

**SUBURBAN
BUSINESS
LEADERS**

Bradley Smith joined Inter-group Marketing and Promotions in Bloomfield Hills as a senior art director. He will work primarily on the Pontiac Motor Division account. Smith had been an art director at Maritz Communications working on the Ford/Lincoln Mercury and General Motors accounts.



Smith

Joseph F. Mercurio of Birmingham was honored Tuesday as the Engineering Society of Detroit's outstanding young engineer of the year. Mercurio is a senior project engineer at General Motors' electric vehicles program. He joined GM in 1989 after receiving his doctorate in mechanical engineering from Cornell University.



Mercurio

Maurice R. Collins of Rochester was appointed general director of the new Market Data Center with General Motors Corp. Collins had been general director of the worldwide Marketing Information Center on the GM product planning and economics staff.



Collins

Steyn A. Doyle was appointed director of manufacturing with Michigan Metal Castings Co. in Rochester Hills. Doyle is working toward a degree in quality assurance technology. He has more than 16 years experience in the metals industry.



Doyle

To submit materials to this column, please send a brief biographical summary along with a black-and-white photo, if possible, to: Business Editor, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150.

**Cooling
repairs
costlier**

Amendments to federal environmental law which take effect this summer will mean more expensive service calls on home and business cooling problems.

Expect to pay more for servicing central air conditioning systems, window air conditioners and refrigerators in residences and commercial establishments starting July 1 — if you haven't been sucked already.

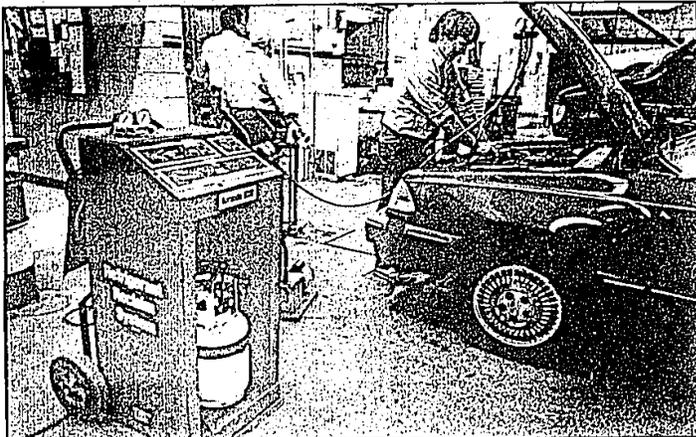
That's when amendments to the federal Clean Air Act take effect, making it illegal to knowingly vent refrigerants into the air. The idea is to prevent damage to the earth's protective ozone layer.

While the scientific community continues to debate the effects of chlorofluorocarbons and hydrochlorofluorocarbons — cooling agents — on the atmosphere, service contractors are bound by the law.

And, some contractors say, the law will require more time on the job, plus more equipment and training to do the job. Those business expenses will be passed on to consumers.

"Up until now when anyone serviced an air conditioning unit in a car or home, refrigeration units in homes, manufacturing plants, commercial property, they cut a line or opened a valve and allowed refrigerants to escape into the atmosphere," said Michael Fleisher.

Fleisher, a Southfield resident, is president of Arctic Air, a commercial air conditioning and refrigeration contracting firm.



HILL BRADLER/STAFF PHOTOGRAPHER

Collecting coolants: Tim Nichol, a service technician at Blackwell Ford in Plymouth, attaches a reclamation system to an automobile air conditioner.

"If they follow the law properly, they must recover refrigerant, make repairs and put refrigerant back in," he said of service contractors. "That will add an additional hour or two to residential service calls. That could mean as much as \$90-99 tacked on to a bill, plus use of the recovery system."

Recovery systems, depending on what you want them to do, can cost several thousand dollars each.

"We have to reclaim it (freon), put it into a container, bring it back to the manufacturer who would recycle it or store it until they decide what to do with it," said Kim Legato, owner of Bill & Rod's Appliance in Livonia.

"It costs me 60 cents a pound to recycle refrigerant," he said. "New freon has escalated in price. I had been able to buy it for \$1 per pound in December of 1990. Now it's \$4. We can expect it to continue to rise. I would say they

(wholesalers) are taking advantage of something we don't fully understand yet."

Steve Garlitz, general manager of A&S Unlimited Heating & Cooling in Rochester Hills, said his firm has spent nearly \$40,000 on CFC recovery systems.

"The three key words are 'recover' from the unit, 'recycle' and clean up and 'reclamation,' if contaminated, bring back to new standards," he said. "The whole goal of recovery/recycling is to stop venting and reverse it."

Auto dealers have had to vent during air conditioning repairs since the first of the year.

"We have not raised our prices," said Ron Robertson, service manager for Blackwell Ford in Plymouth. "To do the job properly, you have to evacuate the system anyway. It doesn't take that much longer."

Blackwell purchased recovery equipment through Ford well in advance of the legislation's effective date. Many of his colleagues did the same with their suppliers, Robertson said.

"We're trying to keep dealers as enlightened as we can on environmental matters," said Charles LeFevre, a lawyer for the Detroit Auto Dealers Association.

Jim Brown, president of the metro Detroit chapter of the Air Conditioning Contractors Association, said he and his membership are aware of the ozone controversy in the scientific community.

Their concerns — what happens to venting equipment and training expires down the line when CFCs and HCFCs are banned totally in 1995 and subsequent years.

New medical career raises questions about spending

BY DANIEL BOYCE
and ALAN FERRARA
SPECIAL WRITERS

Local financial planning experts reviewed the data of the family provided here and made general recommendations based on the participants' resources and goals. The information is for educational purposes only; references are not intended as discrimination or endorsements by this newspaper or the advisers.

To receive a free financial planning brochure or to obtain a questionnaire to participate in this column, contact the Center of Financial Planning, Dept. 100, 26211 Central Park Blvd., Southfield 48076 or call 948-7900. Names of participants are withheld upon request, and submitted financial data is confidential. This month's couple, Tom and Terry Weiss, has asked us to review their financial situation, make sure they're on the right track and moving in the direction of their goals.

Tom, 38, is a physician completing his residency at a major local hospital. Terry, 32, has recently left her job to be at home with their two children, a son, 13, and a daughter, 10. Terry was able to quit her job because of Tom's recent increase in income.

Tom and Terry currently rent a townhouse in Southfield after selling their home last year for \$150,000 and a profit of \$17,000. Tom's plans are to work at a Detroit area hospital for two more years before moving to the South, where he is committed to taking a research and teaching position at a major university.

Although Tom's income recently has more than doubled to \$70,000, the substantial medical school costs required that Tom and Terry borrow \$30,000 from their credit union.

Terry says, "Our most urgent question at this time is whether to purchase a home here for the next two years. If we bought something,

it would be a townhouse for about \$70,000."

They are also concerned about savings for their children's future college costs, replacing worn out automobiles and establishing some retirement savings.

If Tom and Terry really think that they will be here only for two more years, we would argue against buying a home. The cost of buying and selling a home can be substantial, and it is difficult to predict what price they could receive if they needed to sell in two years.

Tom has said, "Although we feel it is too late to start saving for our 13-year-old son's college education, we would like to start saving for our second child's educational costs." We suggest that it isn't too late to start saving for their son's educational costs.

Although it will be difficult to fully fund these expenses to his entering college, whatever they can save now will be helpful when he starts. We do agree strongly that the Weisses should begin saving for their 10-year-old daughter's educational costs, also.

Any money saved for their son's educational costs should be placed in stable investments.

Money saved for expenses for their daughter can accumulate over more years and they can, therefore, invest in mutual funds.

Tom was planning on replacing his 1983 automobile with a new car this fall. We would encourage Tom to look at a later model used car to save money.

Tom and Terry were also thinking of replacing their 1986 model car sometime during 1993. If possible, it might make sense to wait on this second car purchase for two years until they move South.

A personal disability income policy.

Tom currently has life insurance coverage of \$250,000. Again, he should check to see what additional life insurance coverage his new employer will provide. Because of the significant debt outstanding for medical school expenses, and their concerns for education expenses for the children, Tom may want to consider buying additional term insurance to protect Terry and the children in the event of an untimely death.

Because Tom and Terry are also concerned about their retirement needs, Tom should establish some retirement savings as soon as possible. With the hospital, he will be eligible for a tax sheltered annuity (TSA), and we would suggest that he use this savings vehicle immediately. A TSA is an arrangement that allows a person to defer income for retirement on a pre-tax basis. This tax deferred savings can form the foundation of their nest egg to be used for retirement.

Tom and Terry admit that they have been putting off discussing estate planning with an attorney, although they realize that it is important. At this time, little or no estate or inheritance taxes will be owed on their respective deaths, but plans should be made for the children. It's important to name guardians to care for the children in the event both Tom and Terry die.

Tom and Terry should also decide who will be responsible for maintaining and investing assets which pass to the children. Again, as we have indicated in the past, they may want to consider a living or revocable trust in order to set the terms and ages for distribution of assets to the children.

Many of Tom and Terry's financial goals were put on hold to allow him to satisfy a career goal. That new career now gives Tom and Terry the ability to get back on track to satisfy their financial goals and needs.



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