

# Sunday Business



## KEEPING GREEN PRACTICES FRESH

Roth's Fresh Markets proud to serve shoppers, environment

BETH CASPER | SPECIAL TO THE STATESMAN JOURNAL

Beautiful produce, aisles packed with a huge variety of products, and shelves filled with fresh baked goods catch the attention of shoppers at Roth's Fresh Markets.

What is less obvious — but equally important to Roth's owners and employees — is the environment.

The company puts reuse and repair of its equipment before replacement, finds ways to recycle almost all of its unneeded materials and looks to purchase local foods over ones transported from far away.

There are six Roth's Fresh Markets in Marion County and all of them earned EarthWISE certification in October 2016. EarthWISE staff helps businesses recycle, save energy, reduce waste, and much more. To earn certification, a business meets criteria in six areas. Roth's Fresh Markets is one of more than 150 EarthWISE businesses and organizations in Marion County.

**"We are committed to being local and supporting other local businesses."**

**TINA OLSEN**  
TRAINER AND GREEN TEAM LEADER,  
ROTH'S FRESH MARKETS

SPECIAL TO  
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**Replacing cooler doors and switching to LED lighting has led to energy use reductions for Roth's Fresh Markets.**

Roth's works with more than 40 local Oregon vendors, including Spring Valley Dairy and Willamette Valley Fruit Company. They also purchase from more than 20 local wine vendors and 15 local produce vendors.

"We are committed to being local and supporting other local businesses," said Tina Olsen, trainer and green team leader at Roth's. "It cuts down on trucking, fuel costs and associated environmental damage. In fact, the truck company we use is right next to the corporate office."

All of the food and other products comes to stores in cardboard boxes and often wrapped in plastic wrap. In 2015, Roth's recycled 20.89 tons of plastics. The company recycles about 20 tons of office scrap paper and 633 tons of cardboard every year.

"We've been recycling since long before it was cool," Olsen said. "We knew that was the appropriate way to

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## All business owners should keep records — here's why



**CHEMEKETA SBDC**  
CELIA NÚÑEZ

Consider these three simple areas that can make a tremendous difference in your tax liability exposure.

### 1. Failure to keep good records

If you do things correctly, your bookkeeping records will clearly reflect the earnings and expenses of your business. This makes for easy and accurate tax preparation as well as appropriate support in the event of a tax audit.

If this isn't motive enough — think about this. In the case of an IRS audit, if your business does not have adequate financial records, they are in their right to "approximate" your income based on industry standards and are under no obligation to assume any legitimate expenses to offset your revenue — thus all profit, all taxable.

If you don't know how to keep your records for your business — go to the IRS website for small business record keeping publications. You can outsource your recording to a bookkeeping service, or take a class and learn how to manage the financial records of your business. There is no time like the present.

### 2. Falling behind on tax payments

Self-employed individuals do not have the benefit of someone else being responsible for tax withholdings. You are your employer.

As an employee, your employer makes these "deposits" for you. Each pay period, taxes are taken from your check and remitted by your employer, including their portion.

As both the employer and the employee, you make these deposits. Estimated payments are required to be calculated

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## Let's compare two potential solutions for Social Security



**INSIDE BUSINESS**  
SCOTT BURNS

Recent columns brought lots of reader mail. The columns criticized proposed legislation from Rep. Sam Johnson, R-Texas. His bill is an effort to make Social Security solvent. Some readers were angry because I "just criticized." I didn't propose a better solution.

I didn't like the bill for a reason: It would "save" Social Security by making deep cuts in future benefits. Only cuts were on the menu. The younger you are, the deeper the cuts.

That's not my understanding of fixing something. It's like saying, "We made the operation a success, but the patients died."

So let's compare two menus. One is the Johnson menu of benefit cuts. In his plan workers would continue to pay employment taxes at the same rate. So benefit cuts amount to a tax increase on future workers. They'll get less for the taxes they pay. Some would call this "taxation without representation" for the young.

tax increases and tweaks. They will preserve current benefits for future workers.

Here's the basic arithmetic. The Social Security Trustees say the program is short 2.66 percent of payroll over the next 75 years. In current dollars, the shortfall amounts to \$11.6 trillion. So we can either cut benefits by \$11.6 trillion or raise new tax revenue of \$11.6 trillion.

That \$11.6 trillion figure is good for dramatic effect. But it's more useful to think about the 2.66 percent payroll figure. The Johnson bill closes the gap with three changes that cut spending by 2.94 percent of payroll over the next 75 years.

The first change is to use a different method for calculating cost-of-living adjustments. Increases would be smaller. Savings: 1.25 percent of payroll.

The second change replaces the current benefit formula with a new formula. It provides lower future benefits, a savings of 0.85 percent of payroll.

The third change increases the age for receiving full benefits from 67 to 69, a savings of 0.84 percent of payroll.

Each of those changes works to reduce future benefits. By 2080, a medium income worker (about \$49,000 today)

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Department of Agriculture Building: Dept. of Agriculture, Department of Land Conservation & Development

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## Business briefs

### Lancaster Family Health Center opens new dental, medical facility

Lancaster Family Health Center has opened a new health care facility, with dental and medical clinics opening last month.

The facility, located at 255 Lancaster Drive NE, opened its dental practice on Jan. 10, and its medical clinic opened Jan. 25.

According to a release, the state-of-the-art center includes a pharmacy, 12 dental operatories, over 30 exam and procedure rooms, and a teaching kitchen. The clinic also includes integrated behavioral health consultants, registered dietitians, and WIC nutrition services. The clinic opened with around 60 employees, with the potential for that number to grow.

"LFHC has been operating out of a medical office on Beverly Avenue since 2001, and the team has done an outstanding job delivering care," CEO Carlos Olivares said. "However, in order to serve our patients, we needed a larger facility

that would enable us to continue to deliver the high-quality health care they deserve."

The center's original location on Beverly Ave. NE is now named Lancaster Family Health Center at Beverly. It will offer same-day access for established LFHC patients.

Lancaster Family Health Center can be reached at 503-576-8400.

### Wilco Farm Stores' Doug Hoffman honored by Oregon Farm Bureau



Doug Hoffman

Doug Hoffman, CEO of Wilco Farm Stores, received the Oregon Farm Bureau President's Award at last month's 84th Oregon Farm Bureau annual meeting in Salem.

The award is selected by the sitting OFB President to recognize an individual who contributes in extraordinary ways to Oregon agriculture, and therefore to Farm Bureau members, accord-

ing to a release.

"I am proud to give the OFB President's Award to Doug Hoffman," OFB President Barry Bushue said. "He has spent his entire career supporting farm and ranch families across several states and adding value to countless agricultural businesses."

Other awards announced at the meeting included the Marion County Farm Bureau being honored with the County Farm Bureau Action Award, and Bob Dettwyler receiving the Oregon Farm Bureau Distinguished Service Award.

### Bob Lindsey of Gnome Hazelnut Factory wins Grower of the Year

Bob Lindsey of Gnome Hazelnut Factory in Salem has been honored with the 2016 Grower of the Year award from the Nut Growers Society of Oregon, Washington and British Columbia.

The Grower of the Year award is the Nut Growers Society's highest honor, and is awarded based on contributions to enhance and support the northwest ha-



Bob Lindsey

zelnut industry.

More information about Gnome Hazelnut Factory, located at 7505 Windsor Island Rd N, can be found at [www.GnomeHazelnutFactory.com](http://www.GnomeHazelnutFactory.com) or by calling 503-551-8585.

### Financial advisor Miguel Sipes joins Edward Jones in Woodburn

Edward Jones financial advisor Brent Glogau announced last month that Miguel Sipes has joined his office in Woodburn as a financial advisor effective Jan. 31.

Sipes will work with Glogau for several months before continuing to serve investors throughout the area from his branch office, according to a release.

Glogau's branch office is located at 965 N Cascade Dr, Suite B, in Woodburn. The office can be reached at 503-981-1798.

— Lee Clarkson

## Burns

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would have 28 percent less in promised benefits at 65. The loss would increase to 34 percent by age 95. Higher-wage workers would do worse. Lower-wage workers would do better.

Now lets consider different proposals. I found them in "Social Security Works!: Why Social Security Isn't Going Broke and How Expanding It Will Help Us All." The authors are Nancy J. Altman and Erick R. Kingson. They offer a menu of different choices that would increase revenues. More revenue means paying promised benefits. The choices are in Appendix B at the end of the book.

The authors' first change would raise the taxable wage base over time. It's currently \$127,200. Readers suggested this solution a lot. It would add 1.95 percent of taxable payroll to revenue.

Their second change would apply a dedicated tax increase of 10 percent on incomes over \$1 million. This would add another 1.50 percent of taxable payroll to program revenue.

The third change increases the current Social Security contribution rate. Now 6.2 percent, it would rise by 1/20th of a percentage point a year on both employers and employees. The increase would stop when the rate reached 7.2 percent after 20 years. This would add 1.41 percent of payroll over the period.

These three changes total 4.86 percent of payroll, well over the 2.66 percent shortfall. That leaves plenty of room for negotiation. It's also possible changes from both menus would do the job. For example, increasing the wage base cap (1.95 percent) and using a different cost of living tool (1.25 percent). Combined, they cover the gap at 3.20 percent of payroll.

A still better solution, from former presidential candidate Rand Paul, is more radical. He called for the elimination of the employment tax. He would replace it with a corporate value-added tax. Since it would cover all wages (value-added) paid by corporations, it would raise more revenue.

Too radical? I don't think so. It's time for real change. The employment tax has been our fastest rising and most regressive tax for more than half a century. Our politicians like to harp on the individual income tax. In fact, most Americans pay more in employment taxes than in income taxes. So true tax reform begins with the employment tax.

Scott Burns is a syndicated columnist and a principal of the investment firm AssetBuilder Inc. Email questions to [scott@scottburns.com](mailto:scott@scottburns.com).

## Núñez

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and paid on quarterly basis each year. Failure to make these deposits could subject you to paying additional fines and interest.

### 3. Mixing personal and business funds

Failure to separate business and personal funds can draw extreme scrutiny upon IRS examination (if you are one of the chosen ones for an audit!). In fact, in the case of a corporation, a commingling of personal and business funds can allow the IRS to "pierce the corporate veil" which removes all protection of a corporation.

Although it makes clear sense to separate them out, I am still amazed at the number of people who keep one checking account and struggle to make sense of their expenses at the end of the year.

Set up two separate and distinct accounts. When you need personal money for the business or business money to pay personal expenses — make a loan and leave a paper audit trail. Keep them separate — including credit card purchases.

Celia Núñez is the new Director of the Chemeketa Small Business Development Center. The Small Business Adviser column is produced by the center and appears each Sunday. Questions can be submitted to [SBDC@chemeketa.edu](mailto:SBDC@chemeketa.edu). Visit the SBDC at 626 High St. NE in downtown Salem or call 503-399-5088.



PHOTOS SPECIAL TO THE STATESMAN JOURNAL

Supply and demand for perishable items, like produce, are carefully considered at Roth's Fresh Markets to reduce spoilage.

## Roth's

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deal with such a large volume of material."

But Roth's employees also understand that waste prevention is preferable to recycling. The company's 80,000 square foot warehouse holds materials purchased in bulk to eliminate packaging and reduce costs. Employees are trained to order proper amounts to prevent spoilage.

"We order what we need so it is not expired while on the shelf," Olsen said. "With a warehouse, we can order items in bulk that will last a long time, such as toilet paper, Traeger pellets and firewood."

Of course it is not always possible to predict the amount of food and produce shoppers will buy, so Roth's maintains relationships with farmers who collect the soft fruit or slightly spoiled vegetables to feed to their animals. Day-old bread products go to Marion-Polk Food Share.

The oil from the fryers is saved for Oregon Oils — a company that uses the oil for biodiesel fuel. In 2015, Roth's recycled 1,173 gallons of used oil.

Shoppers have the opportunity to see green practices in action while dining at Roth's: recycling and composting stations show patrons where to place their leftover food and serving ware. Each store also has a bin where customers can drop off their corks. And Roth's puts a School House bin outside of every store, where customers donate cans and bottles with a 5-cent deposit. Each nickel that gets donated goes to the schools in that Roth's community.

Customers are also rewarded for green behavior — they receive a nickel refund whenever they bring in a reusable bag or sack. Shoppers brought in 406,014 reusable bags in 2016, resulting in a payout of just over \$20,300.

Roth's also has a schedule for energy efficient improvements as each store is remodeled.

Lightbulbs throughout the store and inside the coolers are replaced with LEDs. Roth's works with Energy Trust of Oregon to determine where to improve energy efficiency and has completed projects such as replacing cooler doors to keep cold air in the cooler. The company plans to replace all parking lot lighting with LEDs in the future. Solar panels on the corporate office generate an estimated 11,303 kilowatt-hours a month.

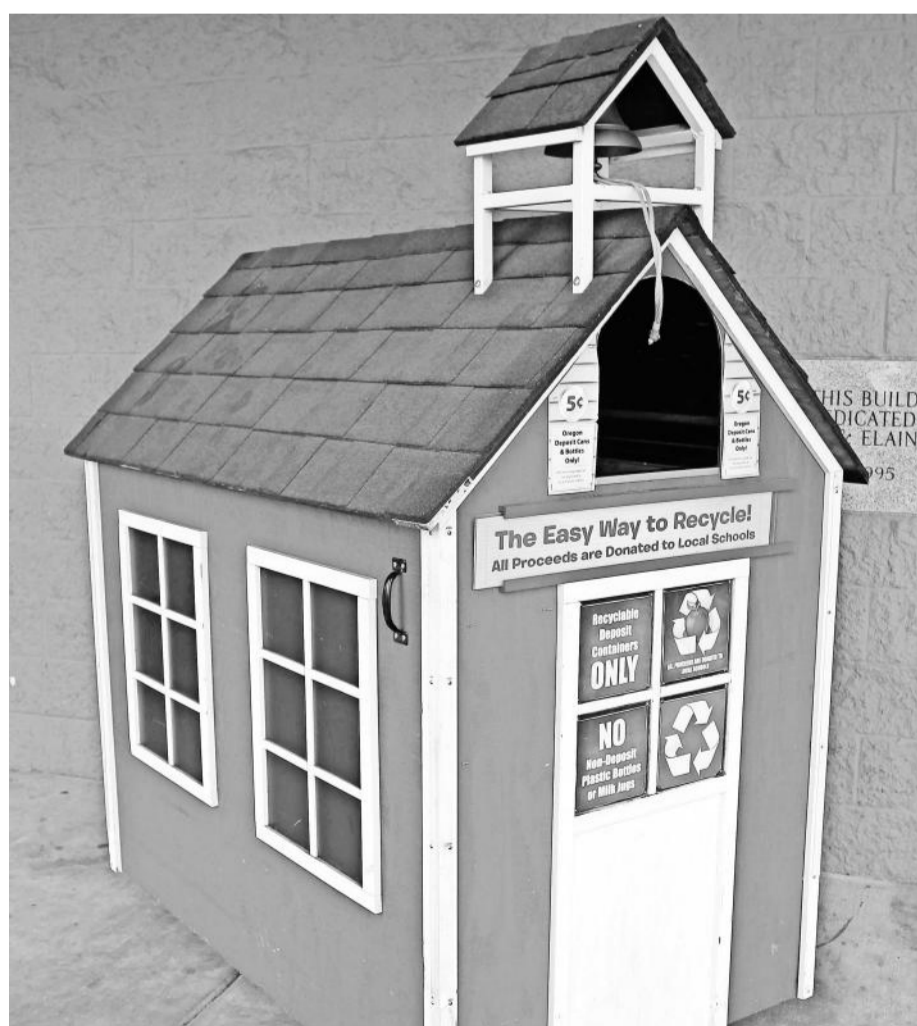
Roth's mission to tread lightly on the environment extends to choosing to repair instead of replace equipment.

"Any equipment that is big and expensive, we take parts off of it instead of scrapping it," Olsen said. "We fix what we have. We have nine stores that have equipment that is rotated and fixed. We do this with bakery ovens all the time."

Roth's Fresh Markets also chooses to conserve water where possible. All sprinkler systems for the outdoor landscaping and hanging baskets are on timers. New water-saving toilets were



Diners at Roth's stores have recycling options to help reduce waste.



Each store has a School House where shoppers donate cans and bottles with a 5-cent deposit. Each nickel that gets donated goes to schools in the community.

installed in the corporate office in 2009. All of the faucets in each store have been fitted with aerators that save water.

All of Roth's green efforts are outlined to new employees, who go through a training program. Each of the 650 employees also receives a Need-to-Know weekly bulletin that outlines any changes to existing or new green practices.

"Every employee knows how important it is to recycle, reuse and find ways to conserve energy," Olsen said. "Roth's wants to bring the freshest food to customers in the greenest possible way."

For more information about Roth's Fresh Markets, visit [www.roths.com](http://www.roths.com). To learn more about the EarthWISE program, go to [www.mcEarthWISE.net](http://www.mcEarthWISE.net) or call 503-365-3188.