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## Unemployment tax hike looms for business

by Ed Sealover

**Source: Denver Business Journal, Friday, January 8, 2010**

Colorado business leaders fear unemployment taxes on employers could skyrocket by as much as 300 percent next year, and they're scrambling to prevent that because it could lead to more layoffs and stall economic recovery.

Colorado's Unemployment Insurance Trust Fund, which is paying out roughly \$20 million per week in benefits, is expected to go broke by the end of January or beginning of February, said Gary Estenson, deputy executive director of the **Colorado Department of Labor and Employment** (DLE).

The state then would have to borrow money from the federal government to pay the nearly 75,000 Coloradans who are receiving aid from the fund. Some other states already have had to take this step.

Under terms of the American Recovery and Reinvestment Act, the loan would be interest-free if taken out before the end of 2010, but Colorado would have to re-pay the federal government for its balance. And if the trust-fund balance is negative on June 30, Colorado would have to increase unemployment insurance taxes on Colorado employers in order to get that money, putting more of a burden on employers who have laid off workers in the past year.

The added payments would range from a couple hundred dollars for mom-and-pop shops to six-digit sums for the state's biggest employers. And that could cripple some companies, business leaders warn.

So, the Colorado Association of Commerce and Industry (CACI), the **Colorado Competitive Council** and the **National Federation of Independent Business** (NFIB) are working with DLE to figure out how to reduce that needed level of compensation.

One solution: a precedent-setting, midyear adjustment of how much businesses have to pay into the fund. That would raise the already increased fees businesses are paying in 2010, but also lessen what could be a stifling burden next year.

"I have employers right now who would just simply lock the door" if unemployment costs rise by 300 percent in 2011, said Tony Gagliardi, director of Colorado's NFIB chapter.

"Businesses today can not incur a higher cost of employment. It's a job killer."

*(Article continued on page 3)*

## 2010 Membership Dues

Membership dues provide the funds necessary to promote the Rocky Mountain Car Wash Association. Dues also provide money for lobbyists, mailings, information exchange, newsletters, membership drives, web pages for the association and promotion of the organization. In order to reduce expenses, publications, web page management, etc. has been brought in-house and we have subsequently reduced our membership dues to **\$100 per year** regardless of the number or types of sites that you operate.

To become a 2010 RMCA Member, please fill out the application below and send it to:

Rocky Mountain Car Wash Association  
 Attn: Membership  
 P.O. Box 370831  
 Denver, CO 80237

**REFERRALS:** Take advantage of our **new referral program**. Earn a **\$25 credit** towards your 2011 dues for each new member you refer. *\*Up to \$100; New members only.*

**Survey**

1. What kind of operation do you have?  
 \_\_\_\_ Conveyor \_\_\_\_ Self Serve \_\_\_\_ Exterior Roll Over \_\_\_\_ In-Bay Automatic \_\_\_\_ Detail Shop  
 \_\_\_\_ Service Stations & C-Stores w/ In-Bay Automatics \_\_\_\_ Distributor

2. Do you have more than one location? \_\_\_\_ Yes \_\_\_\_ No; If yes, how many? \_\_\_\_ Self-Serve \_\_\_\_ Conveyor

3. Is the car washing business your primary business? \_\_\_\_ Yes \_\_\_\_ No; If not what is  
 \_\_\_\_\_  
 \_\_\_\_\_

**Membership Application**

Car wash firm name: \_\_\_\_\_

D.B.A.: \_\_\_\_\_

Owner/contact person: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Website: \_\_\_\_\_

Referred By: \_\_\_\_\_

***(Unemployment- continued from page 1)***

The Unemployment Insurance Trust Fund is funded 100 percent by business payments. A company's fees are determined by the balance of the trust fund as of June 30 each year and by each company's experience with former workers filing for claims.

Because the trust-fund balance sat at the "relatively high" level of \$342 million last June 30, assessments to businesses rose only slightly in 2010 despite the number of layoffs in 2009, Estenson said. But the impact could be far greater in 2011.

Loren Furman, CACI's vice president of government affairs, said that, for example, a five-person company that pays \$50 a year now to the trust fund could pay \$650 next year, and a 500-person company paying \$90,000 a year in taxes now may have to pay \$130,000 next year.

She got those numbers from Estenson, who said they're representative of companies who have had layoffs this year and were hit with higher fees.

Regardless, such jumps at a time when companies are struggling would be catastrophic, business leaders say.

"If a company has to pay X dollars more in cost per employee, whether that's in health care mandates or unemployment benefits or mandated leave, that amount of money is a direct correlation to a number of jobs that it can't fund," said Virginia Morrison Love, lobbyist for the Colorado Competitive Council. "It has a very direct effect on job creation."

Twenty-five states already have borrowed \$26.8 billion through the U.S. Department of Labor in order to keep their unemployment insurance trust funds solvent, according to the National Association of State Workforce Agencies. That number is predicted to rise to at least 35 by April.

And 35 states estimated in a recent survey by the Washington D.C.-based organization that the level of their unemployment insurance tax revenue collected from businesses in 2010 would surpass the amount collected in 2009.

The range of those projected increases, according to the group's survey, was from 2.5 percent to 600 percent. The median was 27.5 percent.

Other states besides Colorado also are considering emergency midyear adjustments. But the adjustments wouldn't be pain-free, local business leaders said.

Adjustments would raise the cost of doing business a little bit right away in exchange for avoiding the job-stunting wallop that business-group leaders expect would come otherwise in January 2011. The trick with an adjustment would be increasing fees enough to alleviate the state's repayment obligations without raising business costs enough to require layoffs to pay them, Love said.

There's no mechanism under current law to make such an adjustment, and the DLE hasn't drawn up a bill to change the law, Estenson said. But it continues to talk with business leaders about such a plan.

If such a measure were to be pushed, it would have to come soon so that businesses could get some year-to-year stability and some warning of what's to come, Furman said.

"This is a really tricky balancing act because businesses don't have more money to pay now," Love said. "So it's 'Pay me now' or 'Pay me later.'"

*esealover@bizjournals.com*

## ‘Smash & Grabs’ at Colorado Car Washes

By Shane Wells  
Hi-Performance Wash Systems  
[shanewells@hpws.com](mailto:shanewells@hpws.com)

Over the past year Colorado has seen an increasing amount of criminal activity at car washes that result in extensive costs to the owners.

There have been at least four incidents where vehicles were used to crash into the wall of a car wash in order to commit a robbery (smash & grab). The bill changers are the primary target but often boilers, gas lines, pump racks, etc. are casualties as well. The facility and equipment damage are more than significant but the additional danger of a natural gas explosion is truly deadly. The only real deterrent for this type of burglary is pipe bollards filled with concrete, typically 6” or larger. You have seen examples of these in front of grocery store or other warehouse type stores in order to prevent this same type of activity.

Installing bollards as a do-it-yourself project is not difficult, but remember to make sure you avoid floor heat piping when having a contractor core drill the holes in the pavement. Typically, the pipe lengths are 6 feet or better so at least 2 feet of pipe can be buried and surrounded by concrete in order to stop the movement of a vehicle. When the pipe has been secured in the ground and the concrete has cured then another batch of concrete can be mixed up to fill the length of the pipe with a stylish mound at the top. A final step of prepping and painting the pipe an attractive color to match the car wash will complete this crime prevention tool. For less than \$1,000 you can prevent tens of thousands of dollars worth of damage, downtime, paperwork, and stress.

Remotely mounted items have also been stolen for vaulted money or scrap metal value. These would include vacuums, pay stations, shampoo machines, trash can covers, and similar. The traditional roof top entry has continued in popularity this year, despite criminals leaving trails of blood and DNA after cutting themselves on the jagged metal only to fall to the floor in pain. New boiler designs eliminate this possibility by using 4” pipes to bring air directly into a sealed combustion chamber and exhaust the gases through the same size pipe (eliminating large openings in the wall and ceiling).

In all situations, security is increased when new or brighter lighting is added to the business and camera systems are visibly mounted as a deterrent. Additional security doors, high profile dead bolts and security system decals will also telegraph your keen sense of security to would be robbers. Consider yourself a desperate criminal and what you would do to steal items of value from the car wash in order to find areas of vulnerability.

Credit card systems have significantly reduced the amount of cash and coin on site at any given time and the number of times an owner is exposed when collecting. In order to convey this fact people “casing the joint” some owners have put decals on the door by the security decal that says “Less than \$100 kept on site”. This may or may not be an exact figure but it does inform the robber there is not a ‘gold mine’ inside the equipment room.

Although insurance covers the value of these items, it seldom covers the actual cost or headaches. It is better to prevent this from happening, avoid the deductible payment and all the paperwork.

## Reducing Customer Vehicle Damage

*By Keith Taylor of Jazz Car Wash & Detailing*

As a newbie in the car wash industry, I came into the business with my eyes shut when it came to client vehicle damage. In my first year, I quickly came to realize that 95 percent of damage and related claims can be eliminated or avoided. As a full-service car wash and detail center we have taken the following steps:

- Implemented and trained on a very strict set of vehicle handling procedures
- Prepared a list of high risk vehicles and their specific issues and handling procedures
- Posted safety bulletins and reminders associated with the above
- Conducted regular refresher sessions with all staff related to vehicle handling and damage prevention
- Installed anti-collision pads and associated technology to prevent in tunnel accidents
- Noted specific and pre-existing damage before any detailing services are performed
- Pointed out pre-existing damage on vehicle to cameras before they entered the tunnel
- Acknowledged and celebrated extended periods with no client vehicle damage
- Posted signs at the entrance listing what the customer is responsible for prior to exiting their car (windows closed, radio off, mirrors retracted, not responsible for after market parts)
- Installed security cameras throughout the property so that we can trace a vehicles steps throughout the process
- Communicated to staff that negligence or careless behavior will result in immediate termination and acted immediately upon such incidents so employees know we are serious
- Placed signage inside the building warning customers about items such as glass chips becoming cracks
- Ensure all clients acknowledge that we cannot take responsibility for possible damage when we clean their engine compartment
- Ensure all employees understand that the safety of themselves, your customers and their vehicles is the most important element of their job

All this said, we still have claims that cannot be avoided - until they happen. As an operator it is important to take the time to address these claims and implement specific procedures to prevent recurrence.

There will be situations when there is little, if any, proof an incident occurred at your facility as a customer claims. These situations need to be individually assessed to determine your course of action. How you chose to resolve the issues is a business decision only you can make as it truly depends on your service philosophy.

Statistics tell us a client who experiences damage at your facility is likely to tell several people about the incident and that you will lose their patronage. The following are some tips on how to retain the client and win new ones.

1. If an incident (fault or no fault) occurs your employees need to know that it is critical to be upfront and honest about what happened - they need to know that accidents will happen, complete carelessness is another story.
2. If at all possible, speak with the client and inform them of the incident directly before they notice the damage
3. If you are at fault, acknowledge it and tell the customer you will resolve the issue immediately
4. Go overboard in how you resolve the matter so they feel positive about the professional approach you have taken in resolving the situation.
5. Give the client some free services so they get back in the habit of using your facility again - one free wash will not cut it! They need to regain trust in your establishment.

In our industry client vehicle damage is a real issue and your teams need to know how to respond appropriately. Beyond the above suggestions be sure to establish relationships with auto repair facilities whereby you can get wholesale rates on repairs and parts. Ultimately this will make it better faster and cheaper to handle the situations as they arise.

When it comes to handling complaints and issues in your business ensure that no matter the outcome your clients speak favorably, or at minimum, neutrally about you.

## The Chemistry of Drying Agents

*By Shane Wells of Hi-Performance Wash Systems*

Recently, there has been an increasing emphasis on how well the "Drying Agent" process is working in car washes. The following is Part 1 of an article that covers some of the basic chemistry of how these products work with the hope that it can help you achieve better results.

**How do they work?** The objective of a Drying Agent is to remove water from the surfaces so the dryers are more effective or labor is significantly reduced for hand toweling. This is accomplished by making the surfaces of the vehicle very "Hydrophobic" or water hating (literally "water fearing"). After the application of a Drying Agent, water on the vehicle's surface will exhibit increased surface tension as it tries to minimize its contact with the surface. The water gathers and forms into beads and puddles that will do their best to roll off of the surface by gravity. The action of the blower will help move these puddles and beads, especially on the horizontal surfaces such as roofs, hoods, and trunk lids.

The first factor to consider is that clean cars dry easier than dirty ones. Make sure that your detergents and equipment are working properly together. Always use quality detergents that are effectively applied at the most efficient concentration using soft water. Dirt left on the surface will contain a variety of materials that create a very uneven surface, which makes it difficult for the Drying Agent to effectively coat, and create a smooth water repellent surface. The result is a wet car with a surface that when dry, will be very filmy and lack shine. If you apply a drying agent to a cleaner car you can expect much better results.

If the vehicle is not properly rinsed, and there are still detergents on the vehicle, it will interfere with the Drying Agent. Detergents are intended to decrease surface tension and cause the water to spread out over the surface, which is the opposite of the intended effect. Reclaim water pre-rinse will usually have carry over detergents and waxes that also need to be rinsed from the surface. If you apply drying agent to a car with no residual soap on it, you can also expect much better results. (to be continued...)



**Visit the Rocky Mountain Car Wash Association at the ICA Expo in Las Vegas! May 12-14, 2010**



**Xcel Business Rebate Program**

*Sheila Knudtsen, Xcel Energy*

We offer solutions for Xcel Energy electric and natural gas business customers in a suite of energy efficient and energy management products that will help you increase your company's energy efficiency, reduce your operating costs and improve your bottom line. We'll put our energy expertise to work for you in your business.

We offer you cash rebates for purchasing and installing eligible energy-efficient equipment and mechanical system components. You'll reduce energy costs and lower up-front equipment costs as well as shorten pay-back periods. We also offer free consultation and recommissioning study funding. Custom Efficiency rebates are available for energy saving equipment purchases that exceed the standard options, but aren't covered under our standard/prescriptive energy efficiency programs listed below.

For more information on our rebate programs, please contact your account manager or call our Business Solutions Center at **1-800-481-4700**, or look online at [xcelenergy.com/rebates](http://xcelenergy.com/rebates). Be sure to take a look at the application for qualifying options.

**New Advertising Rates for 2010**

	<b>Cost</b>	<b>Dimensions (HxW)</b>
<b>Full Page</b>	<b>\$125.00</b>	<b>9" x 7"</b>
<b>Half Page</b>	<b>\$75.00</b>	<b>4.35" x 7"</b>
<b>Quarter Page</b>	<b>\$50.00</b>	<b>4.35" x 3.35"</b>
<b>Eighth Page</b>	<b>\$25.00</b>	<b>2.05" x 3.35"</b>

Please submit **camera-ready ads** in a pdf, jpg, Illustrator, or Photoshop format. Design services are available by request for \$45.00 an hour (1 hour minimum). All ads will be full color.

Deadlines:

<b>Due Date</b>	<b>Print Date</b>	<b>Mail Date</b>
May 10th	May 15th	Jun 1st
Aug 10th	Aug 15th	Sep 1st
Nov 10th	Nov 15th	Dec 1st

If you are interested in advertising, please contact Megan Ronald at [megan.ronald@rmcwa.com](mailto:megan.ronald@rmcwa.com).

## 2010 SCHEDULE OF EVENTS

### **Board Meetings:**

February 10  
May 12  
August 11  
November 10

### **General Membership Meetings:**

*Meetings will begin at 6:30pm*

March 17: Location TBD, check website for details  
June 16: Cinzetti's, Northglenn  
September 15: Pappadeaux, Greenwood Village  
December 8: Cinzetti's, Northglenn

**RMCA Social:** TBD



***\*\*Come to the General Membership Meeting on March 17th and vote  
for the 2010 Board of Directors***

Rocky Mountain Car Wash Association  
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