

Finish Line

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INSIDE THIS ISSUE

- 3 President's Message
- 4 RMDs and Your IRA
- 6 2018 Show - Wash Insight
- 7 Rising Stars at Mister Car Wash
- 10 Anti-Collision Systems and Wash Safety
- 11 Member News



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Advertising Index

Diamond Shine.....	3
Michigan Cleaning Fund.....	11
PDQ.....	5
Warsaw Chemical Company.....	9

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FROM THE PRESIDENT



IMAGE IS EVERYTHING

Hello again, and happy wash season. Hopefully everyone is enjoying the fruits of winter slush, snow and salt. I will take this time to thank our faithful members and loyal readers of the Finish Line. Moving forward, I will do my best to offer some insight into the commentary of the MCA

and the wash industry as a whole. This edition will focus on the breaking through of spring and the potential it has to extend the washing season, as well as launching into the rebuilding spring and summer period. Image is everything!

While the basis of the traditional car wash and its purpose of providing a quick and clean automobile seems simple, one thing that often goes missing is the show and the curb appeal that an operator can provide. In any consumer based brick and mortar situation, the product is not the first thing the customer sees. They are attracted and greeted by a visual or property presentation. Of course, the first point of business and area of concern is the functionality of the washing equipment, but the true operator is a showman and takes pride in presenting his or her masterpiece.

Spring means the end of the traditional washing season, and often times it presents the toll of old man winter can take on your site. This is the time to focus on the show and the real wow factor your property can provide. It can often be helpful to take a step back and put on the customer shoes for a day. Attend your site, don't simply show up. Take out the fine tooth comb and really step back and inspect everything from paint, windows, flags, vacuums and even areas such as the parking lot, landscapes and signage. A customer will notice a pleasantly kept property. The customer can rest easy knowing that the operator takes pride in the presentation provided and that the car wash is functioning for more than a cheap thrill.

The remaining image is the wash presentation. At this point your property, building and signage look great. You're community representation and image has shown well. Now on to the "show" and the real wow factor an operator needs to seal the deal. This can be achieved by the use of great chemical product, well placed lights and visuals and of course a great product. You have designed and maintained a great and functional wash with innovative equipment. You have selected a great chemical provider

that truly cares for you and your customer. The lights, camera, action moment puts a smile on the customer's face because they can tell they didn't waste their time or money. The customer can leave knowing they won't go anywhere else.

The key is to never let doubt of a great product enter the customer's mind. From property entrance to back on the road, they know your wash is the place to be and that you want them there. The little things add up quickly and can hinder an otherwise fantastic wash. Your attention to detail must encompass every aspect of your site. This can only be achieved if your employees follow suit. My personal mantra is simple; "leave the wash better than you found it." If everyone can come to work and live those words, live those words while enjoying their time and show the customer a glimpse of those two things combined? You will have no problem maintaining an image that truly is everything!

Happy washing and please enjoy the transition. As always, please feel free to contact me with questions, comments, concerns and ideas about our industry and association. The members are what drive me to love our MCA and I want nothing more than to serve you. If you have something you feel needs to be addressed or topics you would like to see covered in the Finish Line please contact me.

Thank You,

Joe

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Diamond Shine

That First RMD from your IRA

What you need to know

Provided by Tom McLinden & Glen Darnos

When you reach age 70½, the IRS instructs you to start making withdrawals from your Traditional IRA(s). These IRA withdrawals are also called Required Minimum Distributions (RMDs). You will make them annually from now on.¹

If you fail to take your annual RMD or take out less than what is required, the IRS will notice. You will not only owe income taxes on the amount not withdrawn, you will owe 50% more. (The 50% penalty can be waived if you can show the IRS that the shortfall resulted from a “reasonable error” instead of negligence.)¹

Many IRA owners have questions about the options and rules related to their initial RMDs, so let’s answer a few.

How does the IRS define age 70½? Its definition is pretty straightforward. If your 70th birthday occurs in the first half of a year, you turn 70½ within that calendar year. If your 70th birthday occurs in the second half of a year, you turn 70½ during the subsequent calendar year.²

Your initial RMD has to be taken by April 1 of the year after you turn 70½. All the RMDs you take in subsequent years must be taken by December 31 of each year.³

So, if you turned 70 during the first six months of 2014, you will be 70½ by the end of 2014 and you must take your first RMD by April 1, 2015. If you turn 70 in the second half of 2014, then you will be 70½ in 2015 and you don’t need to take that initial RMD until April 1, 2016.²

Is waiting until April 1 of the following year to take my first RMD a bad idea? The IRS allows you three extra months to take your first RMD, but it isn’t necessarily doing you a favor. Your initial RMD is taxable in the year it is taken. If you postpone it into the following year, then the taxable portions of both your first RMD and your second RMD must be reported as income on your federal tax return for that following year.²

An example: James and his wife Stephanie file jointly, and they earn \$73,800 in 2014 (the upper limit of the 15% federal tax bracket). James turns 70½ in 2014, but he decides to put off his first RMD until April 1,

2015. Bad idea: this means that he will have to take two RMDs before 2015 ends. So his taxable income jumps in 2015 as a result of the dual RMDs, and it pushes them into a higher tax bracket for 2015. The lesson: if you will be 70½ by the time 2014 ends, take your initial RMD by the end of 2014 – it might save you thousands in taxes to do so.⁴

How do I calculate my first RMD? IRS Publication 590 is your resource. You calculate it using IRS life expectancy tables and your IRA balance on December 31 of the previous year. For that matter, if you Google “how to calculate your RMD” you will see links to RMD worksheets at irs.gov and free RMD calculators provided by the Financial Industry Regulatory Authority (FINRA), Kiplinger, Bankrate and others.^{2,5}

If your spouse is at least 10 years younger than you and happens to be designated as the sole beneficiary for one or more IRAs you own, you should refer to Publication 590 instead of a calculator; the calculator may tell you that the RMD is larger than it actually is.⁶

If you have your IRA with one of the big investment firms, it might calculate your RMD for you and offer to route the amount into another account that you specify. Unless you state otherwise, it will withhold taxes on the amount of the RMD as required by law and give you and the IRS a 1099-R form recording the income distribution.^{2,5}

When I take my RMD, do I have to withdraw the whole amount? No. You can also take it in smaller, successive withdrawals. Your IRA custodian may be able to schedule them for you.³

What if I have multiple traditional IRAs? You then figure out your total RMD by adding up the total of all of your traditional IRA balances on December 31 of the prior year. This total is the basis for the RMD calculation. You can take your RMD from a single IRA or multiple IRAs.¹

What if I have a Roth IRA? If you are the original owner of that Roth IRA, you don’t have to take any RMDs. Only inherited Roth IRAs require RMDs.²

continued on page 6



Todd Klismet
Independent Carwash Owner
Waupaca, WI

I have a spotless reputation.

Running a car wash isn't easy. I've got picky customers, competitors trying to undercut me—and don't get me started on the weather. So yeah, sometimes I can get a little stressed. It comes with the territory.

But one thing I know for sure: my customers keep coming back to my PDQ-equipped car wash because it's the best in town. All they care about is getting the cleanest car possible, and my wash delivers, week after week. And that puts a smile on their faces and mine.

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RMD continued from page 4

It doesn't pay to wait. At the end of 2013, Fidelity Investments found that 14% of IRA owners required to take their first RMD hadn't yet done so – they were putting it off until early 2014. Another 40% had withdrawn less than the required amount by December 31. Avoid their behaviors, if you can: when it comes to your initial RMD, procrastination can invite higher-than-normal taxes and a risk of forgetting the deadline.²

Tom McLinden & Glen Darnos may be reached at (734) 213-0300

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RIISING THROUGH THE RANKS OF MISTER CAR WASH

Three Regional Managers' Stories

Recruiting, training and developing top talent is a focus for many organizations, especially for Mister Car Wash who believes in investing in its employees and giving them the opportunities to succeed. "As we continue to grow and develop our team, we are always seeking leaders to take on new challenges," said Joe Matheny, Vice President of Operations. "It's exciting for me to watch team members I've worked alongside with be rewarded for their hard work and accomplishments." There are countless shining examples of people who care, work hard and have fun at Mister Car Wash. Here are the stories of three who've risen to the rank of Regional Manager in the Midwest Region.

From their first day on the job, Zach Caulk, Sean Ellis and Brady Reck all agree, they have found opportunity for career growth virtually unlimited at Mister Car Wash. The experience and skills these associates have gained under the tutelage of Mister Car Wash have prepared these professionals for any number of solid careers inside and outside of the car wash industry and yet they stay. Why? Because they're not just washing cars. They're impacting lives.

From Drying Windows in Missouri to Milwaukee Regional Manager

Zach Caulk started out in car washing in 2003 at Auto Magic in Springfield, MO. He was hired on the spot and began the very next day, vacuuming and drying sides and windows. He quickly rose through the ranks to Quality Control and 2nd Assistant Manager. Within six months of being hired, he was one step away from running his own store, as 1st Assistant Manager.

Due to family circumstances, Zach left Missouri not once but twice, only to return to the state and his car washing job. Before his most recent return in July of 2012, he had heard rumor that Auto Magic had been sold to Mister Car Wash. His manager assured

him that he was going to love working for the new company.



Zach Caulk and Milwaukee team members.

In his first chapter with Mister Car Wash, Zach started off in the Manager in Training program at a single location. Upon completing the training, he was offered and accepted the role of General Manager. In early 2017, he was presented with the opportunity to be the Regional Manager for the Milwaukee, Wisconsin region. Zach was excited to move and accept the position and proud that his team in Missouri was ready to step up to the next position as well.

"Over the next four plus years, I knew I had found the company I had always hoped to find. This is when car washing became my career and not just my job," said Zach.

Zach's passion is team building and as Regional Manager, it's his primary responsibility. In January, Zach and company set new volume and sales records at five of six locations. "We are getting our benches strengthened and I am excited for what the future will bring for our region," he said.

From Sweeping Trash in Grand Rapids to West Michigan Regional Manager

Sean Ellis' first paying job at Southland Auto Wash in Grand Rapids involved sweeping trash and painting as a maintenance side kick in 1994. But his first memories of the car wash date back to much earlier. After all, it was his family's business and he distinctly remembers bringing his dad lunch when he was remodeling Southland Junior in 1982. Sean was only two.

"I knew from a very young age that car washing was what I wanted to do for a living," said Sean. "I wanted to help carry on a family business into the next generation."



Sean Ellis and Grand Rapids team.

Since his earliest days as Maintenance Tech, Sean performed every job in day-to-day operations. In 2004 he graduated college and joined Southland full time. By 2013, Southland had six car washes, all of which were purchased by Mister Car Wash in February of 2017. It was the day he became a Regional Manager for Mister Car Wash and from that point, as he recalls, things started moving fast.

"Shortly after purchasing the six Southland locations, Mister also purchased six other car washes in our region. Right away we started updating and tweaking our locations to change them into Mister sites. I was forced to look at car washes differently as a Mister manager, paying closer attention to the details, among other things," said Sean.

Sean sees car washing as a team sport and takes pride in growing the business at each West Michigan location by developing strong teams of car washers. "I think every car washer gets excited by growing car wash volume. I also get excited when our store managers and staff execute at a high level."

Sean looks forward to helping in the ongoing establishment of the Mister brand as the industry leader in West Michigan, and he sees no end to the company's growth.

From Side Dryer to Madison Regional Manager

Brady Reck developed his appreciation for a good clean car as a child, riding along with his father to Washpointe Auto Wash in Des Moines, Iowa the very same location he wound up managing many years later. Shortly after Mister Car Wash acquired the location in 2002, Brady applied for a job there, his first. Nobody else in town would hire the teen due to his inexperience. Mister Car Wash gave him a shot.

"I guess that's one reason I have stuck with Mister for so long (16 years to date). They committed to me and I'm simply returning the favor. It's a relationship that I believe has worked out well for both sides and that's why it still continues," said Brady, now a Regional Manager in Madison.

Brady started working weekends, and later, after school, hand applying tire shine, waxing cars and drying them. He had to be fast! He'd learned about hard work early, working on his parents' farm, but now he was getting paid for his labor and he soon learned the harder he worked, the more money he made.

"This is what changed my life and what always made Mister so appealing to me. I could control my own future with the company. Effort equals reward and I had a fire in my belly. I always made it my goal to outperform. I wanted to be the fastest dryer, the best detailer, and the safest driver (still to this day, no accidents). However over time my true challenge became competing with myself, which is impossible



Brady Reck with his Madison team.

because I am never satisfied. This eventually turned into developing those around me to find the best in themselves. You get to a point in your career when developing yourself is not enough, the development of others is much more fulfilling.”

Such are the work ethic and leadership style that have collectively driven Mister Car Wash from 32 locations when Brady Reck joined the company to more than 250 stores today. “Our growth strategy demanded good people and demanded hard work, and there was always somewhere to grow,” said Brady.

Brady never expected to begin his career that day he applied for his first job at Mister Car Wash, today at age 31, he is proud to be one of the most senior Mister Car Wash employees. “My career and the company are growing at the same rate, which tells me my efforts every day are reflected in our success.”

Zach Caulk, Sean Ellis and Brady Reck are only three among more than 8,000 shining stars at Mister Car Wash. As Mister Car Wash continues its steady growth trajectory in the Midwest and beyond, company leaders look forward to continuing to recruit and retain top talent, promote from within and contribute rising wages and new layers of professionalism in the car wash industry. For more information, please visit mistercarwash.com.



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ANTI-COLLISION SYSTEM REVOLUTIONIZES CAR WASH SAFETY

NoPileups is redefining safety by solving a decades-old problem plaguing car wash operators worldwide: in-tunnel collisions.

The seemingly unavoidable damage caused by stopped vehicles colliding inside automated wash tunnels has been accepted in the car wash industry as a cost of doing business. For 60 years, the only solution to in-tunnel collisions has been to post employees on lookout and budget for inevitable losses.

However, the first successful safety system created to eliminate these types of accidents, NoPileups, is changing the status quo.

“There’s nothing that can protect the entire tunnel from a collision except NoPileups,” said Tom Hoffman Jr., Operator of Hoffman Car Wash in New York, “and that’s measurable.”

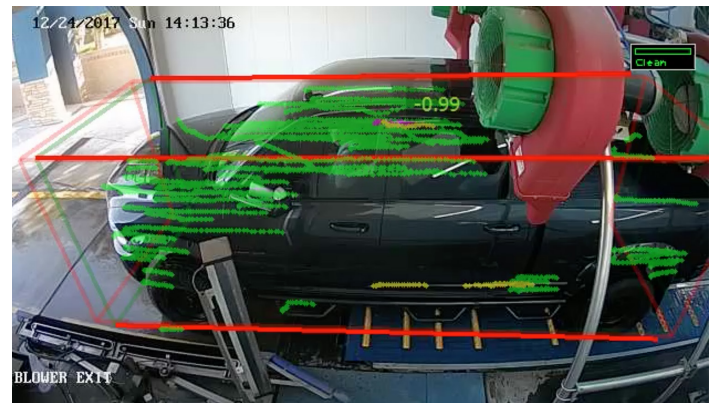
Hoffman is among a growing number of car wash owners and operators seeing the benefit of NoPileups’ tunnel monitoring and accident prevention software across nearly 100 sites.

Pete Ness, CEO and Founder of NoPileups, and his team of developers used recent advances in computer vision and machine learning to produce an automated monitoring system capable of preventing in-tunnel collisions.



NoPileups Founder, Pete Ness

“Car wash owners have been desperate for a better approach to preventing collisions,” said Ness. “NoPileups is a new class of car wash technology that solves the pileup problem and ultimately helps operators increase profitability.”



NoPileups’ computer vision racks vehicles going through a wash

NoPileups uses a combination of site data and live video to detect potential accidents. The software processes footage from the cameras already installed in most car washes and tracks vehicles as they travel through the tunnel. If there is an unexpected stop, such as when a driver accidentally taps their brake mid-wash, NoPileups detects the hazard and triggers the car wash’s emergency stop to avoid any collisions into the stalled vehicle.

The gains experienced by operators using NoPileups often extends beyond mitigating damage. Many car wash owners have seen a significant increase in production due to fewer costly interruptions caused by managing collision fallout. Owners also claim a damages budget reduction of 4 to 6 cents per vehicle washed.

The speed and reliability of NoPileups also allows for significant operational performance boosts, such as increased conveyance speeds and reduced vehicle spacing. NoPileups customers have measured a consistent increase of 20 additional vehicles washed per hour during peak times of day.

For Hoffman, the service has exceeded expectations. “Installing NoPileups eliminated nearly every single mid-tunnel collision,” said Hoffman. “I don’t believe it’s missed a single event. It’s virtually infallible.”

MCA Member News

PECO Appoints Josh Hicks Midwest Territory Manager

PECO Car Wash Systems recently announced the appointment of Josh Hicks as Midwest Territory Manager. Josh comes to PECO with a wealth of car washing experience as a previous Territory Manager for Major Brands Oil Co, heading up their Simoniz chemical division. In addition, Josh was involved and managed the family car wash in Michigan growing up as his first career as a young man.

Josh will be responsible for increasing PECO's presence in the Midwest by supporting PECO's strategic decision to sell solely through Distribution. Josh will work with PECO's current Midwest Distributor network by strengthening and deepening our relationships by providing outstanding support, developing new business opportunities and driving revenue. Further focused on penetrating the market and increasing PECO's market share, Josh will relentlessly hunt for new distribution, national & regional accounts opportunities and expand PECO's brand across new industries.


Mr. Hicks has over 15 years of Territory Sales and Store Operations Management skills that will be advantageous to end users and distributors in securing car wash equipment and operating car wash tunnels. His most recent experience includes extensive business consulting that led to generating 50% growth in new business at Major Brands Oil Company. Josh's



Hicks

background in selling chemical and running carwashes will be invaluable to our current Distributor network and new investor prospects. Core to Mr. Hick's values is his commitment to establishing long term trusted business relationships with customers and industry leaders by focusing on understanding his clients needs and repeat business. Josh's excitement and drive to welcome industry change, open to new ways of doing business will help drive PECO's market penetration and brand awareness.

"I grew up in the car wash business. My family has owned a wash since I was one years old, and I can remember traveling to PECO growing up. I pride myself in producing an exquisitely clean vehicle, and with PECO Car Wash Systems I can continue on achieving just that. I have a passion for car washes and I'm looking forward to growing with PECO." Hicks said in deciding to align himself with PECO and joining our TEAM!



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