

# national bulk vendors association

## n e w s l e t t e r

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### Special points of interest:

- Convention Schedule Revamped
- Convention Registration Rates Change
- Coupon Books To Continue
- Bull Session For All

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## Report of Executive Committee Meeting

The Executive Committee and invited guests conducted extensive and far ranging discussions about the future of the Association and how we operate. The meeting on September 27, 2006 at Caesars Palace in Las Vegas was exceptionally productive. Here is a summary of the key items.

### CONVENTION SCHEDULE REVAMPED

Instead of all seminars on Friday, the seminars will be split for Thursday and Friday, with the very popular video presentation on Saturday morning to precede the General Meeting and elections. Here is what the schedule will look like:

#### Thursday

8:00 a.m.	Executive Committee Meeting
10:00 a.m. – 10:50 a.m.	Legislative Committee Meeting
11:00 a.m. – 11:50 a.m.	Ways and Means Committee Meeting
1:00 p.m. – 1:50 p.m.	Seminar
2:00 p.m. – 2:50 p.m.	Seminar

#### Friday

9:00 a.m. – 9:50 a.m.	Seminar
10:00 a.m. – 10:50 a.m.	Seminar
11:00 a.m. – 11:50 a.m.	Bull Session

#### Saturday

9:00 a.m.	Video presentation
10:00 a.m.	General Meeting and Election

The new schedule will spread the workshop seminars and provide more open time for operators to visit the convention floor. The change will also encourage more people to  
*(Continued on page 2)*

## Email Address and Electronic Bulletins

We will start sending our newsletters by email, although we will continue for now to print and mail the newsletters as well. Eventually we will consider reducing

or eliminating the printing and mailing.



So if you have not furnished us with your email address, please do so now by sending it to us

at [nbva@muchshelist.com](mailto:nbva@muchshelist.com). We will also provide reminders with our 2007 dues invoices.



United Effort for Individual Security

## Report of Executive Committee Meeting

(Continued from page 1)

attend on Thursday.

### REGISTRATION RATES CHANGE

The \$75 day pass for non-members was eliminated and is replaced with a flat fee of \$150 for all three days for non-members and the Friday night Exhibitors' Party. This pass will not entitle a non-member to attend the Saturday night members' banquet.

This change is also intended to encourage non-members to join the Association, or at least extend the stay of non-members beyond a single day.

Given the choice of registering for a three day pass for \$150 or joining the Association for \$100 (for the lowest dues category) and registering for \$100 (that includes the Saturday night member banquet), the Executive Committee believes more people will be encouraged to join the Association. For the extra \$50, the small operator can go to the Saturday dinner, get newsletters, the mailing list and get the new coupon book. Sounds pretty attractive and we can train the convention desk personnel to explain this to interested registrants.

### COUPON BOOKS TO CONTINUE

The coupon book experiment for 2006 was well received by the operators and the participating suppliers, and will continue in 2007 with little change.

The plan for 2007 is to distribute the coupon books at the convention, but only to members in good standing. Since the NBVA switched to a calendar year, rather than a fiscal year, dues invoices will be mailed in early January, 2007 and must be paid by March 15<sup>th</sup> to remain a member in good standing. Members in good standing will be given the discount coupon books at the convention if they attend the convention. If not, the coupon books will be mailed. If dues are not paid by the convention date, the member will cease being a member in good standing, will not receive any membership newsletters, mailing lists or other benefits.

### SUPPLIERS PARTICIPATION IN COUPON BOOKS

All suppliers are eligible to participate in the coupon book program. Each supplier can determine the benefits to be offered. A separate notice will be distributed to suppliers explaining what is needed and when all coupon materials must be received in order to allow time to assemble, print and be available at the 2007 convention for distribution.

### BULL SESSION FOR ALL

Another change was made to the Operators Bull Session. No longer will it be restricted to Operators. All suppliers also will be invited to attend the newly named "Bull Session" in an effort to expand communication and provide instant feedback to operators.

## Vending Times Annual Survey

The Annual Vending Times Census of the Industry always offers a helpful glimpse of where we were and where we are likely to go. The 2006 census (for calendar year 2005) was no different.

Here are some interesting highlights:

- the industry was up slightly;

- changes in the Capsule Vendors, Nut/Pan Candy and Ball Gum sections were almost immeasurable;
- but sales from Novelty Capsule Vendors plummeted by almost 50%;
- Flat Vending sales jumped by 18%;
- Sales in the 25% machines con-

tinues to decline while more vending is done in 50¢ and over 50¢ machines

The industry appears stable and relatively healthy, although not dramatically growing. These trends will be explored in greater depth at the workshop sessions at our next convention.

## Kolbe Coin Act – Ambitious, But Unlikely

Rep. Jim Kolbe (R. AZ) has introduced a comprehensive bill to reform coinage in our country. HR 5818 is titled the Currency Overhaul for an Industrious Nation Coin Act. One small segment of the bill is to compel rounding to the nearest 5¢ in all cash transactions, a step that would practically eliminate further minting of the penny, in part because it now costs more to mint the coin than the face value of the coin. A speculator can merely accumulate huge amounts of pennies, melt them down and then sell the copper at a profit. This is likely the first time in history the US Mint is losing money on coin production.

The added attraction to elimination of the penny for the vending industry is that the elimination of the penny will create room in cash drawers to hold \$1 coins, and therefore could enable circulation of \$1 coins. Retailers would then be encouraged to support and promote use of \$1 coins. Today they gener-

ally oppose it because there is no room for them. For Rep. Kolbe, the penny elimination ties into another provision of the bill that provides for rounding to the nearest nickel in all cash transactions. If passed, this would effectively eliminate the need to carry the penny. Credit card transactions would still be completed at the exact price.

Another part of the Kolbe bill provides a directive to the Mint to discontinue the \$1 bill when the \$1 Coin annual circulation exceeds \$1 billion for two years in a row. This could provide the vehicle to do away the \$1 bill, not necessarily based on the current production or circulation of the \$1 coins, but based upon the new \$1 Presidential coins, discussed next. For this reason, this bill is likely to be very controversial and, based on past experiences, will likely cause this bill to fail or be amended drastically.

The Association has advised Rep. Kolbe that our Association supports

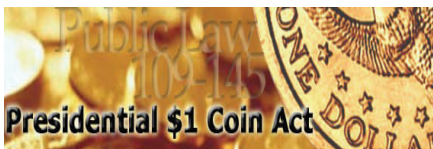
his bill, but passage is not likely. Rep. Kolbe has long been active in coinage matters but he has announced his retirement from Congress, so this bill seems more a legacy or blueprint for others to follow, rather than a serious attempt to reform the coinage system.

Additional proposals in the Kolbe bill are detailed in an attachment.

*“Today, I am introducing the COIN Act of 2006 – the Currency Overhaul for an Industrious Nation Act – which will drastically reduce the demand for the penny by introducing a cash transaction rounding system and modernizing the currency system in several other ways,” says Rep. Kolbe (July 18, 2006).*

## Status of \$1 Presidential Coin Act/New Coin Coalition

Another potentially positive development for the vending industry is the annual production of \$1 coins featuring the likeness of all the former US Presidents. Attached is a detailed explanation of this new act.



The US Mint is obligated not only to mint the coinage but also to promote the distribution and circulation of the coins. After all, the Mint will experience huge profits on the wide distribution and hoarding of

the coins. The Mint is required to advertise the new coins as they are minted and to take steps “to remove barriers to circulation.” This includes assuring coin changers are available to convert bills into coins and requiring all vendors operating in government locations to accept and encourage use of \$1 coins.

The Mint has already conducted meetings with the vending industry that we attended. In addition, a new Coin Coalition has been formed by industry representatives to promote usage and distribution of the coins. We are nominal members of this group, but the coalition is sponsored and supported by metal suppliers who will benefit even if the

coins are collected as souvenirs. We share some common goals in enabling use and circulation of the coins, but so far their agenda does not include the elimination of \$1 bills, elimination of the penny or production of \$2 bills, all which would more likely lead to greater acceptance and distribution of \$1 coins. Instead, the new coalition seems to believe that the onslaught of the new coins will result in circulation and compel retailers to deal with them. We hope they are right, but there are only so many slots in the cash drawers.

We will continue to report on progress of the Mint as they prepare for rollouts of the profitable new coinage.

## Congratulations To The 2006-2007 NBVA Scholarship Winners!

The Scholarship Committee is pleased to announce the winners of this year's NBVA scholarships. The \$15,000 in scholarship funding included awards made in honor and memory of Ted Raynor, Pete Miller, Elliot Folz, Pat Bolen, Victor Lavay, and Al Fischer, who recently passed away. There were 13 awards handed out in total, with funds made available to assist with tuition bills for the current school year.

The NBVA congratulates the 2006-2007 winners:

Nathan Curtis  
Jennifer Cusson  
Allison Geiman  
Evan Heon  
Amy Kam  
Kevin John  
Nicole Lock  
Danielle Lynn Schill  
Sandra Serrato  
Nathan Smith  
Robert James Stephens, Jr.  
Jade Titus  
Evan Wakelin

Our thanks go to the Scholarship Committee comprised of Neel Clark, Michael Applebaum and Jeff Ostler for their work that has produced so much joy and financial support to the recipients.

## Plan For 2007 Convention

It is not too early to plan for the 2007 convention. Every year a bunch of our members call the Caesar's Palace late and cannot get rooms at our special convention rates. We guaranty a certain room

block and once used up additional rooms—if available at all, are available at much higher prices. You can avoid the problem by calling now.

To make reservations, call (702)

731-7222; toll free (800) 634-6661. Our rate for run of the house rooms is \$175 per night single or double occupancy, plus any local, state and federal tax that may apply.

## Future Convention Dates

The 2007 convention dates are April 19, 2007 – April 21, 2007.

The 2008 convention dates are April

17, 2008 – April 19, 2008.

The 2009 convention dates are April 23, 2009 – April 25, 2009.

All at Caesars Palace in Las Vegas, Nevada.

## Learn To Use 1099s

At one of the workshops in April, there was discussion about the potential adverse impact on an operator who fails to provide a Form 1099 to a retailer or other location owner. Under certain circumstances, the results can be disastrous to the operator.

So if you are an operator, be sure to read the special attachment prepared by Mitchell Roth and Pamela Belyn explaining exactly what and why. Compliance is easy. Non-compliance can be very expensive.