant lot across the street (diagonally) from the Williams Market and Abraham Fixes Bikes, according to the *Network*.

### NEW PORTLAND WALMART TO SPORT ECO-ROOF

Walmart plans to open a new store in the Hayden Meadows Retail Center in North Portland that will feature a 40,600-s.f. eco-roof, reports the *Portland Business Journal*.

Walmart will work with Portland-based Columbia Green and its resale partner Firestone Building Products on the design and implementation of the eco-roof, according to the *Journal*.

## WASHINGTON

### MORNINGSTAR NAMES SINEGAL OF COSTCO CEO OF THE YEAR

James Sinegal, CEO of Costco Wholesale Corp., has been named Morningstar's 2011 CEO of the Year.

"James Sinegal, who has served as CEO since co-founding Costco in 1983, has created and maintained value for all company stakeholders during his tenure," says Paul Larson of Morningstar StockInvestor. "The average Costco employee is attractively compensated relative to other retail workers, keeping employee turnover low and productivity high. Although its top-notch benefits package and superior wages are costly on the surface, the firm is reimbursed handsomely, generating more than \$500,000 in sales per employee."

### WFIA RECOGNIZES GROCERY INDUSTRY'S 2011 STANDOUTS

The Washington Food Industry Association (WFIA) honored its annual grocery industry award winners in mid-December.

The WFIA awards were voted on by the association's full membership, then presented to three industry leaders by President Jan Gee on behalf of the Washington state grocery industry.

Grocer of the Year is Kevin Stormans of Stormans Inc. in Olympia; Vendor of the Year is Greg Miller of Supervalu in Tacoma; and the Keystone Award—for excellence in government affairs—was presented to Rep. J.T. Wilcox of Wilcox Farms in Roy.

Stormans is a third-generation grocer and a third-generation Grocer of the Year. In the early 1960s, WFIA honored Ralph Stormans, president of Stormans Inc. and grandfather to 2011's recipient, and then in the early 1980s, the Grocer of the Year Award was presented to Ken Stormans, then president of Stormans and Kevin's father. Today, along with his brother Greg and sister Charelle, Kevin Stormans manages two stores in

## SAVE MART NAMES ITS STORE MANAGER OF YEAR

Save Mart Supermarkets honored Mike Cook with the 2011 Nicholas J. Tocco Store Manager of the Year award during the company's annual management appreciation gala Jan. 14. Cook is manager of the Lucky store in Oakley, Calif.

Save Mart operates stores under the Save Mart, S-Mart Foods, Lucky, Maxx Value Foods and FoodMaxx banners.

"Mike Cook...has done a great job of improving his store's performance while giving great customer service and remaining active in the community," said Woody Hunter, VP of Save Mart's coastal division.

Ann Bradford of the Lucky store on Mountain Boulevard in Oakland was the first runner up, while Dan Kohnen of the Save Mart store in Oakland was second runner-up.

Other Nicholas J. Tocco award nominees were: Tara Alvarez, FoodMaxx on North Broadway in Santa Maria; David Gonzales, Save Mart on North Milburn in Fresno; Randy Sentachi, Lucky store on Sloat Boulevard in San Francisco; Luke Houston, Save Mart in Riverbank; Rich Alstad, Save Mart at Standiford and Prescott in Modesto; John Romine, Save Mart in Jackson; and Justin Schumann, FoodMaxx in Oroville.

The Store Manager of the Year award, presented by Save Mart Supermarkets owner and Chairman Bob Piccinini, was created in honor of the late Nicholas J. Tocco, co-founder of Modesto, Calif.-based Save Mart Supermarkets, which operates 233 stores in northern California and northern Nevada.



Save Mart Supermarkets' 2011 Nicholas J. Tocco Store Manager of the Year award went to Mike Cook (seated, center), manager of the Lucky store in Oakley, Calif. He is flanked by first runner-up, Ann Bradford, manager of the Lucky store on Mountain Boulevard in Oakland, and second runner-up, Dan Kohnen, of the Save Mart store in Oakland. Standing, from left, are Save Mart's COO and President Steve Junqueiro, CEO and Chairman Bob Piccinini and Chief Sales Officer Frank Capps.



Larry Nakata, top center, of Town and Country Markets, the 2010 Washington Grocer of the Year, joins Ken and Lynn Stormans as their son Kevin Stormans, right, owner of Stormans Inc. in Olympia, is recognized as the Washington Food Industry Association's 2011 Grocer of the Year.

Olympia—Ralph's and Bayview Thriftway—as well as a catering business. He is a longtime member of the board of directors of WFIA, serving since 1985, and as chairman of the board from 2004-06. In 2011, he was elected to the executive committee as vice chair of finance. He also has been a longtime leader, board member and key participant in Associated Grocers, Unified Grocers and Northwest Grocers. Stormans has received numerous charitable awards from his local community, including recognition from the Thurston County Food Bank and Olympia Downtown Association.

Miller is a busy vendor with a large territory to travel, but through the development of lead advocacy teamwork, his group improves customer service and makes each retail customer feel like



Greg Miller, left, area VP for Supervalu, accepts the 2011 Vendor of the Year award from the 2010 recipient, Dave Willis of Willis Marketing.

they are the most important account, according to WFIA. Miller offers support initiatives for independent retailers, such as a remodel incentives program that offers rewards for investment in grand re-opening sales events. He has served on WFIA's board of directors since 2006 and as chairman of the board from 2007-08. He is one of



Washington State Rep. J.T. Wilcox of Wilcox Farms receives the 2011 Keystone Award from WFIA President Jan Gee for excellence in political action.

[theshelbyreport.com](http://theshelbyreport.com)

WFIA's advocates of building a political program that assures WFIA and the industry can financially back business and grocery industry-friendly candidates who will be a partner in protecting and promoting the independent grocery industry.

Wilcox was recognized for his political action to advance and protect the interests of the independent grocery industry

Today, instead of the title "Farmer J.T.," Wilcox is state representative of the 2nd District. He serves on the Ways and Means Committee as a freshman—an appointment long sought by more senior members of the legislature.

### SEATTLE OFFICIALS DECIDE TO BAN PLASTIC BAGS

The Seattle City Council recently voted unanimously for a broad ban on plastic shopping bags for businesses ranging from farmers markets to department stores. The bill also would require stores to charge a 5-cent fee to shoppers if they want paper bags to hold their purchases. The ordinance is expected to go into effect July 1, reports the *Puget Sound Business Journal*. Seattle Public Utilities' solid waste division will monitor and enforce the ordinance.

The bill exempts dry cleaning, produce and bulk-bin bags as

well as bags used to keep takeaway hot food or liquids contained. Customers on government assistance will be exempt from the bag fee, and reduced-cost or free reusable bags will be available from the city for low-income people.

The bill was driven by environmental considerations, with proponents saying the bags pollute the landscape and oceans, and harm wildlife.

"We know that recycling alone cannot protect Puget Sound and our ocean waters from these plastic bags," said the bill's primary sponsor, council member Mike O'Brien. "Of course people are not intentionally littering their bags into Puget Sound but, with so many in circulation, bags are ending up there, causing real damage to habitats and wildlife. Bringing our own reusable bags when we go shopping is a simple step we can all take that will protect our environment and reduce unnecessary waste."

The *Journal* reports that Seattle residents use approximately 292 million plastic bags a year, only 13 percent of which are recycled, according to Seattle Public Utilities.

Plastic bags already are banned in Edmonds, Bellingham and Mukilteo.

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