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Message From Executive Director Sal Risalvato

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NJGCA, 80 Years Later

There are different phases in my mind that I reference when I prepare policy presentations to legislators and bureaucrats

who govern our businesses. Obviously I wasn't around for the first phase in 1937 when our Association was formed, but I often reference the marketplace and the state of the industry from those early years. Why? It's simple. If we don't know where we came from, it's not possible to chart the course to where we want to go. This has meaning in all areas of politics with regard to history.

The second phase I reference with far more accuracy. It begins when I first entered this business as a 20 year old kid purchasing an Exxon franchise in 1978. I still have no idea what possessed me to buy that franchise, but it has been an adventure ever since. I was in the business for almost a year before I learned that this Association even existed. I learned then that I really needed NJGRA (as we were known back then.) Who could assist me otherwise? This phase ended in 2000 when I could no longer make a profit and began a new career in government policy that eventually landed me back here in the NJGCA office.

The third phase began in 2007 when I combined my 23 years of experience in the gas and auto repair business, with the advocacy I had I mastered in public policy and government relations.

I like to think that the fourth phase is just beginning as I try to marry what I know of our past, with what has changed since I entered this business in 1978. I want to build a vision of where my gut tells me this business is heading in the future, since I have been around absorbing the changes in this business for half of the lifetime of this Association.

What has changed in the 39 years since I first opened my Exxon station? For starters there are almost 4,000 fewer gas stations in NJ, and of the remaining gas stations only about half still perform auto repairs. Big box chains are infiltrating the gasoline market, and many locations now choose to sell coffee rather than tires. Those in the business today have many diverse interests. Many don't care about the gasoline end of the

business, and many are not interested in the challenges that are faced by those who operate repair shops. Repair only locations are not at all interested in the tobacco or lottery issues that our convenience store members face every day.

What has stayed the same? Universally, gasoline retailers work on very slim profit margins. Universally, analysis and mathematics show that increasing one's margin while losing volume also increases the overall profitability and bottom line. Universally, every operator blames the competitor down the street or even two miles away for causing low street prices. Universally, not one single operator in all 39 years that I am associated in this business, has ever taken responsibility for the low street prices and painful margins. I am serious, rarely does a week go by that I don't hear from a member how another competitor is undercutting the price. I learned a long time ago that this is capitalism. This is free enterprise. This is competition.

The folks in the repair business are almost as guilty. Rather than perform repairs and operate with the highest level of quality and professionalism, too many repair shops cut corners in order to sell a job cheaply and attract all of the business.

What else has stayed the same? Everyone operating retail gas, or auto repair, or a convenience store, must deal with a myriad of laws, regulations, taxes, and employees. Everyone in this business is human. Further, everyone in this business, no matter how experienced or capable, makes mistakes, sometimes serious errors, and runs into unanticipated issues with the marketplace, customers, or government. Therefore, everyone in this business, no matter how experienced or professional, will need NJGCA. I have learned this for certain!

What else has changed? A big change is that many owners have become multi-site operators. Back when I entered this business it was rare for someone who owned a gas station franchise to own a second or third location. Yes there were a few, but mostly folks owned one location. For some reason this has led to another change that I find disappointing. The change I am referring to is a lack of camaraderie and collegiality among colleagues in the business. Back in the 80s it was not unusual for competitors to socialize and even

become friends. Station owners gathered often, frequently including their spouses. Competitors shared dialogue, information, and even tools.

I remember attending an NJGRA meeting EVERY month in Teaneck with about 75 of my colleagues from around Bergen County. Many of us gathered around the bar an hour before dinner just to share a drink with the guy down the street. We shared information and often commiserated over problems with customers, the oil companies, or even our employees.

During my tenure here at NJGCA, I have found pictures of dinners and banquets attended by hundreds of members and their spouses. Some hang on the walls here at NJGCA headquarters.

Something else that has remained the same and is not mentioned often enough is this; NJGCA needs you just as much as you need NJGCA. It's true. Without your membership, without the funds that your membership provides, NJGCA can not exist. That is a simple concept. Unfortunately, too many owners and operators opt to let you carry the burden to make sure that NJGCA is around to carry the burden for them. These owners don't want to pay the nominal fees to belong to NJGCA. Instead they will wait until they need us and then join. We no longer allow that and

we require all fees are paid back to either the date that membership lapsed, or the date that the needy business began operating. It is what we call the "Membership Fairness Doctrine" because it is only fair to you, the member who always supports this organization.

So why have I taken this trip backwards to compare with where we are today? I have done so because I need you more than ever to get involved with NJGCA. I need you to continue to support NJGCA. I hope to begin to build some of the collegiality that I just mentioned.

We are planning a gala to celebrate our 80th anniversary and our rich history. Invitations should have already arrived in your mailboxes. I am hoping that you and your spouse will join us on September 15th. I am hoping that you will find the commonality and collegiality that once existed even among competitors and will join us. We have made this event a free event by providing 2 complimentary tickets for each member.

Help us pave the path of the next 80 years. I genuinely wish to share this celebration with you.



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NEW TRAINING CLASSES AVAILABLE THROUGH NJGCA PARTNERSHIP WITH AUTOPART INTERNATIONAL

NJGCA is proud to announce that in addition to offering preferred pricing on auto parts and a customized rebate program, Autopart International will soon begin hosting training classes for NJGCA Members! We are developing a schedule which will include a variety of options, including 4 and 8 hour classes, at different times throughout the day and evening. Courses will begin in August, so look for an email with more information! Some of the topics that we plan to offer include:

CATCO: a 4-hour clinic designed to help professional installers maximize profits by reducing the possibility of "comebacks"

Flash Programming: the need to flash, equipment needed to flash, steps to a successful flash, pitfalls to avoid

CTI Training: advanced diagnostics, advanced technology vehicles, new vehicle technologies, etc.

OE+ Training: rotating electrical (starters, alternators, etc.), the cost of comebacks, tests that can eliminate comebacks, etc.

For more information about the classes we plan to offer, please call Debbie at 732-256-9646 or email debbie@njgca.org



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US Department of Labor Question & Answer

Member questions are submitted to Debbie Hill who is the NJGCA Director of Member Services, and then forwarded to John Warner of the USDOL. John's answers are published below:



Member Question: We had an employee that recently went "AWOL" on us. We don't know what happened to him, where he went, or where he is living. We tried calling him on the number that we had listed for him, and a woman answers and states she does not know where he is. We want to send him his last paycheck, but we also want to make sure he gets it. We could send it to his last known address, but we don't even know if he is living there any longer. We also thought about sending a certified letter to him at the last known address stating that we have his check and to please contact us so we can send it to him. Do you have any direction on the best way to handle this so that we are following all legal aspects of the law?

Warner: The answer to your question is fairly easy. It seems prudent to me for the member to send a letter via certified mail asking the worker to confirm his address or contact the firm in order to get his last paycheck. Under the FLSA, the member would still be obliged to pay the worker up to two years after his or her last day of work. Just sending the check to the last known address seems risky.

Member Question: While we like to screen our prospective employees as best we can, we also want to make sure we are following all guidelines. When we are screening a possible employee, we do a motor vehicle report on them as they will be driving our customer's

vehicles. We also do an I-9 form. However, we are also considering asking possible new employees to take a "personality test". Before we do so, we want to know if this is legal, and if it is legal, do you know of any "personality" tests that you would recommend? Thank you for your help!

Warner: State and federal discrimination laws are not within Wage Hour's enforcement authority; however, the member would do well to be very cautious about questionnaires which may have cultural biases. How an applicant from a South Asian country answers a question might be different than how an applicant who grew up in rural Mississippi answers, even though both workers think they are answering "right." I'm sure there are probably Human Resource providers that have developed tests for reliability, honesty, or other desirable character traits which are nondiscriminatory, but I would expect these would require fees or entering into contracts with the HR companies.

Sadly, as many of your members can attest, there are elements of art, skill, and luck in screening potential employees. I myself can recall folks who seemed great on their applications and in their interviews, and provided solid references but still did not work out for our needs. There's no fool proof way to only hire "good' people, no matter who's doing the hiring.

Don't Leave Money on the Table AMT Returns 3% of 2016 Health Premiums

Once again NJGCA members have enjoyed the benefit of participating in the Association Master Trust Health Coverage Program. Participating members received 3% of the premiums that they paid in 2016 on July 1. This has been written about often as a benefit that many members take advantage of, yet it is a benefit that other members do not.

It is frustrating when saving every penny matters to the success of any small business, knowing that members do not take the time to investigate properly how to save money on the health coverage that they buy for their families and their employees.

Health insurance costs are high, no matter what company you purchase from. Health coverage purchased through AMT also has high costs, but the costs are less than you will pay thru another company. Like anything else you must compare apples with apples. It is easy for an insurance agent who you may have a relationship with to represent that they can sell you a health insurance policy that costs less than you are paying through AMT. Agents tend to do things like that because they make a commission when they sell insurance to you. BUT, if you take the time to compare AMT plans that are either identical or similar, then you will find the AMT plans cost less.

Why? Because AMT does not have stockholders that demand a profit. AMT has YOU...the planholder....who takes the place of a stockholder. AMT does not pay agents commission and AMT only pays a nominal administrative fee to administrate claims. Other insurance companies have hundreds or even thousands of employees to manage claims and manage the network of doctors and hospitals in their plans.

AMT is a self-funded trust grandfathered by the laws of the State of NJ. State law requires that only members of NJGCA or one of the other 14 associations in the trust be permitted to purchase health coverage through AMT. Other trade associations often try to become a part of the trust, but few succeed. Why? Because they must endure a process that often takes longer than a year and requires an accurate census of their membership in order to determine the effect that their participation will have on the rates already paid by AMT planholders. The AMT Board has rejected applications from many associations, thereby protecting the same great benefit that you receive.

Every AMT Board member is also a planholder. AMT policy and governance, and rates, are decided by only those who will actually have to pay them. The formula is simple. AMT charges just enough premium to cover the cost of claims, and the cost of administration, and make sure that a prudent reserve is maintained in the bank just in case claims turn out higher than expected. AMT does not pay agent commissions and does not keep any extra monies to apply as profit that would be sent to stockholders. After claims are paid and a prudent reserve is maintained, any excess premiums that were collected are RETURNED to YOU the planholder.

A typical member who covers his own family and maybe one or two employees and their families may be paying about \$25,000 a year in health coverage. Returning just 3% of that equals \$750. Do you think Aetna or Emblem Health will return that to you? Will Prudential? Or will they send that and more to their stockholders?

Many NJGCA members receive thousands of dollars every year. Why aren't you?

SUMMER 2017 TRAINING CLASS SCHEDULE

Classes will be held at NJGCA Headquarters 4900 Route 33 West, Wall Township, NJ 07753 Call Debbie at 732-256-9646 or email debbie@njgca.org to register

1. ETEP Re-Certification Class -- Sections 8, 9, and 10

If you need re-certification of your Emission Repair Technician License, this course will offer exactly what you need.

CLASSES: Wednesdays from 1:00 PM to 9:00 PM

DATES: July 19, July 26, August 2, and August 8 *(Tuesday)*

Manuals Included in Cost of Class

FEES: NJGCA Member = \$635 Non-Member = \$765

2. One Day Class for NJ Emissions Inspectors Training

To be licensed as a Motor Vehicle Emissions Inspector, you must complete this course and pass a "Written Exam" given by the State of New Jersey. NJGCA offers this training in a ONE DAY State approved training program that will provide an understanding of inspection related issues including EPA regulations, safety, diesel, customer service, and the New Jersey state specific curriculum.

This specially tailored NJGCA course fulfills all requirements.

This 1-Day Class will be offered THREE different times, for your convenience!!

<u>Class Options:</u> Tues. July 18 <u>or</u> Tues. August 15 <u>or</u> Thurs. September 21

Class Time: 6:30 AM to 3:00 PM (Donuts & Coffee and Pizza & Soda provided)

<u>Class Fees:</u> Members = \$250 Non-Members = \$300

Manuals are included and payment is due upon registration. We accept credit cards.

PLUS License Fee of \$50.00 ... check made payable to NJ MVC NJ Drivers License required... If out-of-state, 6 Points of ID Required

NJGCA DINER TOUR 2017

NOTE NJGCA will NOT be hosting a Diner Tour in August or September. Enjoy your summer and please join us at our 80th Anniversary Celebration Gala on September 15th. All members should have received an invitation in the mail. For more information, call NJGCA at 732-256-9646.

Legislative Roundup



Important Issues Affecting Your Business

by Eric Blomgren

PAID FAMILY LEAVE EXPANSION

In June the Assembly (by 49-23) and the Senate (by 22-15) passed legislation that would dramatically expand New Jersey's paid family leave program. NJ is already one of only three states in the nation with such a program. Currently, every employee pays into the fund and is entitled to take up to 6 weeks of leave to take care of a newborn child or sick family member (at a partial salary paid by the State fund). Most importantly for NJGCA members, businesses with fewer than 50 employees are not required to keep the position available for an employee who takes leave. The bill that passed would lower the exemption from 50 employees to 20 (as introduced the bill would have completely eliminated the exemption, but a coalition of pro-business representatives including NJGCA was able to convince legislators to lessen that burden). The bill would also double the amount of leave an employee could take to 12 weeks and would reimburse them more money. It also has very vague "retaliation" language that would make it much easier for an employee to sue if they 'feel' retaliated against when they get back from leave. It is also possible such a dramatic expansion of the program may cause the fund to run out of money, leading to either higher payroll taxes for employees or for the State to look to employers to pay in. We are hopeful that the Governor will veto this bill.

MOTORIST RIGHTS AWARENESS

In June the Assembly passed A-2612, sponsored by Assemblymen Gusciora (D-Mercer) and Moriarty (D-Gloucester), by a vote of 59-12. This bill would require car manufacturers to inform their customers of their legal rights under the Magnuson-Moss Warranty Act of 1974 to have their vehicles repaired at an independent shop and with aftermarket parts without it voiding their warranty. Hopefully such a mandatory notification will push back against recent attempts by the manufacturers to misinform the public about their rights. The bill now awaits action in the Senate Commerce Committee.

UNSAFE TIRE BAN

On the last day before the summer break, the Senate unanimously passed A-3896, sponsored by Assemblymembers Sumter (D-Passaic) and Mukherji (D-Hudson) and Sen. Scutari (D-Union). This bill bans the sale of unsafe tires. "Unsafe" is specifically defined as meeting one of 7 criteria, including if it has bulges, exposed plies, or tread of less than 1/16th of an inch. The Assembly had already unanimously passed the bill, and it is now up to Governor Christie to sign it into

law. If he does, businesses will have six months to get rid of any unsafe tires they may have up for sale before the law goes into effect.

WAGE THEFT

The Assembly passed A-5072, sponsored by Assemblywomen Quijano (D-Union), Muoio (D-Mercer), and Lampitt (D-Camden), by a vote of 54-22. While cracking down on employers who steal wages from their employees is a noble goal, the language in this bill goes too far in punishing employers who make accidental mistakes, like misclassifying overtime hours. While some amendments have been made to make the legislation better (it originally allowed employees to file criminal charges in municipal court against their employer if they suspected a violation), the changes have not gone far enough. NJGCA supports specifying that the dramatically increased penalties be applied only to "knowing and willful" violations of wage and hour law, in order to ensure that only the truly bad actors are affected. NJGCA has led a coalition of small business organizations to amend this legislation from its original more harmful form.

DEBIT CARD FEES

In 2010 the "Durbin Amendment", passed as part of the Dodd-Frank Financial Reform bill, was signed into law. This law brought competition to the debit card market and set caps on the max fees that could be charged retailers. In the years since, retailers nationally have saved over \$50 billion. The big banks and their allies in Congress specifically targeted this law for repeal as part of a larger reform of the Dodd-Frank law. After immense pressure from retailers across the nation, including NJGCA members who sent over 200 emails to our 12 twelve members of Congress, the sponsor of the bill announced that there was not enough support to repeal debit reform, and that Durbin Amendment would remain law.

MENU LABELING DELAY

Another victory on the federal level was the announcement by the FDA that they would be delaying, again, their new regulation dealing with menu labeling. This is a regulation that was originally meant to target chain restaurants, but which looped in convenience stores as well, including small operators who are affiliated with larger brands like Exxon's 'On the Run'. Special thanks to those who contacted their members of Congress on this issue, and also to the National Association of Convenience Stores (NACS), which led on this fight in DC. Hopefully the FDA will use the next year to revise this regulation, and if not, work is being done in Congress to pass a bill to fix the problem.

NORTHEAST SUPPLY RESERVE ELIMINATION

In late May, the Trump Administration announced their proposed budget. One aspect of the budget, which NJGCA came out strongly opposed to, was to completely eliminate the Northeast Gasoline Supply Reserve (NGSR). This reserve of 1 million barrels of gasoline was created in 2014 as protection against a repeat of the same kind of gas crisis we saw in the weeks after Superstorm Sandy. As NJGCA has pointed out, the cause of the fuel crisis after Sandy was not a lack of electricity, it was a lack of fuel supply created by the historic damage done by the storm surge. Had there been such a reserve located in the area, ready to go, the gas crisis would have been far less severe if it had happened at all. Additionally, the Administration wants to sell off half of the nation's Strategic Petroleum Reserve, which exists to supply the nation in the event of a major and sudden supply crisis. The only excuse given for these selloffs is as a onetime sugar rush to slightly lessen the ongoing massive structural budget deficit. NJGCA worked with Assemblywoman Annette Quijano (D-Union) to have introduced Assembly Resolution 271, which opposes the proposal to eliminate the NGSR. It passed the Assembly Homeland Security and State Preparedness Committee unanimously in late June. NJGCA opposes this shortsighted attempt to make New Jersey vulnerable again.

FINE FORGIVENESS BILL

The Assembly unanimously passed a bill sponsored by Asm. Dancer (R-Ocean), which would essentially forgive small businesses (those with fewer than 50 employees) the first time they commit minor paperwork-related violations of the law. It's nice to see the Legislature move a bill that actually eases the burdens of the small business owner, especially in a 76-0 vote. The bill now awaits action in the Senate Commerce Committee.

FOOD BILLS

The Legislature saw action on several bills in June which would positively affect food retailers, including c-stores. The "Healthy Small Food Retailer Act", sponsored by Asm. Wimberly (D-Passaic) and Sen. Lesniak (D-Union), passed the Assembly 52-15 and the Senate 27-0. If the Governor signs this bill into law, it will create a grant program that c-stores, with less than 2,500 square feet and located in certain urban and rural areas of the state (where there are no grocery stores), can apply for up to \$5,000 of State money to invest in healthy, fresh groceries and the refrigeration and shelving necessary to store them for sale. The Senate unanimously passed S-3012, sponsored by Senators Lesniak and Oroho (R-Sussex) that creates a tax deduction on the NJ income tax for food donations made from a business's inventory to charity. It is modeled on a similar income tax deduction recently created by the federal government. It awaits action in the Assembly Appropriations Committee. Finally, the Senate also unanimously passed S-3026,

sponsored by Senators Smith (D-Middlesex) and Thompson (R-Middlesex). This bill expands liability protections for businesses which donate food to local charities. It awaits a vote by the General Assembly.

MINIMUM WAGE

There continues to be no movement on the statewide bill to raise the minimum wage to \$15 an hour as supporters of the measure wait until a new Governor is inaugurated in January. Their efforts may have suffered a setback after a new study was released examining Seattle's recent wage increase. While the study found virtually no economic effects when the minimum wage was raised from \$9 to \$11 an hour, when it increased to \$13 an hour last year there were significant negative effects. Overall, low-income workers actually took home less money than they had before, as many were either laid off or had their hours reduced so much that even with the increased hourly pay they were worse off. This study focused on businesses which only exist within the city of Seattle, which means it more heavily focused on independent small businesses, and not big corporations which can more easily handle the added expenses of a higher minimum wage. The Legislature also passed a bill targeted at employees of Newark airport. It would increase the minimum wage of employees at the airport, including everyone employed at a vendor like a Dunkin Donuts, to \$18 an hour plus a variety of benefits that would total \$22 an hour. Targeting specific employees or employers for excessive mandates is a dangerous precedent to set, and it is likely the Governor will veto it.

TOBACCO UPDATE

The General Assembly passed the bill, by a 52–17 vote, which would raise the statewide minimum age to be sold cigarettes and tobacco products from 19 to 21. 22 of the state's 565 local governments have already passed ordinances which ban stores within their town from selling to 19 and 20 year old adults. It is now up to Gov. Christie to decide whether to sign or veto this bill. The Assembly Health Committee passed a bill, sponsored by Asm. Conaway (D-Burlington), to require licensing for every retailer who sells vaping products. The licensing would work the same way as it does for cigarettes currently, and would cost a retailer \$50 a year. A few local governments have already passed an ordinance requiring such a license, often with fees set at several thousand dollars per year.

SALARY HISTORY

The Senate (by a vote of 30-9) followed the Assembly (by a vote of 49-19) in passing a bill that would ban employers from asking potential hires about their previous salary or salary history. Legislators feel that the decision of what an employee will be paid should be based entirely on their value to the business, rather than what they made before. Several groups have argued that because many women and minority workers were paid less in the past, the pay gap follows

them from job to job. Massachusetts, New York City, and Philadelphia have already enacted similar laws. It is now up to Governor Christie to decide whether NJ should follow.

STATE OF EMERGENCY EMPLOYEE LEAVE

In May the Senate Labor Committee scheduled a hearing on S-1562, sponsored by Senator Cruz-Perez (D-Camden). This bill would have said that anytime the Governor declares a state of emergency, no employee could be punished in any way for not appearing at work. This is an especially big problem for gas stations since our state's ban on self-serve effectively means most stations would have to close and people wouldn't be able to get fuel during an emergency situation. Thankfully, there was enough opposition that the bill was pulled from consideration.

WORKING FAMILIES FLEXIBILITY ACT

The House of Representatives passed this bill early this year. It would allow employers the option of replacing overtime monetary pay with additional paid time off instead. If an employee chooses, and an employer is willing, then instead of being paid time and half for overtime work, they would instead be given an hour and half of paid time off for every overtime hour worked. If any time was left over at the end of a year, the employee would need to be compensated. Most government employees already have this as an option, and many working parents would rather have more time off than extra money. Opponents feared it would be abused by employers. It passed the House 229–197, the New Jersey delegation split with 2 in favor and 10 opposed.

PLASTIC BAG FEE

The town of Teaneck passed an ordinance that will require every plastic bag given out by businesses within their town be charged 5¢ per bag. While this is technically the 2nd town in NJ to pass a restriction on disposable bags, the first town, Longport, is a small beach community with no retailers. What may be most notable about this ordinance, however, is that while the proposed statewide bill will allow retailers to keep 1 of the 5 cents, this ordinance requires retailers to keep the entire 5¢. At such a rate, it may even be a positive to local businesses, as the cost of purchasing bags will decrease while retailers will have an excuse to charge for those that are given out. The implementation date of this ordinance is July 2018. Expect more noise to be made in Trenton. Advocates want a statewide bill that will either ban plastic bags altogether or create a punitive fee paid by those who use them. Recently an environmental group picked up over 5,000 plastic bags during a one day beach patrol.

STATE GOVERNMENT SHUTDOWN/HORIZON RAID

For the first time since 2006, and only the second time ever, the New Jersey state government was shut down due to the inability of the Legislature and Governor to pass a budget by the deadline of July 1st. Democrats in the Legislature had added about \$320 million of spending on various social programs beyond what Governor Christie requested in his budget proposal. The Governor planned to veto this extra spending, as he has done in the past, unless the Legislature passed two provisions he wanted: dedication of the Lottery to the pension fund and changes to the state's largest health insurer, Horizon.

The Lottery dedication was relatively uncontroversial. From now on revenue from the Lottery is dedicated to the State's pension fund. The funding for the programs that had been funded by the Lottery will now be paid for from the General Fund (money which otherwise would have been spent on pensions). This is mostly an accounting trick, but by legally dedicating a stable source of money to the pension fund instead of relying on future politicians choosing to appropriate money for it, the plan will provide more stability for the fund. Thankfully, this transfer in where the State's portion of lottery revenue goes will not affect lottery retailers. Before and during the shutdown, NJGCA worked closely with the Lottery Commission in order to ensure that lottery sales would be deemed essential and allowed to continue during a shutdown. When the State was shut down in 2006, all lottery sales were halted.

NJGCA spoke out against the Governor's original Horizon proposal, which called for the confiscation of \$300 million from Horizon BlueCross BlueShield's reserve funds to try and help fill the State's budget deficit. Many members get their health insurance through Association Master Trust (AMT), which uses the Horizon network. This attempt by the Governor to hurt Horizon would ripple outward to drive up costs on every Horizon healthcare consumer. Groups from across the political spectrum opposed this plan, business and labor, conservative and progressive, Republicans and Democrats. The Senate narrowly passed a very watered-down version of the Governor's original plan but Assembly Speaker Prieto held firm against this plan. About half of the Assembly Democrats abstained on the budget vote rather than vote for a budget full of spending they knew the Governor would veto. This led to a three-day shutdown of state government. Eventually, the Horizon bill was amended further, and passed nearly unanimously. Gov. Christie accepted the reforms and signed the FY 2018 Budget, without vetoing the extra spending.

ACTION IN OTHER STATES

Oftentimes, bills and ideas introduced in other states or cities will spread to NJ, so it is important to keep an eye on our neighbors to see what we may be facing next. Seattle joined Philadelphia, Chicago, Berkeley CA, and Austin TX in creating a new excise tax on soda and other sugary drinks. Seattle's tax will be 1.75¢ per ounce, or 35¢ for a typical 20oz bottle of regular soda.

Following the President's decision to withdraw the United States from the Paris Climate Agreement, environmental activists began talking about focusing more on state action, particularly the idea of carbon taxes. Massachusetts, Rhode Island, Connecticut, Vermont, and Washington state have all introduced bills that would create carbon taxes. Estimates say that if their taxes were enacted it would lead to increase in costs for petroleum fuel products of about 10–15¢ per gallon.

Philly, NYC, and San Francisco have all moved forward with a particularly destructive new attack on tobacco sales: a cap on the total number of businesses allowed to sell these products. While all existing businesses are grandfathered in, the number for the cap is set well below the current number. The biggest issue with these proposals is that the licenses are non-transferable, meaning if a license holder ever wanted to sell their business, the location would lose the ability to sell any tobacco products, greatly reducing its value. San Francisco also enacted a complete ban on menthol flavored cigarettes. NYC has banned pharmacies from selling tobacco products and increased the mandatory minimum price for a pack of cigarettes from \$10.50 to \$13, the highest in the nation.

POLITICAL UPDATE

The June primary election produced no big surprises. The Democratic nominee for Governor will be former Ambassador and Goldman Sachs executive Phil Murphy and the Republican nominee will be Lt. Governor Kim Guadagno. Murphy received 48% of the vote while his chief rivals, Asm. John Wisniewski and Jim Johnson each received about 22%. The Lt. Gov. defeated her chief rival, Asm. Jack Ciattarelli, 47%–31%. While there were several state legislators in competitive primaries, the incumbents won in all cases. The October edition of the OTR will be our traditional Voter Guide and will provide in–depth details of the candidates for election this year, which includes the Governor and all 120 seats in the state Legislature.

NJGCA PAC

With the entire New Jersey state government on the ballot this year, our Political Action Committee needs every dollar in order to support our allies. Please make a contribution to NJGCA PAC and mail it to 4900 Route 33, Suite 100, Wall, NJ 07753. Your support is appreciated. For too long the PAC has relied on the support of too small a number of dedicated individuals and their businesses. Please support the PAC today!



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MEMBERSHIP MEMO!

by Gregory T. Cannon

"I'm sorry, the number you have dialed is no longer in service. Please check the listing and dial again."

You don't ever want to hear that message when you call NJGCA! Your membership, and the membership of many others is what prevents that message from being heard by anyone. My job as Membership Director is to ensure that members are satisfied, and maintain their membership. Because I don't ever want you to hear that message and cause a boatload of thoughts rushing through your head as you hang up. I know one of those thoughts will be "What the hell am I going to do now?"

That thought usually means there's a government agency on you like cold on ice, or maybe you forgot to renew a license for a few years, or you had a spill, or a covert vehicle for inspection or one of a hundred problems that you never thought would ever happen to you ... but just did.

Whether or not you're a member at that time you'll be wondering how this could have happened. The association has been around forever. Now what? Members have relied upon NJGCA for the last 80 years so you'll probably have to take your lumps for whatever jam you're in.

The scenario described above may sound farfetched, but in reality it isn't. The auto-pilot syndrome doesn't work in business but especially not in a nonprofit trade association like NJGCA.

When I speak to members I always ask for feedback in the form of a letter or an email, but I don't often receive any. I'm looking for both positive and negative feedback as I want to know how to serve you better. I've asked that members think of one person they know that isn't a member and encourage them to join. Thankfully some members have been successful. I am enlisting your help to grow our membership. We have to get bigger to be stronger.

Years ago we held dinner meetings in the evenings so the members could be in a casual environment, hear updates, and talk about concerns. Members indicated that it was too late to be attending meetings after work. We created the Diner Tour and moved to breakfast meetings. Although the Diner Tour is successful, we would love to have more attendance. Now some members tell us that it's not convenient to leave the shop in the morning. We are trying!

One of the features we have added to make it easier for members to renew their annual dues is an automatic bank draft. Not enough members have taken advantage of this and I would like to encourage you to contact me and sign up as a matter of your convenience.

There are over 20 programs to review that will help you save or make money and yet some members don't take advantage of them. NJGCA puts a lot of effort in to making sure that vendors and service providers are the best and have the highest integrity. I am thrilled when I see members utilizing our programs and taking advantage of the work we do here. I love when members get the most of their membership and are eager to renew.

Unfortunately there are some who let their membership lapse ... and then it happens ... There's a fubar, our phone rings and it's go time. Everyone needs NJGCA at some point, and we are who they call first when troubles arise. Also unfortunately, we don't provide assistance to those who allowed their membership to lapse...unless of course all dues are paid up to date from the day that the lapse occurred. Otherwise it wouldn't be fair to those who maintain their membership and keep this organization running.

We are trying, have been trying and will continue to try to make this association the best it can be for you. But we need you to be involved at some level to help us achieve goals that will benefit everyone.

We're having an 80th Anniversary Gala in September to celebrate all that we have accomplished for gasoline retailers, auto repair shop owners, and convenience store operators. It would be great to have a full house, enjoy a fun night with good food, and maybe talk a little shop to get some fresh ideas from your brethren in the business. I hope to see you and your spouse there.

I also hope that so far the summer has been good for you, your businesses, and your families.

Thanks for reading ... Until next time.

Cheers!

Editor's Note: Last month an NJGCA member lost their tank insurance after a tank testing company indicated that the diesel was contaminated. This conclusion was reached after only a visual inspection, and the information was placed on the member's invoice, which had to be submitted during the tank insurance renewal process. As a result, coverage was declined and the member was in serious trouble... To make matters worse, lab tests confirmed that there was in fact no diesel contamination and the technician had reached this conclusion in error, almost costing our member thousands of dollars and forcing them to shut down while the issue was resolved and tank insurance coverage was secured. I have asked Manny Alvarez of C-3 Technologies, and Steve Dana of DANA Insurance and Risk Management, both of whom are very familiar with the situation, to weigh in and discuss what they learned and what members need to know so that they can avoid a similar problem.

The consequences of bacterial contamination in diesel fuel

By Manny Alvarez

Since the US EPA mandated that refineries reduce the sulfur content in diesel fuel several years ago, owners and operators of USTs storing diesel fuel have been reporting accelerated internal corrosion at their facilities. To investigate, the US EPA commissioned a study that has come to be known as the Battelle Report. In the Battelle Report, they compiled some troubling statistics. The most notable of those statistics is that close to 80% of the tanks that participated in the study exhibited moderate to severe corrosion, and this corrosion has been attributed to the presence of bacteria in the tank. This is a statistic that should concern anyone who stores diesel fuel.

SO WHAT CHANGED?

There have been two notable changes in diesel fuel over the past few years. The first change was the introduction of ultra-low sulfur diesel (ULSD). Sulfur inhibits the growth of bacteria, so while ULSD lowered emissions and improved air quality, the lower sulfur content also allows for more bacterial growth in your UST.

The second change was the introduction of biodiesel. The Federal Government has mandated that a certain percentage of the fuel we consume in the United States has to come from renewable sources. In order to meet the federal targets, refineries are blending biodiesel with conventional diesel at the rack. Bio-diesel is made from renewable sources like food waste, and contains significantly more bacteria than crude.

When you combine these changes to diesel fuel with the presence of water, an environment that is well suited for the growth of bacteria is created.

HOW DO YOU KNOW IF YOU HAVE A PROBLEM?

There are several symptoms that can be indicative of microbial corrosion. As the metal components

corrode, the metallic filings clog filters, shear valves, meters, and many other components of the UST system. Chronic problems with any of the components of a diesel UST can be an indication of a microbial problem and warrant an investigation.

WHAT CAN BE THE CONSEQUENCES?

Aside from the nuisance of maintenance calls and the expense associated with them, tank failure is a real possibility. Furthermore, some insurance carriers are withholding renewals if the presence of microbial contamination is suspected.

WHAT CAN BE DONE TO PREVENT IT?

First and foremost, water management is mandatory. Operators must monitor closely the presence of water in the tank and have it removed promptly. Secondly, a fuel maintenance program has become a must-do for facilities storing diesel fuel. It is recommended that fuel be tested every 6 months for the presence of bacteria. If microbial growth is detected, additional measures ranging from treatment, filtration, or tank cleaning will be necessary.

CONCLUSION

With the introduction of new fuel blends, operators of USTs are faced with challenges unlike anything we have seen in the past. Legacy practices no longer apply, and failure to understand these challenges carry dire consequences. Although ethanol blended gasoline has its own set of challenges, diesel fuel is particularly susceptible to bacterial contamination and requires some type of fuel management process be implemented. Failure to acknowledge this and adopt new tank management practices could spell an early end to your UST system.

Manny Alvarez is the owner of C-3 Technologies, an NJGCA MBP that services and tests USTs, Vapor Recovery, and Monitoring Systems

Reading the "FINE PRINT"

As most of you know from recent OTR articles, tank insurance companies are getting more demanding. Some say getting smarter. They are asking for more information from tank owners every year. Most of the time, the tank insurance requirements remain the same as the regulations - send us your leak detection reports for the past 2 months and your annual line tests. If everything has PASS, that's easy - send in the application and terrorism form, pay your premium and the insurance is complete for another year.

However, before you submit your testing reports, read the **fine print**, especially a section of the report that says, Comments/Recommendations or Notes from Technician(s). This section may be blank, in which case you are clear, for now. When it's not blank, the remarks could prevent you from renewing or even getting tank insurance. Whenever you get 3rd party testing documents, please read them!

In past years, comments in this section of a report were not an issue - now they are. Technician comments such as "regular drop tube is non-functional, the flapper valve is broken, the tank sump containment is very corroded, tank sumps are filled and need to be pumped out, unable to verify ball floats, or fuel appears contaminated" can cause problems unless they're follow by these words - equipment repaired, issue corrected.

One of the recent cases involved a comment concerning "approximately 1.5" of water" that was found in the low end of a diesel tank with evidence of "bacterial contamination". When an insurance company reads

evidence of "bacterial contamination," they want to see the same follow up – **issue corrected**. Otherwise, renewing the tank insurance just got more difficult.

But what if the "evidence" was inaccurate. Whether the technician was negligent in their work or not, it was fortunate in this situation that the NJGCA member got a report from another testing company certifying that the fuel was not contaminated. The second testing company went beyond the visual observation and actually performed a laboratory culture that determined bacteria was not growing in the UST. In most situations, you may not be so lucky with a second opinion. Some owners have had to pay thousands of dollars for last minute repairs when they learned their insurance wouldn't be renewed until the "Comments/ Recommendations" were addressed.

As my dad has stated in previous articles, make an effort to keep your records, and stay active in reviewing the reports that your technicians give to you. We appreciate when they shake your hand and tell you everything passed, but the responsibility is on you to read the **fine print**. If you are dissatisfied with the comments, check with another tester. Get their thoughts. NJGCA provides Member Benefit Partners to help you when help is needed. Be sure to get it and reach out to NJGCA for advice.

Steve Dana is with DANA Insurance and Risk Management. They are tank insurance specialists and serve as NJGCA's Member Benefit Partner. They are long-time NJGCA members, known for their UST experience and insurance integrity.

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HORROR HIGHLIGHT

Sometimes Being Honest Can Cost A Lot

How One Member Spent \$70,000 to Defend Their Reputation and Prove Their Innocence After Being Falsely Accused

By: Sal Risalvato

Over a year and a half ago I received a call from a member, Joe Choi, who informed me that his Shell station had been cited for octane cheating and that the County Sheriff showed up to close down his Super gas sales. Joe was being accused of co-mingling regular gas into his Super tank. Along with the Sheriff came a gaggle of reporters and photographers. Joe was then convicted in the press and in the local court of public opinion, even before any facts emerged from the case.

When Joe called, I asked him a series of questions. They are the same questions that I have asked other members over the years that help me form a preliminary feeling to determine if there was any wrongdoing. In 10 years, only two members have answered my questions satisfactorily in similar circumstances. I asked Joe if he was willing to gather his records and bring them to NJGCA headquarters. He said yes. Others have said "yes" to me over the years but never showed up. Joe showed up.

After spending a full day examining Joe's records it was clear that he was not guilty of filling his Super tank with anything other than the premium gas that he purchased from Shell. I asked Joe if he was willing to invest in a forensic accountant to substantiate our findings, since expert testimony would be needed at trial. Joe didn't hesitate to say yes. A week later a forensic accountant gave me a full written report affirming what I already knew, that Joe had not dumped any regular gas into his Super tank.

I asked Joe if he was willing to hire an attorney. Again Joe said yes and we began putting the case together that would exonerate Joe and hopefully gain back his good name. Hours of legal work went into reviewing sales records and inventory records. What we discovered was angering.

We pieced together every transaction that was made by the Weights and Measures officers who conducted the annual and routine inspection of the station's metering devices. During the inspection of the metering devices, one of the officers sampled the Super product to test for octane. A handheld device was used and the octane was found to be just less than one point below where it should have been. A second and third sample all showed similar results. None of the results fit the parameters of the state's protocols for sending a sample to a lab. Since the handheld octane testers are not 100% accurate, and are used only to give an indication to inspectors if a lab test should be performed, the protocol allows for a one-point tolerance. Only lab results can be used to prosecute below octane sales.

Regardless, the officers determined that they would take an official sample to send to a lab. The next morning the lab results came back and showed that the octane level that was supposed to be 93 was actually 88. Hmmmm...the handheld octane tester indicated 92 or above, how could that be? The handheld should not be that different. Test results showing 88 octane are a big problem and usually indicates that someone is trying to cheat. In this instance that is not the case.

In the course of tedious examination, we found that the Point of Sale system (POS) clearly showed that the sample that was sent to the lab was taken 4 minutes after a customer had pulled up to the pump and was served 14 gallons of regular gas. This occurred when the Weights and Measures officers had left the pump to return product back to the underground storage tanks. The pump was left open and a customer pulled in. When the officers returned to the pump to take the official sample, they were unaware of the 14 gallon sale of regular and did not purge the hose as required. They ASSUMED that Super gas remained in the hose because they had just pumped five gallons of Super into their test can four minutes earlier. Once we made this discovery it made sense that the lab would come back with results showing the octane was 88 because that is exactly what it was. They mistakenly tested regular gas as Super because that is what was in the hose when they took the sample. Their sample size was only two tenths of a gallon which is exactly what fits in the hose. They sampled pure regular!

1	Time	Pump Number	Gallons	Fuel Type	Dollar Amount	Card No.
2	9:12:27	1	5.00	Regular	\$9.90	Card #6
3	9:14:50	1	5.00	Plus	\$11.90	Card #6
4	9:16:50	1	5.00	Super	\$12.50	Card #6
5	9:20:06	3	5.00	Regular	\$9.90	Card #6
6	9:22:04	3	5.01	Plus	\$11.91	Card #6
7	9:23:57	3	5.00	Super	\$12.50	Card #6
8	9:28:08	5	5.00	Regular	\$9.90	Card #6
9	9:30:26	5	5.00	Plus	\$11.90	Card #6
10	9:32:29	5	5.00	Super	\$12.50	Card #6
11	9:37:03	10	5.00	Regular	\$9.90	Card #6
12	9:40:35	10	5.06	Plus	\$12.04	Card #6
13	9:43:01	10	5.06	Super	\$12.65	Card #6
14	9:53:08	10	0.06	Super	\$0.14	Card #2
5	10:14:28	10	14.15	Regular	\$28.00	Card #4
6	10:18:39	10	0.20	Super	\$0.51	Card #6

Photo of chart used by defense attorneys in court, clearly showing that the sample sent to the laboratory was taken 4 minutes after 14.15 gallons of regular gas were pumped into a customer's car. The chart clearly also shows that the hose was not purged before the sample was taken. Additionally, attendant card numbers 2 and 6 were used by Weights and Measures officers. Card 4 belonged to the gas attendant on duty at the time.

The officers also broke another protocol according to state procedures and lab procedures. The sample size should have been a full gallon. Another break in protocol was that the officers did not leave an identical sample with the gas attendant. This is standard operating procedure so that the station owner can conduct his own independent test if necessary. In this case it would have been helpful.

What transpired after that was over a year of wrangling and legal postponements because County prosecutors had no idea how to win the case. They offered numerous settlements but refused an outright dismissal of the charges. They couldn't dismiss the charges for the very same reason that Joe couldn't accept a settlement – the Sheriff had already convicted Joe in the court of public opinion. A dismissal would mean that the Sheriff acted improperly by calling in the press before Joe was convicted in a trial. Yet, a settlement would prevent Joe from being exonerated in the court of public opinion.

NJGCA has a zero tolerance policy in these matters and would never assist a member who had in fact cheated and co-mingled regular gas in to the Super. Had Joe not been convicted in the press, we would have advised him to settle the matter and pay a small fine just to avoid the hassle, the heartache, the negative publicity, and mostly the cost. Yes, the cost. Joe spent over \$70,000 to win in order to avoid paying an \$18,000 fine. It was no longer about the cost of the fine, but it was about the cost of Joe's reputation. Had Joe been guilty of what he was charged with, NJGCA would have stood with the prosecutor.

Finally, on March 15, 2017 (after 17 months) a trial took place. The trial lasted a day and a half, and the judge absorbed every bit of evidence. The judge did not rule on the matter at the end of the trial and chose to take written summations and render her decision a few weeks later. We were all present in the courtroom on May 10 to hear the judge's decision. Innocent! As expected.

Although the W&M officers were sloppy in their inspection, and I am angry about how it caused an NJGCA member so much grief, I do not have ill feelings towards them. Their mistakes were honest ones. I do however have ill feelings towards the Hudson County Sheriff, as he called in the media in order to gain personal publicity on the very same day as the lab results were reported. He needed to make himself look like a hero who was flying around in his Superman cape protecting motorists from the big bad cheating gas stations. For that I do not forgive him, unless of course Sheriff Superman makes a very public apology.

I have written Sheriff Schillari and have demanded an apology. I have asked the sheriff to "clear Joe's good name with the same publicity with which he besmirched it." As of this writing that has not happened but I will keep you informed if there are any developments.

Here are a few lessons learned in this matter. First, it is ultra-important to maintain accurate inventory and sales records. Second, a working security camera focused on your pumps will be helpful in determining exactly how well the investigating officers did their job. Had Joe's security camera been operational on the day that the sample was taken, it would have been clearly visible that the W&M truck had pulled away from the pump leaving it open for a customer to purchase the regular grade. There would have been a video record of the officers taking the sample without purging the hose. Third, and this is very important...it is proper protocol for any sample that is taken be divided equally and half of the sample to be left with you or your attendant. Should a lab test prove to be incriminating, then you will have a sample of your own to test. Human errors do occur, and you shouldn't rely on the lab tests of the sample that was taken by officers.

Most importantly, and this should go without saying, NEVER co-mingle regular grade gasoline in to your premium grade tank!

Weird NJ: Mighty Joe's journey from Shore to Shamong

This article, authored by Mark Moran, is an excerpt from the new issue of Weird NJ magazine, #48, which is available now on newsstands throughout the state and on the web at WeirdNJ.com.



It certainly is a weird and puzzling sight to see in the rural Burlington County town of Shamong; a giant black gorilla skulking at the side of the road, scowling menacingly at passing motorists traveling along Route 206.

Standing there, at the edge

of the parking lot for a gas station and deli, his massive arms outstretched, he appears to have just emerged from the forest behind him intent on wreaking havoc on an unsuspecting public.

The big ape is really nothing to start a widespread panic about however, as he is a mere hollow fiberglass shell and not an actual Kong. The monstrous monkey goes by the name of Mighty Joe, as in the post King Kong giant ape movie "Mighty Joe Young," released in 1941. The gargantuan gorilla stands as a mascot for its namesake gas station and deli, Mighty Joe's.

That was not always his name however; some older readers might remember him better by one of his previous monikers, like "Kongo-Pongo" or "Magilla," from the days when he stood as an amusement on the seaside boardwalk in Wildwood.

Others might know him as "George" from the days when he lorded over a go-kart track at the now-defunct Island Family Fun Park, located on Route 47 just across the George Redding Bridge from Wildwood.

But just how did a 25-foot tall grimacing gorilla make its was from the South Jersey Shore of Cape May County all the way across the Pine Barrens to Shamong? To answer that question Weird NJ asked a man named Larry Valenzano, the current owner of Mighty Joe's Gas, Grill & Deli, and of the great ape himself. We sat with Mr. Valenzano at a table at his roadside eatery to get the story behind his simian colossus.

"We have our summer home down the shore in Wildwood Crest, and every time I'd go down there I'd see this gorilla on the way in Rio Grande, and it reminded me of my son, Joe, who was a body builder," Mr. Valenzano told us.

Tragically, Larry had lost his son Joe a few years earlier when he died of a brain tumor in his 20s.

Larry Valenzano, current owner of Mighty Joe. (Photo: Mark Moran/ Weird N.L.com)

The Valenzanos were heartbroken by the loss, but that's when an idea came to Larry of a way that he could create a lasting tribute to the memory of his son Joe. "So one day I said to my wife, 'I wanna buy that gorilla, and we'll rename our station Mighty Joe's.'

By that time in the early 2000s the go-kart park had closed and was being reclaimed by nature -- yet George continued to stand all alone

out in the sunbaked overgrown fields, towering over the abandoned go-kart track. Then a storm severely damaged the behemoth statue. The gorilla's feet and ankles seemed to no longer be able to support him and he was pitched forward, his weight resting on his fisted paws -- the only things stopping him from doing a face-plant right into the sandy ground.

"The gorilla had fallen over, it had broken ankles, a broken wrist; it was in dire need of repair. There was a gas station right next to this go-kart track, so I went in there and asked for the owner. I went into the office and I met a man named Sam and said to him, 'I'd like to buy your gorilla,' and he said, 'Well, he's for sale.' So I said 'how much do you want for it?' and he said, 'How much do you want to give me for it?' I said, 'I'll give you \$2,000.' He said, 'Well, I was offered over \$10,000 for it, and I refused that. Why do you want it?' And I had told him that I had lost my son, and he was a body builder and we used to call him Mighty Joe once in a while, because he'd walk around like a big gorilla."

At this point in the conversation Mr. Valenzano paused for a moment, visibly emotional over the memory of his late son. Even after nearly 20 years his fatherly grief still was difficult for him to contain. He removed his glasses, and dabbed his eyes with a napkin he drew from the dispenser on our table. After regaining his composure, he continued.

"So I explained why I wanted it, and he said, that he'd been offered a lot more, so I left. If it wasn't meant to be, it wasn't meant to be. Then I got a call from him a week or so later, and he said, 'Can you stop in next time you come down?' So I did. I owned a gas station, he owned a gas station — he was a nice Italian man, I'm Italian. And he said, 'Ya know, I have a lot of money. And I like what you want the gorilla for more than what any of these other people want it for. So I'm going to sell it to you for \$2,000.' He asked if I had any way of transporting it and I said no. So he said, 'Okay, I'll take care of that too.' He had someone come with a tractor-trailer, took the arms off, brought the arms up here one day and the rest on a second trip."



A tribute to Joe Valenzano is now part of Mighty Joe. (Photo: Mark Moran/Weird NJ.com)

Mighty Joe was in pretty sorry shape when he first arrived at his new home in Shamong, but the Valenzanos had local craftsmen re-weld its interior steel frame, reinforce the fiberglass on the legs and the broken wrist and give the giant primate a fresh coat of paint. Once upon a time, in his former occupation as a boardwalk attraction in Wildwood, a stairway behind the gorilla led through a door in its back, and to two sliding boards that were attached to its chest. Larry told us that he still has one of the slides set up at his home, where his grandchildren play on it all the time.

Over the two large holes in the ape's chest where the sliding boards were once placed, Larry affixed a sign bearing a tribute to his lost son that explains his story for all who stop to see. And Larry tells us people stop all the time to gaze in wide-eyed wonder at Mighty Joe and to take pictures.

"We had a fella stop here one day who said that he was involved in the sale of it when it was shipped over here in the 1960s from Spain, where it was made, and that they paid \$50,000 for it at the time."

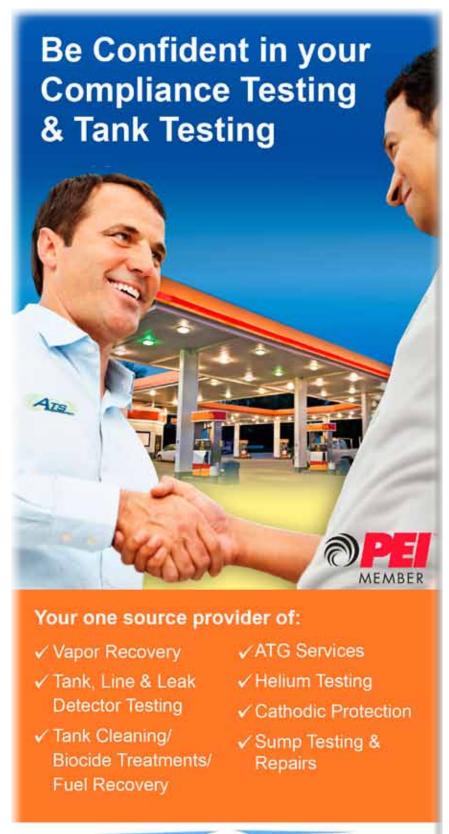
We asked Larry if there was any kind of fund set up in his son's honor that folks who were moved by his story might be able to contributed to.

"We're going to put a box out there for donations for the Brain Tumor Foundation," he said, "because people come in here giving us money. I own the property across the street and once a year we have a fundraiser there in September, a car show, and all the proceeds go to Brain Tumor Foundation."

Directly across Route 206 from Mighty Joe's is a vast expanse of open land where the Valenzano family operates V&V Adventure Farm (www. vvadventurefarm.com), a multi-purpose property that offers a variety of activities such as pumpkin picking, a corn maze, haunted hayrides and other seasonal attractions.

Before we ended our interview with Mr. Valenzano he walked us across the deli to where a large full-color placard hung on the wall above some shelves containing fishing tackle. The display bore the headline "Mighty Joe" and featured the portrait of a strapping young man in the center, his smiling face full life and promise. Framing the photo were snapshots of him from his boyhood days on Little League baseball and soccer teams, and flexing his taut, well-defined muscles on stage during body building competitions when he was older.

As we stood beneath the loving memorial and thanked Mr. Valenzano for his time, we asked if there was anything else that he'd like to add before we said our goodbyes. He paused for a moment, staring up at the images of his son Mighty Joe in quiet reverie, then, as if speaking only to himself and the heavens, he said softly, "He was a good boy."



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Environmental Services

NEW JERSEYANS CAN'T AFFORD TO SUBSIDIZE NUCLEAR PLANTS, COALITION FORMED TO OPPOSE

By: Dennis Hart, Chemistry Council of New Jersey



PSEG Nuclear operates the Salem and Hope Creek Nuclear Generating Stations, PSEG Power owns 100% of Hope Creek, and 57% of Salem. Nuclear generation provides a little over 40% of New Jersey's energy. For many years, these plants have been a profit center for PSEG, since high natural gas prices made nuclear energy cheaper to produce, resulting in higher profit margins for PSEG. Now PSEG claims these plants are in danger of closing.

PSEG executives are claiming that their nuclear plants are no longer economically feasible to operate, and that they may have to close them within the next three years if they don't get a government bailout. PSEG is seeking support in the NJ Legislature for state subsidies in the form of Zero Emission Credits, or ZECs, that would increase the price paid for PSEG's nuclear output. While no bill has been introduced in New Jersey to date, it is likely PSEG will seek a bailout of about \$350 million annually over a ten year period, or \$3.5 billion.

Zero emission credits are not a new idea. The power industry has been granted or is pursuing these subsidies in other states. Illinois and New York state governments already have agreed to the industry's demands for subsidies. New York's plan will give the nuclear industry \$7.6 billion over 12 years; Illinois has approved \$235 million a year for the next 10 years, but these subsidies are now being challenged in court.

In addition, since PSEG sells its power into a regional grid, PJM, a regional transmission organization, New Jersey ratepayers would be paying subsidies to PSEG for power we don't even use, saddling us with higher costs while giving a competitive advantage to other states. This kind of subsidy will interfere with the regional power market.

Energy prices, while still high in New Jersey, have been dropping, and the low cost of natural gas energy generation is giving nuclear generation serious competition. Even still, PSEG nuclear plants continue to clear the state's basic generation service electricity supply auction, and PSEG continues to post record profits. PSEG nuclear plants are contractually obligated to produce energy through 2020, and after 2020 will get 56% more per megawatt-day. Commercial and industrial ratepayers in New Jersey are

cognizant of the fact that ratepayers helped subsidize the construction of these plants, and paid billions in stranded costs to PSEG for these plants after the energy market was deregulated.

PSEG is touting this initiative as an effort to protect jobs and support clean energy, but the nuclear industry is lobbying state decision makers as part of a concerted effort to force consumers to pay profitable power companies special subsidies to offset lower wholesale prices for the company's nuclear assets, which is impacting company revenues.

All of our businesses are facing economic challenges. Consumer patterns are changing. Products that were once popular are now being discontinued. Cars are becoming more efficient, causing local gas stations to rethink their business models as they earn much less per gallon than ever before. The fact is our businesses have been forced to innovate and reinvent themselves to remain profitable during a time of increase competition. Government subsidies can't be the solution to loss revenue and market share. Ratepayers can't allow the nuclear industry to get a government subsidy claiming their plants are not profitable, while posting record profits.

PSEG and supporters are spending a lot of money to garner support for nuclear subsidies. These subsidies would unfairly and inappropriately interfere with the marketplace by supporting an already profitable nuclear industry and forcing utility consumers — residential, commercial and industrial—to pay above the fair market price for electricity. With your help, and the **New Jersey Gasoline, C-Store, Automotive Association's** support, we will do our best to educate legislators, policy makers, and the public about what PSEG is really after—a government handout paid by electric consumers.

I hope you will support your association's involvement in our coalition opposing any kind of state nuclear subsidy.

Dennis Hart is executive director, Chemistry Council of New Jersey. He's a former assistant commissioner at the NJ Department of Environmental Protection, and was executive director of the New Jersey Environmental Infrastructure Trust from 2003-2010. The Council is coleading a coalition of industry, business, and consumer representatives opposing any kind of state nuclear subsidy.



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Avoiding Unnecessary Risk Exposure to Your Employees

by Joe Amato Jr.

As business owners, we are frequently looking at ways to reduce our costs of doing business. However, some potential cost-saving measures should be evaluated against potential risks to the business.

From an insurance perspective, there are ways to potentially save on premium costs. Increasing deductibles or reviewing the value of buildings and business personal property to see if they are overinsured are possible ways to lower costs. However, care should be taken when deciding to sacrifice coverage and put your business at risk for an uninsured loss.

One area to be careful is regarding the use (or lack of use) of contractors to perform maintenance or repairs at your business. It can be tempting to save money by using an employee to perform a duty normally handled by an experienced, licensed, insured contractor. But can this potentially affect your insurance premiums or open you up to an uninsured lawsuit?

Some examples of using employees trained as gas pumpers or clerks to perform functions which are normally performed by contractors are snow removal, roof/building repairs and underground storage tank maintenance. These are all areas that could increase risk to the owner and/or the business.

A snow removal contract can be expensive. Part of the reason for the high cost is due to the large number of trip/fall claims driving up insurance costs for snow removal contractors. However, before using employees to perform snow removal, it is very important to make sure your own policy does not exclude snow removal. Even if it is covered, it still might be better to consider risk transfer to a contractor instead. In the event of a lawsuit from someone injured falling on snow/ice, if the employer uses a properly insured snow removal contractor and has a contract with that contractor, the lawsuit costs can be transferred to the contractor's insurance instead of the business owner's policy. This helps to keep down future insurance premium increases and helps avoid potentially having the policy non-renewed from the insurance company.

Roof repairs and other building maintenance might be better performed by contractors. If there is a problem with the actual repair or if someone is injured as a result of the maintenance or repair, the contractor's insurance policy should be the responding policy. Again, avoiding a claim on the business owners' policy can keep the premiums from increasing or the insurance company from non-renewing the policy.

Underground storage tanks can require routine maintenance and cleaning. It can be tempting to avoid the costs of a contractor by using an hourly employee to do functions such as cleaning out the sump areas. Having an employee clean tank areas, without proper training and without proper protective gear, can lead to serious injury. While workers compensation should cover the injuries to the employee, it may not cover an actual lawsuit against the employer for placing the employee in a dangerous situation. General liability policies exclude lawsuits from employees. Workers compensation policies do have coverage for "Employers Liability", however they can deny claims if the allegations involve the employer placing the employee in a situation where the employer exposed the employee to risk of death or serious injury either intentionally or with substantial certainty.

All of the problems described above have actually happened to our insureds. Several even qualify to be written about in the NJGCA Horror Highlight section of this newsletter. Please remember to consider more than just the upfront cost savings when deciding to use an untrained employee to take over the duties of an experienced and insured contractor.

You should definitely consult with your insurance agent prior to undertaking any potentially risky projects around your location. If it is not something that is within the normal duties of your employee, then it is best to check.

Joe Amato Jr. is Vice President of the Amato Agency with over 25 years of experience advising small business owners in the gasoline retail, auto repair, and convenience store businesses. The Amato Agency is a family owned agency that has been reliably serving NJGCA members since 2007 and can be reached at 732-530-6740.



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NJ Municipalities Catch Paid Sick Leave Fever

Kerri A. Wright, and David L. Disler, New Jersey Law Journal

Unlike many countries, the United States does not require private employers to offer paid sick leave. However, several states and an increasing number of local governments have recently passed paid sick leave laws. New Jersey has followed this trend by leading the nation in the number of municipalities (13) that have passed local paid sick leave ordinances. Each ordinance is relatively similar, with nearly identical ordinances having been passed in Bloomfield, East Orange, Elizabeth, Irvington, Montclair, Morristown, Newark, Passaic, Paterson, Plainfield and Trenton (collectively, the "Eleven Ordinances"). Jersey City's and New Brunswick's ordinances are similar, but differences result in Jersey City's ordinance being more favorable to employees, and New Brunswick's ordinance being more favorable to employers.

New Jersey employers, and the attorneys who counsel them, must be cognizant of these local ordinances. In particular, employers operating multiple locations must keep a careful eye on the actions of their municipal government, as competing ordinances may require the adoption of different policies for different groups of employees across the state.

- ENTITLEMENT: All Eleven Ordinances require private employers to provide paid sick leave to all employees who work over 80 hours a year. Employers with 10 or more employees must provide 40 hours of paid sick leave, whereas smaller employers (nine or fewer employees) must provide at least 24 hours of paid sick leave. The one exception is employers in the areas of child care, home health care and food service, in which 40 hours of paid sick time must be provided, regardless of the number of employees. Sick leave can be used for an employee's own mental or physical illness, injury or health condition, or to care for a family member. Importantly, despite the ordinances providing employees with an entitlement to paid sick leave, employers are not required to compensate employees for accrued unused sick leave during an employee's separation.
- UNION EXCEPTIONS: The ordinances' requirements do not apply to employees who are members of construction unions and covered by a collective bargaining agreement (CBA) (this exception does not apply in Irvington). For all other unionized employees, the ordinances are not applicable until expiration of the current CBA, at which time the ordinances will apply, unless expressly waived in a new CBA.
- ACCRUAL: Employees accrue paid sick time at a rate of one hour for every 30 hours worked, which begins on the first day of employment. Employees who are exempt from being paid overtime are assumed to work 40 hours per week, unless their normal workweek is less than 40 hours. Employees may not utilize paid sick time until the 90th day of their employment (except in Plainfield, where paid sick leave

cannot be used until the 100th day). Further, if there is a separation of employment, but the employee is rehired within six months, previously accrued unused sick time is reinstated and can be used immediately. The ordinances also allow employees to carry over unused accrued sick time to the following year (up to 40 hours per year). However, an employer may limit an employee's use of unpaid sick time to 40 hours per year, regardless of the number of hours carried over.

- EMPLOYEE VERIFICATION/NOTICE: An employer may request the employee confirm in writing that the leave was used for an authorized purpose. Further, when paid sick time is used for three or more consecutive days, an employer may require "reasonable documentation," which includes signed documentation from a health care professional indicating that the sick day was necessary. However, the employer cannot require documentation regarding the nature of the illness. Where the need to utilize paid sick time is foreseeable, an employer may require "reasonable advance notice" of the intention to utilize the leave. However, an employee is never required to give notice over seven days in advance. Where the need to use leave is not foreseeable, an employer may still require an employee provide notice before the beginning of the employee's work shift or workday, except in cases of emergencies, in which the employer may require notice "as soon as practicable."
- EMPLOYER NOTICE: Employers must give written notice that describes the employees' rights under the ordinances to each employee at the commencement of employment (or as soon as practical for all current employees). Employers are also required to display a poster in a conspicuous and accessible place in each of its workplaces. The notice and poster must be in English and any primary language spoken by 10% of its employees.
- ANTI-RETALIATION/VIOLATIONS: Employers are prohibited from retaliating against employees based on an employee's use of paid sick leave. Retaliation includes threatening, disciplining, discharging, suspending, demoting, reducing hours or any other adverse action taken against an employee. Employers who violate any provision of the ordinances are subject to a fine (which varies depending on the municipality) and payment of restitution of the inappropriately withheld paid sick time. Each municipality has empowered one of its municipal agencies implement and enforce the ordinance. The ordinances also authorize this agency and the employee to file a complaint in municipal court.
- **JERSEY CITY**: There are several substantive differences between the Jersey City ordinance and the Eleven Ordinances. In addition to the requirement that smaller employers (fewer than 10 employees) provide up to 24 hours of paid sick leave, the Jersey

City ordinance requires these employers also provide an additional 16 hours of unpaid sick time. The Jersey City ordinance also provides greater protections to employees against retaliation. Notably, any adverse employment action taken against an employee within 90 days of when an employee engages in protected conduct (this does not include utilizing paid sick leave) creates a "rebuttable presumption" of unlawful retaliatory conduct. In addition, the Jersey City ordinance reduces the employee's notice requirement to "as soon as practical" (compared to requiring "reasonable advance notice"). The last substantive distinction is that the employer may be subject to a fine for failure to provide written notice to an employee of his/her rights (up to \$100 per employee) and for not displaying the requisite poster (up to \$500 per poster), which is in addition to fines for violating the ordinance (which is found in the other ordinances).

• **NEW BRUNSWICK**: There are significant substantive differences between the New Brunswick ordinance and the Eleven Ordinances. Notably, while the other ordinances require an employee work only 80 hours in a year to be eligible, New Brunswick mandates an employee work at least 20 hours per week to qualify for paid sick time. It also does not apply to any employer with fewer than five full-time equivalent employees. Accrual of paid sick time also is more favorable to employers, as employees accrue only one hour of leave for every 35 hours of work (compared to 30 hours). The amount of paid sick leave provided by larger employers (10 or more employees) also differs. Notably, full-time employees (working 35 hours or more per week) must be provided with 40 hours of paid sick leave (similar to the Eleven Ordinances). However, part-time employees (employees who work 20–30 hours per week) are provided only 24 hours of paid sick leave (compared to the 40 hours provided to these employees under the Eleven Ordinances). Further, new employees cannot use their accrued sick leave benefit until the 120th day of employment (compared to 90 days). Finally, unlike the other ordinances (in which no statute of limitations is provided), the New Brunswick ordinance requires all complaints be filed within 180 days of the alleged violation.

For employers, keeping up with this ever-changing area can be daunting. Due to the strain on employers to comply with varying municipal paid sick leave ordinances, the legislature is considering legislation that would provide uniformity throughout the state. The bills fall into two camps. The first requires universal paid sick leave throughout the state. (See Senate Bill 799 and Assembly Bill 2785). Both bills require that employees accrue one hour of leave for every 30 hours worked. However, the Senate bill (third reprint) only applies to employers with greater than 10 employees, whereas the Assembly bill applies to all employers. The second camp of bills prevents local governments from passing ordinances requiring private employers to provide paid sick leave and declares all current ordinances null and void. (See Senate Bill 488 and Assembly Bills 2433 and 2875).

Requiring paid sick leave in some municipalities in the state, while not in others, has presented employers with significant administrative hurdles and left many questions unanswered. Among these unanswered questions is how employees who work in multiple offices or from home are to be treated. There is also a lack of clarity in the interplay between the ordinances and the unpaid leave entitlements under the Family Medical Leave Act and the New Jersey Family Leave Act (it is the authors' opinion that the leaves could run concurrently, but employers must have clear policies outlining the interplay for employees). In addition, employers must now determine whether their policies meet the ordinance's requirements and determine how to lawfully track the number of hours employees accrue, and other issues, even identical ordinances are unlikely to be applied uniformly. Unfortunately, until the legislature passes statewide legislation, employers are left with little guidance and increased administrative costs in attempting to comply with each ordinance's requirements. Paid leave is certainly the trend, however. Therefore, employers must remain vigilant in this area and should consult with legal counsel in crafting and implementing leave policies.

Wright is a principal of Porzio, Bromberg & Newman, in Morristown. She is a member of the firm's Litigation Practice Group, where she co-chairs the Education and Employment Team. Disler is an associate of the firm, and a member of its Litigation Practice Group, concentrating his practice in the areas of employment and education law.

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Important NJDEP Regulatory Update

By Mike Vanderslice, Environmental Alliance



In May 2009, New Jersey introduced the Site Remediation Reform Act (SRRA), which changed the standard for the remediation of contaminated sites in the state, and directly affected hundreds of gas station retailers and dealers. To ensure that the State's

objective to complete the remediation of sites was achieved, SRRA contained various statutory deadlines for the completion of various phases of the site remediation process.

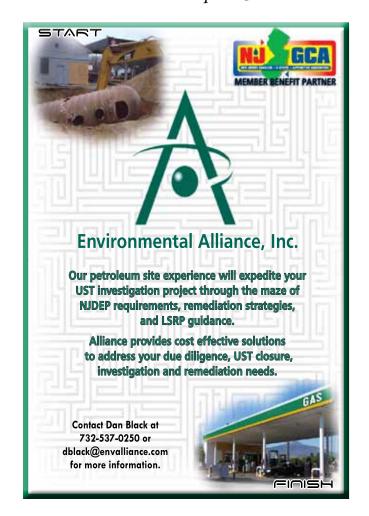
Flashforward 8 years to June 19th of this year, the NJDEP issued a Compliance Notice update regarding regulatory obligations for responsible parties who have obtained a "restricted use" or "limited restricted use" No Further Action (NFA) letter for their site, and who have an engineering and/or an institutional control in place, but have not applied for a Remedial Action Permit (RAP) and/or have not completed their post-NFA obligations (i.e., biennial certifications). We highly recommend you review this notice if you have not done so already. The notice outlines the necessary steps to maintain or regain compliance, and the ramifications of non-compliance.

A responsible party must engage a Licensed Site Remediation Professional (LSRP) for the development and subsequent submission of the RAP application and applicable Biennial Certifications. If a site uses an engineering control to maintain compliance, the person listed as the responsible party may also be required to meet financial assurance requirements to ensure that the costs for implementing and maintaining an engineering control are covered.

It is extremely important for all NJGCA members to determine if they are subject to these requirements, as the NJDEP plans to increase enforcement actions in the coming year. You do not want to be caught out of compliance! The Compliance Notice states that non-compliance with these RAP and biennial certification obligations would allow the NJDEP to revoke your NFA, enforce other requirements, and possibly administer civil administrative penalties (upwards of \$30,000 per day).

The NJDEP Compliance Notice update can be found within the following link: http://www.state.nj.us/dep/srp/enforcement/post_nfa_compliance_notice.pdf

As an NJGCA Member Benefit Partner, we are working diligently to ensure NJGCA members maintain compliance. Is your site at risk? For more information or to discuss other potential concerns regarding your site, please contact Ms. Daniela Pava at 732.537.0250 or dpava@envalliance.com.



Operator Training

NJDEP is offering UST Operator Training in accordance with the current Federal Rule which currently applies in New Jersey. You must have completed operator training by October 13, 2018.

WHAT IS OPERATOR TRAINING?

Operator Training is a three-tiered training program (Class A, B, or C Operators) required by federal law in NJ for the operation of Underground Storage Tanks (USTs). The purpose of the training program is to ensure that the owners and operators of USTs properly operate and maintain their UST systems, and know how to handle spills and emergencies.

The Operator Training applies to all UST systems regulated under New Jersey Storage of Hazardous Substances ACT at N.J.S.A. 58:10A-21 et seq. NJDEP is amending its rules in 2017 to conform them to the EPA rule requirements.

HOW DOES NEW JERSEY IMPLEMENT OPERATOR TRAINING?

- By requiring training for all persons who will operate in any one of more of the three "classes" of operators identified in EPA guidelines as Class A, B, or C Operators.
- By implementing state-specific operator training requirements that are consistent with EPA rules and related guidelines.
- By requiring all UST Owners/Operators to designate individuals who are required to be trained under the requirements specified in the guidelines.

WHAT ARE THE UST OPERATOR CLASSES?

- <u>Class A Operator</u> is typically the Owner/Operator in charge of resources, and personnel, and is responsible for operating and maintaining the UST System.
- <u>Class B Operator</u> is designated by the Owner/ Operator to have day-to-day responsibility for the UST System.
- <u>Class C Operator</u> is an individual designated by the Owner/Operator to be responsible for initially responding to emergencies and typically controls the dispensing or sale of the regulated substances. Class C Operators may be trained by Class A or B operators and do not need to attend classes.

HOW CAN YOU BECOME A CLASS A OR CLASS B OPERATOR?

To become a Class A or Class B operator in New Jersey, a person must attend a class at Rutgers University and

pass an International Code Council (ICC) examination. Cost for the Rutgers Class \$275 for a single person, a discount is offered for additional attendees from the same company.

This fee must be paid at registration either by credit card online or mailing in a check with your registration. Registration procedures, costs, and training locations and schedules can be found at Rutgers University Website: http://www.cpe.rutgers.edu/brochures/intros/ust-AB.html

Currently, there are two classes scheduled: July 27 in Bordentown and August 8 in New Brunswick.

TOPICS COVERED AT THE OPERATOR TRAINING CLASS:

NJDEP is combining the subjects for Class A and Class B in this new class that will cover the federally required training curriculum for A/B operators. Topics Include:

- Regulatory requirements applicable for UST Systems
- Financial Responsibility
- Notification and Storage Tank registration
- Environmental and Regulatory consequences of releases
- Operation and Maintenance of UST Systems
- Spill and Overfill Prevention
- Release Detection and Related Reporting
- Corrosion Protection and Related Testing
- Product and Equipment compatibility
- Training Requirements for Class C Operators (A/B Operators are permitted to train Class C operators)

After completion of the training, the Class A/B Operators must take the Exam. Completion of the A/B Operator Training Program requires passing the Class A/B operator training examination given by the International Code Council (ICC).

To sign up for testing you must first register on the ICC website: http://www.iccsafe.org/Certification/Bulletins/UST-AST_EIB.pdf.

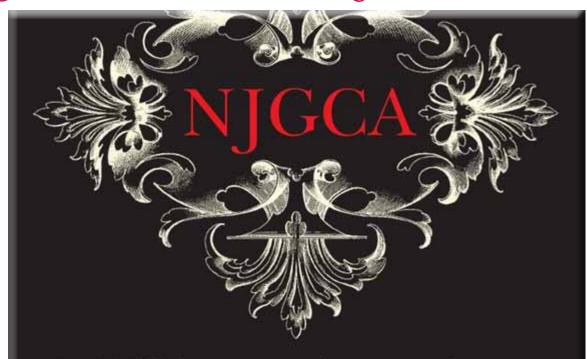
The testing fee is \$80.00 and must be paid when you register. Your registration must match your name provided on the legal document you provide for the test. The testing time is approximately two hours and you must arrive 30 minutes early.

WHO SHOULD BE ATTENDING?

Anyone who owns or operates a regulated UST facility or wishes to be employed as a designated Class A or Class B Operator will need to take this class and pass the Exam.

If you have any questions, please reach out to Debbie at 732-256-9646 or debbie@njqca.org.

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Old Tanks Crisis and Plan B and UST Testers / Contractors

By Eric Dana

In the previous *On The Road*, my article covered the issues affecting owners of underground storage tanks (USTs) older than 30 years, especially over 35. I said to plan to either replace the tanks or repurpose the location to no longer sell retail gasoline or diesel fuel. My recommendations were (1) to get a written tank removal cost estimate and (2) to get a written cost estimate for installing new tanks. They really are two separate projects if you're removing and replacing the tanks - you should think about it as two projects.

Many NJGCA members whose tanks are reaching old age have asked for help since the fall of last year. My advice is the same - Have a Plan. Start working on it now. Talk with the ones you love and the ones you trust. They better be the same group of people. And here's the question: What do you envision for your location ten years from now? Pause .. Look .. Think. This could be important to your future.

On the subject of the ones you trust, let's remember the various testers and UST contractors with whom NJGCA members work throughout the year. At some point, every owner of a regulated UST needs to hire someone for testing purposes, whether it's for the monthly ATGs, the annual line tests or even the three-year cathodic protection update. There's also a need for a repair technician if your equipment isn't working properly and often they are needed for meter calibration, fuel cleaning, module upgrades and a range of other activities.

In the past, there have been some instances where the tester has not done right by the tank owner. I don't have statistics but I understand the allegations. Much of every dispute centers on what was expected, what was done (or not done) and the cost. So work with a tester/contractor you know and trust. The Member Benefit Partners program is a

resource that can help every member in these circumstances. Rely on NJGCA for assistance. They are your advocate and they are simply a phone call away.

And lastly, for those with diesel (ULSD) sales, the accelerated corrosion issue is finally becoming clearer – although anything involving water, nitrogen and a microbial colony in your tank is gonna be trouble. More on this subject in the next article.

So, whether it's a tank removal, a tank install or routine testing, know what you need and what it will take to get it done. And if you don't know – ask before the work is started. They say you get what you negotiate. So be sure to get everything ... in writing. And keep the records for five years. Don't worry - time flies.



In 2035, Self-Driving Cars May Make 2 A.M. The Busiest Hour At The Digital Gas Station

This article first appeared on Forbes.com's Oliver Wyman Transportation & Logistics channel.

Written by: Irfan Bidiwala and Eric Nelsen

Eric Nelsen is a Chicago-based partner in Oliver Wyman's Energy practice.

Irfan Bidiwala is a Houston-based partner in the Energy practice.

Can you picture a day when you never have to pump gasoline at the service station? You won't even have to get out of the car. It's not because they've hired more gas station attendants.

It's because the pump and the car can communicate with each other, work together to select your preferred fuel, and fill the tank without the driver being involved. Like gliding through E-ZPass, you'd be paying with a cloud-connected app that, by then, may be standard on most autos. If your vehicle is self-driving, you should be able to remain happily ensconced in your bed or at your computer while your car buys the gas without you even being there.

This is the future for service stations and gasoline consumers. Today, comparison apps may seem high-tech for your neighborhood favorite, but within the next decade or two, the gas station around the corner will likely be catering to everything from hybrids, to autonomous cars, to electric vehicles, to car shares -- and selling them a lot more than just regular and premium.

A digital makeover

Like so many industries disrupted and transformed by technology, the iconic gas station will soon undergo what will be a pretty substantial digital makeover that connects it not just to the consumer but the car itself. It's not one single trend that is pushing the change; it's a multitude of disruptions that are overhauling our relationship with the auto and the way gasoline is sold. And with all these things in transition, the business model for the service station must ultimately begin to reflect the new reality.

Gasoline demand has begun to decline in more mature economies and will probably continue to shrink, given the growing number of people who no longer aspire to owning a car in the way that earlier generations once did. According to the US Census, the number of no-car households increased slightly in 2015, perhaps in part because more people want to live in cities, and of course the well-documented lack of interest in car ownership among millennials.

The gas station of, say, 2030 will not only have to do things differently; it will have to do different things to be profitable. For instance, one futuristic vision is to have short-distance drones deliver pre-ordered snacks or packages while the driver waits in the car.

The gas station of the future is going to have to mirror the diversity of its clientele. Given the rising popularity of hybrids and electric cars like Tesla, perhaps the gas station will have to consider having charging stations, as some now do in Europe. Or perhaps the demand is for compressed natural gas or liquefied petroleum gas. Already, gasoline and diesel generate less than 30 percent of the profits at the average gas station, and that figure may continue to decline, not necessarily from low demand but because the gas station is selling so many other services and products.

Watch out for the drone

Of course, we're used to the convenience store aspect of gas stations, changing them into personal fueling stations -- and that service is expected to become more ubiquitous and more sophisticated over time. But the gas station also will likely be a place where you can pick up your order from Amazon after it was delivered to the station by drone. Or maybe you pick up groceries that you ordered or your dry cleaning. In essence, your gas station becomes a giant post office box or a personal concierge -- a convenient one-stop shop for the sharing economy as it blossoms.

The change may go beyond the services the station offers; it may involve when it offers them. The busiest time for the gas station of 2035 may be at 2 a.m. when autonomous driving cars are programmed to take themselves to the station to fill up for the next morning's drive to the office.

The transactions may not even take place at the service station as on-demand fuel services begin to pop up. With an app, consumers can type in their order and have it delivered to their office parking lot or their driveway.

A new business model

Stations also will deal with more wholesale purchasers, as car-sharing services like Lyft and Uber grow. Rather than sell to individual drivers, service-station franchises may only maintain long-term contracts with the companies that employ drivers. Manufacturers of autonomous autos also may decide to develop long-term fuel programs for their buyers.

While the potentially painful disruption is not entirely welcome news for the legions of independent gas stations and their owners, it represents an opportunity for early adopters, ready to embrace and anticipate change. Already, we're seeing service stations experiment with predictive analytics and other technology-driven innovation like mobile payment. For instance, one US convenience store-gas station chain is cutting gas prices by up to 10¢ per gallon for customers paying via appenabled direct debit.

Choosing a gas station

By 2022, cars are expected to have enough Internet connectivity to allow drivers to simply ask their cars for recommendations on where to go for gas and then rely | contributed to this article and the research it's based on.

on the car to seamlessly pay for it. In the United Kingdom, Jaquar and Shell are piloting advanced capabilities for site interaction with such web-enabled vehicles.

The digital revolution has already compressed product cycles and brought disruptive innovation to a range of industries. Like it or not, the traditionally conservative gasoline industry appears to be among its next targets. What's not clear is which enterprises will be early movers and which will go the way of the drive-in movie.

Alex Kirov, Tom Shyr, and Bryan Yamhure Sepúlveda



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THE NJGCA MEMBER BENEFIT PARTNER PROGRAM

NJGCA has been working hard to bring you and your business value through our Member Benefit Partners (MBPs). Hopefully, you are already taking advantage of many money-saving plans offered by our Member Benefit Partners. Our 2017 Member Benefit Partner Brochure was printed in February, and this year we introduced seven new Member Benefit Partners. They are listed in blue and marked with asterisks below. We are excited about the great opportunities that you have to save money with these partners!

Here is a list of our current MBPs:

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ABLE-TECH - Computers, Financial Management, Video Security Systems
AFFINITY FEDERAL CREDIT UNION - Financing, Mortgages
ALFA-TRONICS - Pump & Tank Monitoring Services, Dispenser Security Specialists
ALPHA CARD SERVICES - Payroll and ATM Services
AMATO INSURANCE AGENCY - Business, Garage Liability, Home and Auto Insurance
ASSOCIATION MASTER TRUST (AMT) - Health Coverage
ATS ENVIRONMENTAL SERVICES - Tank & Vapor Testing, NJDEP Compliance
AUTOPART INTERNATIONAL - Premium Parts Supplier
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BELLOMO FUELS - Gasoline and Diesel Supplier
BRENNAN LAW - Environmental, Petroleum and Real Estate Law Specialists
BUCKEYE ENERGY SERVICES, LLC - Gasoline and Diesel Supplier
**CBIZ INSURANCE - Business, Garage Liability, Home and Auto Insurance
C-3 TECHNOLOGIES - Tank and Vapor Testing, NJDEP Compliance
COLE, SCHOTZ, MEISEL, FORMAN & LEONARD - Legal Services
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HOUGH PETROLEUM - Gasoline, Diesel, Motor Oil & Lubricants Supplier
**LAW OFFICES OF KENNETH L. BAUM - Legal Services
LENDING CAPITAL - Commercial Financing
LIBERTY / EWING OIL - Gasoline and Diesel Suppliers
**LISKO ENVIRONMENTAL - Environmental Remediation & LSRP Services
**MARC LAW - Legal Services
MEADOWBROOK INSURANCE GROUP - Workers Compensation Insurance
MERCHANT PRO EXPRESS - Credit Card Processing & Consulting
MITCHELL1 - Shop Management System, OEM Information
P.F.I. INC. / NORTHWEST PETROLEUM - Gasoline and Diesel Supplier
PALISADES FUEL - Gasoline and Diesel Supplier
PEAK ENVIRONMENTAL - Environmental Remediation & LSRP Services
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