

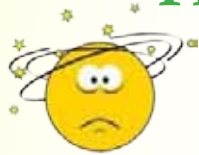
ON THE ROAD

THE OFFICIAL COMMUNICATION OF THE NEW JERSEY GASOLINE C-STORE AUTOMOTIVE ASSOCIATION
www.NJGCA.org

\$5.95

Gasoline, Convenience and Auto Repair:

Keeping Up with Three Diverse,



Ever-Changing Industries...



And how NJGCA has changed in 80 years!



GILL ENERGY

Getting You There



- Extensive network of company/dealer operations
- Rack supply contracts with Sunoco, BP, ExxonMobil and 76
- Lowest prices on unbranded fuel
- Equipment purchase programs
- Provide maintenance, station upgrade, environmental and financing support
- Engineering and Zoning Assistance for new sites

Gill Energy
732-696-2201
www.gillenergy.com

NJGCA *ON THE ROAD* TABLE OF CONTENTS

P. 4 - Message from the Executive Director

P. 5 - 2017 NJGCA Breakfast Meetings

P. 6 - Ask US DOL - Wage and Hour

P. 7 - NJGCA Training Class Schedule

P. 8 - Legislative Issue Update

P. 10 - NJ DEP Comments on VW Diesel Vehicle Concerns

P. 12 - Audits Can Make Your Repair Shops More Profitable

P. 14 - Urgent: Old Tanks Crisis and Plan B

P. 15 - Membership Memo by Greg Cannon

P. 16 - On the Ground with Diesel Corrosion

P. 18 - \$ave with NJGCA MBPs!



NJGCA
4900 Route 33 West, Suite 100
Wall Twp, New Jersey 07753
(732) 256-9646 | www.njgca.org

ABLE-TECH

INFORMATION MANAGEMENT SERVICES

COMPUTERS & SOFTWARE

Specializing in
gasoline, auto repair,
& convenience stores

POS Interfaces

Barcode Scanning

Quickbooks
Setup & Training

BUSINESS SERVICES

Bookkeeping Reviews

Theft Analysis

Inventory Control

Productivity and
Efficiency Tools

Computer Training
and Maintenance

VIDEO SYSTEMS

Internet Accessible

Sound Capability

Record & Search
Cash Register
Transactions

4 - 32 Cameras

New or Upgrades

call DAN GOFF

800 - 231 - 9969



Message From Executive Director Sal Risalvato

How has NJGCA changed in 80 years?

Eighty years ago, the founders of our association formed and incorporated a trade association that they named New Jersey Gasoline Retailers Association (NJGRA). Years later they added "and

allied trades" to the name. The name properly reflected who our organization represented, since back then virtually 100% of gasoline retailers were also auto repair shops, it was understood that a gas station also fixed cars. Gas stations sprouted up all over New Jersey, sometimes one on every corner of a busy intersection. By the late 1970s, there were almost 6,000 gas stations in NJ. Aside from the major oil companies that operated many of their own locations, most gas stations were each individually owned. Yes, there were individuals who owned more than one location, but they were the exception rather than the rule. When I think back to my first days as an Exxon dealer on Route 17 in Paramus, I can easily recall 30 competitors surrounding me. All but one of my competitors owned only one location, and all but 2 locations had repair bays. Not one had a convenience store.

A transition began in the 1980s when environmental concerns dictated that underground storage tanks needed to be replaced. Major oil companies who owned and then leased most locations began not only replacing tanks, but also installed canopies and in a few locations eliminated repair bays in favor of convenience stores. I remember conversations with my fellow dealers when we all wondered who would be the next to lose our repair business and be forced to sell coffee and chips.

Many dealers were in this business by accident. They happened to be employed as a mechanic fixing cars when the station's owner decided to retire and then conveniently sold them the business. Many auto mechanics found themselves as small business owners now operating a gasoline business that they never planned for.

For the next 20 years, many of these mechanics who never aspired to be in the gasoline business and were faced with huge costs to upgrade tanks and pumps, chose to close their gas business altogether. They were sick of slim profit margins, bad pump attendants who were constantly short at the end of their shift, and would simply just not show up for work. Why would they want to borrow hundreds of thousands of dollars in order to remain in the gas business when they could simply operate the trade that they knew well and loved?...fixing cars! One can still drive around today and see repair shops that were also gas stations in previous years. Astute old-timers can even identify the brand of gas that used to be sold based on the architecture of the remaining structure that is now used only for repairs.

During this same transition, many dealers decided that they were tired of the dirty work of fixing cars. They were tired of the ever-changing technology, training, and new equipment and tools required to be masters of their trade. They were tired of customers - even good ones - complaining about things not repaired properly or complaining about the price that they paid to have their car repaired. Basically, they were tired of getting dirt under their fingernails. They closed their repair shops and converted them into convenience

stores, while remaining in the gas business. This model has become the new wave of the industry as more and more operators find that the convenience store business is very profitable.

So where did that leave us? NJGRA still had members that relied on them for information, advice, and assistance to operate their business. Public policy issues were rising in the gas, repair, and convenience store industries just as they always had, except that now NJGRA members were operating 3 distinctly different businesses. Remember back when there were 6,000 gas stations? They all operated both a gas and a repair business. Today our members operate a gas business and many still operate a repair business. Some members only operate only a repair business, and yet others operate a gas and convenience store.

This transition was gaining momentum as I arrived here in 2007. It made sense to change our name to include our new friends in the C-store business. In May 2007, NJGRA officially became NJGCA, the NJ Gasoline, C-Store, and Automotive Association.

The diversification of our members is not only seen on the business side of things, but we have also become a melting pot of ethnicities. Today, our members are comprised of many different cultures as immigrants have found prosperity in America. New Americans from India, Pakistan, Iraq, Turkey, Korea, and the Philippines have joined NJGCA and seek the same opportunity to achieve success as I did as a 20 year old kid who dropped out of college to own an Exxon station.

This diversification does make it harder for NJGCA staff to serve our members. Not because we have more to do, as the staff here is very dedicated and enjoys the challenge of dealing with the problems and issues that face all members. The difficulty comes when trying to communicate with members or holding events. It is understandable that a member who operates a convenience store doesn't have an interest in mandatory tire registration, just as it is understandable that a member operating a repair shop would not have any interest in tobacco issues or plastic bag recycling issues; and unless a repair shop or a convenience store also operates gas pumps, they don't have any interest in cash/credit pricing or vapor recovery issues.

The most recent census of motor fuels licenses shows that there are only 2,300 gasoline retail locations in NJ. Some still perform auto repairs and some operate convenience stores. The biggest factor that affects NJGCA is the fact that of the 2,300 remaining locations, there are less than 1,000 actual proprietors. The multiple site operator is as prevalent today as the single operator was back when I got in this business in 1978.

It is the diversification of the 3 distinctly different businesses that come together unified by what has become our tag line..."NJGCA serves the small businesses that serve the motorists." Yes, the common denominator of all NJGCA members is that we all serve motorists in one way or another. NJGCA will continue to serve all members in each of the 3 sectors of business that we represent.

NJGCA DINER TOUR 2017

COMING SOON TO A TOWN NEAR YOU!

One Attendee at Each Meeting will Win a \$50 Gift Card from NJGCA!

WHO: YOU!... And NJGCA Staff, Executive Director Sal Risalvato, and Valued Member Benefit Partners!
Bring your fellow small business owners to show them what NJGCA is all about!

WHAT: Breakfast meetings all around the State, sponsored by our Member Benefit Partners and **FREE for all attendees!** **PLUS, ONE MEMBER AT EACH MEETING WILL WIN \$50 FROM NJGCA!**

WHEN: 9:30 - 11:30 AM

Monmouth County

Weds. April 19, 2017

Princess Maria Diner
2044 Route 35 N
Wall Twp., NJ 07719

Atlantic County

Weds. May 17, 2017

The Shore Diner
6710 Tilton Road
Egg Harbor Twp., NJ 08234

Somerset County

Weds. July 19, 2017

IHOP
260 Route 206 South
Hillsborough, NJ 08844

Bergen County

Weds. Sept. 13, 2017

The Suburban Diner
172 Route 17 North
Paramus, NJ 07652

WHY: We want to hear from our members!

DETAILS: Join us for a **FREE breakfast!** Hear an update from Sal and share your questions, concerns, and comments.

- Participate in roundtable discussions with NJGCA staff and fellow business owners about issues and events important to your business!
- Meet Member Benefit Partners and learn how to save money and take full advantage of your NJGCA Benefits.



OUTSTANDING.

The knowledge to empower and the wisdom to make a difference.

WE ARE A RESULTS DRIVEN LAW FIRM THAT STRIVES TO PROVIDE OUR CLIENTS WITH OUTSTANDING OUTCOMES.

- Corporate Law
- Employment Law
- Civil Litigation
- Environmental Litigation
- Environmental Law
- Commercial/Industrial Real Estate
- Petroleum Law
- Business Sales/Purchases

BLF Brennan Law Firm
A PROFESSIONAL CORPORATION

73 North Main Street, Cranbury, NJ 08512 Phone: 609-395-5533/brennanlaw.org
FRANCIS J. BRENNAN, III CRAIG A. COX THOMAS C. KINNEY



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: I have a new employee starting soon who will be a service writer. We have agreed on a \$700 per week as a salary. The work week consists of Monday thru Friday 8:00 am to 5:00pm with 1/2 hour lunch break everyday. This scenario leaves 2 and 1/2 hours overtime pay included in the work week. My employee will also be paid commission based on sales. What is the best way to pay this employee and make sure we are following all laws to comply with USDOL?

Warner: Let's start with the commissions. If more than 50% of the worker's earnings in a representative period (a month, a quarter, six months - a period which the member feels is truly representative of the workload) is in the form of his commissions AND he earns at least Time and a Half the federal minimum wage for ALL his hours worked, then he would be exempt from overtime.

Let's assume however that the worker's commissions are less than 50%. Let's say his commissions are closer to \$250-\$300 per week and therefore will never reach the threshold.... In that case, the employer will owe this worker overtime premium pay in any week he works over 40 hours. He owes overtime on the commissions as well.

So, for example, let's say the employee worked his normal schedule and earned \$150 in commissions:

\$700 salary + \$150 in Commission = \$850 in total earnings

\$850 in total earnings divided by 42.5 hours = \$20 per hour Regular Rate

Regular Rate X additional 1/2 time premium X 2.5 OT hours = \$25 additional overtime due

In that week the employee would need to be paid \$875 counting wages and commissions.

This all assumes that you're talking about a Service Writer in an auto repair business. If the employee is engaged as a Service Writer in an automobile dealership, some courts have held that such an employee of a dealership is exempt from overtime under Section 13(b)(10) of the FLSA. Wage Hour does not take any enforcement position on such employees in light of conflicting case law. The member should consult NJ State Wage Hour to find out if the worker must be paid OT under state law.

Member Question: I want to make sure I'm paying my employee correctly. I have a technician that works 50 hours a week. I pay him \$1,173.08 a week. He is currently making \$61,000 a year as a salaried employee. Am I required to pay him overtime?

Warner: Yes, he has to be paid overtime.

Follow-Up Question: Since my employee is happy with what he is paid, couldn't I break down his pay as follows:

- 1) Pay him \$21.32 per hour for straight time of 40 hours: \$852.80
- 2) Pay 10 hours overtime at time and half (\$31.98 for 10 hours) = \$319.80
- 3) Total weekly pay for 50 hours = \$852.8 + \$319.8 = \$1,172.60
- 4) Total yearly pay = \$1,172.60 x 52 = \$60, 975.20

Wouldn't this be the same - instead of saying I was paying him \$61,000 a year, even though he is working 50 hours a week. Couldn't this breakdown be used legally?

Warner: Employers should always be cautious about workers who are "happy" today because if they allow themselves to create an exposure, and then the employee becomes "unhappy" that's a problem.

However, the employer would need to keep accurate records of the employee's hours worked. If he came in late or left early, he would have to be paid less. If he consistently is tardy or has to leave early he will not make \$61,000.

On the other hand, if the member/business owner often needs the employee to stay late to meet customer deadlines, he could end up making over \$61,000

It's very unlikely that anyone can work exactly the same number of hours every single week. If we saw no variations in the employee's pay, and the employee admitted he still got paid 50 hours even when he worked less, there would still be an overtime exposure.

Based on the question, it's possible that this member right now has a considerable liability for back wages and liquidated damages if this "happy" employee sues him.

MEMBER TESTIMONIAL

Hi Sal,

I just wanted to thank you, Debbie and the rest of your staff for all the great work you do for your members. I've been a member of your association for over 30 years. There has been a dramatic change ever since you took control 10 years ago. We recently had an incident involving the DEP requesting thousands of dollars in fines. Due to Debbie's persistence and guidance she was able to get the penalty dropped substantially. This would never have happened in the old days. I should know 18 years ago I paid numerous fines with little guidance and no representation from the Association. I also attended the training class provided by the NJ DEP you had in January. I'm now more aware to being proactive in my business. As you recall we were one of one the original stations the Attorney General went after regarding "Cash Or Credit" signage. Once again you and your staff were there for me with no penalties being levied. I can't thank you enough for all the help and money the Association and the Member Benefit Partners have saved me. The breakfast meetings are also very informative. Please keep up the good work. Membership in your Association truly is priceless.

Thank you,
Matthew Casiero
Casiero Enrite
South Plainfield, NJ 07080

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. ENTIRE Emission Technician Education Program & ETEP Re-Certification Courses

If you need re-certification of your Emission Repair Technician License, or would like to get your Emission Repair Technician License for the first time, this course will offer exactly what you need. Take the entire course or pick up where you left off if you've already completed part of the program!

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

**Entire ETEP Program: Every Wednesday for 10 weeks
June 7, 14, 21, 28 - July 5, 12, 19, 26 - August 2 and 8 *(Tuesday)***

**ETEP Re-Certification: Every Wednesday for 4 weeks
July 19, July 26, August 2 and August 8 *(Tuesday)***

**** Manuals Included in Cost of Class ****

FEES: Entire ETEP Class:

NJGCA Member = \$1,995

Non-Member = \$2,295

**** \$500 deposit due upon registration ****

ETEP Re-Certification:

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 FOUR different times, for your convenience!!

Class Options: April 25th or May 24th or June 22nd or July 18th

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

Class Fees: 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**



Important Issues Affecting Your Business

By Eric Blomgren

BELOW COST SELLING

In February, we received notice that Speedway had filed a lawsuit in New Jersey Superior Court challenging the constitutionality of our law which prohibits the sale of motor fuels below cost. This lawsuit comes after two Speedway locations were fined for selling below cost. Speedway is claiming that they were only selling below cost in order to meet competition (that competitor has since plead guilty to selling below cost). NJGCA has long been a staunch defender of this law, especially whenever anyone in the Legislature has attempted to weaken it. We will continue to be a supporter of the law as this issue begins to move through the courts. Similar laws have been challenged a few times over the years in other states and have largely been upheld, so we are hopeful that we will be able to win this case. Currently we are awaiting more details from the Attorney General's Office.

FEDERAL UPDATE

While there are a lot of question marks in the air about what will happen to federal healthcare policy and the Affordable Care Act (Obamacare), one thing is certain: the employer mandate will never go into effect. As you know, the ACA mandated that any employer with 50 or more "full time" employees (full time was set at 30 hours a week) would have to provide health insurance to their employees.

In 2010 the Durbin Amendment was passed as part of the Dodd-Frank financial reform law. This Amendment injected much needed competition into how debit cards are processed, leading to a meaningful reduction in debit card swipe fees over the last several years, to the benefit of retailers and consumers. Now the allies of the big banks in Congress are specifically targeting the Durbin Amendment for repeal in the next few months. If you haven't already, please head to www.njgca.org to contact your member of Congress and let them know how important it is to protect swipe fee reform and that they vote against any attempt to significantly increase what you pay in debit card fees.

TOBACCO/VAPING UPDATE

In February, the Assembly Health Committee passed two bills which NJGCA opposed. The most contentious one was a complete ban on all flavored vaping products. It was vigorously opposed by vape store owners who would see their businesses destroyed if the bill were to become law, especially since flavored products would simply be purchased online. The other bill would ban all coupons and rebates related to the sale of tobacco products, as New York City has recently done. The city of Trenton and the town of Bloomingdale have also joined the list of municipalities who have increased the purchase age of tobacco products in their borders from 19 to 21. So far 22 towns have done this, 543 have not.

WHEEL WEIGHT BAN

A bill to ban the sale or use of wheel weights made from mercury or lead passed the General Assembly unanimously in January. The bill still must move through the state Senate and receive the Governor's approval. If it is signed by the Governor, the ban will go into effect 6 months later. If you still use these types of wheel weights, NJGCA recommends that you bear this timing in mind before you purchase any more, as after that 6 month window you will face fines for continuing to install or sell them.

ATM/SKIMMING REGULATIONS

In February, the Assembly Finance Committee passed a bill that, in its current form, would require every retailer to conduct a daily inspection of all credit card processors, gas pumps, and ATMs. If a skimming device was found the terminal would have to be put out of use and everyone who had used it would need to be contacted by the retailer. A retailer could opt out of these requirements, but would need to put a sign on the machine saying it is never inspected and consumers use the machine at their own risk. After pointing out the many problems in this bill, the sponsor agreed on the need for amendments to fix it and make it less burdensome.

SODA TAX

As we have seen, policies enacted in other states have a tendency of being brought to New Jersey by various members of the Legislature. At the start of 2017, Philadelphia's new tax on sugary drinks went into effect and the initial results have been disastrous to retailers. The tax is levied at 1.5¢ per ounce, in some cases doubling the price of the drink just because of the tax. Within a few weeks retailers had reported their drink sales being cut in half and their total revenue declining as much as 15%. NJGCA will vigorously oppose any attempts to bring a similar tax to NJ.

LOTTERY

Despite objections raised by NJGCA and the State Lottery Commission, Governor Christie signed into law a bill that legalized the services of "lottery couriers". While originally pitched as a way to deliver lottery tickets to the elderly and others unable to leave home on a regular basis, the wording of the bill may allow for certain types of lottery tickets to be sold online and through mobile apps. We are working with the State Lottery Commission as they develop regulations for these companies. You may have also read about a plan from the Governor to dedicate all lottery revenue to the state's unfunded pension plan. If this plan goes through, it will have no direct effect on retailers and the operation of the lottery itself. Currently, the money raised by the lottery is dedicated to education and other causes, this plan would send the money to the pension fund instead.

INSPECTIONS

There continues to be no news to report on the future of the emissions inspection program. The new contract has still not been technically awarded as the challenges to it remain.

STAGE II REPEAL

The Department of Environmental Protection is still finalizing the language for a repeal of the Stage II vapor recovery mandate. We continue to expect that Stage II will be no longer required (and vacuum systems will have to be dismantled) by the end of this year at the latest, and hopefully much sooner than that.

ELECTRIC VEHICLE CHARGING

The state Senate voted 32-2 to pass S-2640 this January, which would create a public-private pilot program to provide funding to businesses (including fuel retailers) to install Level 3 fast charging stations. The Senate Environment Committee also passed a bill that would allow for a 50% credit against the 'societal benefits charge' on your electric bill if a business installs an EV charging or hydrogen refilling station.

POLITICAL UPDATE

New Jersey will be holding its primary election on June 6th. To vote in a party's primary you must be a registered member of the party, the deadline for which to register is May 16th. The big race is the one for who will be the next

Governor. On the Republican side the frontrunner remains Lt. Governor Kim Guadagno, who holds a large lead in the few polls that have been conducted. Also running are Assemblyman Jack Ciattarelli and Councilman Steve Rogers. The frontrunner on the Democratic side is former Ambassador and Goldman Sachs manager Phil Murphy. Also running are Assemblyman John Wisniewski, state Senator Ray Lesniak, and former Treasury Undersecretary Jim Johnson. Early polls show Murphy with a comfortable lead in the November general election, although all the candidates running are still mostly unknown by voters. All 120 members of the state Legislature are also on the ballot, and several are being faced with competitive primary challenges.

NJGCA POLITICAL ACTION COMMITTEE

With so many competitive races on the ballot this June and November, NJGCA PAC needs to be as strong as possible to defend our allies in the Statehouse. Some of our strongest supporters are being threatened with competitive races, and if they lose it will set us back on everything from self-serve to \$15 minimum wage. Attendance at a typical fundraiser requires at least a \$250 contribution, and we are typically invited to over 200 events per year. Please make a contribution to NJGCA PAC and mail it to 4900 Route 33, Suite 100, Wall, NJ 07753. Your support is appreciated.



Peter Gudzak

Direct: 908-738-2011

Fax: 908-665-2638

Email: pgudzak@cbiz.com

Website: www.cbiz.com

CBIZ represents the finest companies in the industry and is positioned to negotiate with the most competitive insurance carriers.

As a leader in the auto service/fuel dealers industry, we continue to provide solutions for service stations, c-stores, car washes, repair shops, auto body shops and wholesalers. Our GOAL is to provide exceptional service to every client, with an outstanding team of professionals, committed to developing a solid relationship with you and your organization. We understand how to provide a cost effective, flexible and comprehensive insurance program for your business including a dividend program available to NJGCA members.

MULTIPLE SERVICES WITH A SINGLE FOCUS: YOUR SUCCESS Growth and Success. Efficiency and Profitability. It's likely that these goals are top priorities for your business. It is also likely that the daily distractions of financial and employee issues diminish your ability to focus on those goals.

CBIZ enables you to dedicate your time to critical business matters by providing custom solutions that help you manage your finances and employees.

We offer clients exceptional quality and diverse capabilities with the personal attention your business needs and deserves, all with a single focus: your success.

our business is growing yours

Member Concern Regarding Volkswagen Diesel Models: NJDEP Responds

From: 'Debbie Hill' mailto:debbie@njgca.org
To: 'Schell, Rob' mailto:Rob.Schell@dep.nj.gov
Cc: 'Sal Risalvato' <sal@njgca.org>
Subject: Volkswagen Diesel Models

Hello Rob,

Today I was speaking with a member who called about Volkswagen Diesel vehicles. He explained that he has a customer who owns a 2010 Volkswagen Jetta Diesel vehicle with the "known" false indicator on the dashboard that won't signify when the vehicle is improperly emitting emissions. As you know, Volkswagen manufactured these vehicles without the ability for the "check engine" light to come on even if the vehicle is not performing correctly.

Our member explained that his customer is being offered a buy-back program from Volkswagen. The customer loves his vehicle, as it is a special edition, and he doesn't want to participate in the buy-back program, however, he is worried what position New Jersey will have in the future when inspecting his vehicle... How will this affect him?

He brings us a valid point. What stance is New Jersey taking on these vehicles? Do you see any changes coming in the near future?

This customer would prefer to keep his vehicle for another year or two before he purchases something new again. He does not want to keep the vehicle only to find out that it will not pass a NJ Emissions Inspection and then learn he has bigger and more costly problems.

I would appreciate it greatly if you could weigh in on this topic. We would like to help our member give good advice to his customer.

Sincerely,

Debbie Hill
Director of Member Services

From: Schell, Rob
To: Debbie Hill
Cc: 'Sal Risalvato'
Subject: RE: Volkswagen Diesel Models

Debbie,

As you have summarized, VW's programming of the affected vehicles results in the appearance of no emissions problems. They have been able to, and will continue to, pass an OBD inspection in NJ, assuming the vehicles have no other genuine problems that would trigger an OBD failure.

According to the Consent Decree (you can learn more at www.vwdieselinfo.com), VW must remove from commerce (i.e., buyback, terminate lease) or provide an approved emission modification (e.g., emissions recall repair) for all the affected vehicles. All customers with affected vehicles will need to comply with one method or the other and VW is on the hook to ensure compliance. If VW fails to meet certain compliance targets, they will be subject to additional penalties. I can't give you much more detail because of legal restrictions. The website referenced above has a lot more information and allows customers to look up whether their vehicle is affected or not and what actions to take.

Thanks,

Rob Schell
Environmental Specialist 4
Bureau of Mobile Sources
Air Quality Management
NJ Department of Environmental Protection



"Large enough to meet your needs – small enough to care"

Branded Gasoline
Automotive, Fleet & Industrial Lubricants
Wholesale Auto Parts
Bulk & Packaged Products
Antifreeze – Diesel – Bio Diesel



800-400-7154

www.houghpetroleum.com



Great News for NJGCA Members

Group Health Coverage through NJGCA and Association Master Trust

Unless you're a large business with hundreds or thousands of employees, providing and administering a health benefits plan can be a huge burden. However, if you're a NJGCA member, you can now take advantage of a great group offering through the **Association Master Trust**

NJGCA member companies are eligible for comprehensive self-funded health and dental benefits through Association Master Trust. The Association Master Trust covers approximately 10,000 participants from thirteen trade and member association benefit trusts.

Qualifying NJGCA member firms can now enjoy all of the benefits of network services and modern claims administration. By being a member of AMT you're part of a large group, and have access the same great health benefits plans the big guys do!



*To learn more about AMT's self-funded health
benefits plans call today and ask for Joy
at 973-379-1090 ext. 229
for further details.*

Association Master Trust

636 Morris Turnpike, Suite 2A, Short Hills, New Jersey 07078

973-379-1090 ext. 229 • www.amt-nj.com

info@amt-nj.com

ARE YOU PROFITABLE? THE ANSWER IS IN YOUR REPAIR ORDERS

Performing a variety of audits can unlock answers

By: CHRIS "CHUBBY" FREDERICK, AUTOMOTIVE TRAINING INSTITUTE

Many successful shops across North America have been noticing a reduction in car count this year — even those with huge marketing calendars. While there are many opinions on what is causing this trend, from weather to a decrease in sales of cars during the Great Recession, the reality is that we have to do something about it or experience a reduction in our income. Actually, many of our clients are experiencing the most profitable year of their career because they are focusing harder on their processes on each car. I'd like you to listen to Coach Steve Privette explain how you can become more profitable by examining your processes on every repair order.

In the 30-plus years that I have been in the industry, I was told to focus on sales, sales, sales, and the profits will come. While sales volume is certainly important, I realized one day that sales alone do not pay bills at all — gross profit does! I have coached shops entering our ATI program doing \$10,000 in weekly sales and making money, but also shops doing \$60,000 in weekly sales and losing money. Which would you rather have: a \$10,000 sales day at 20% gross profit (\$2,000) or a \$5,000 sales day at a 60% gross profit (\$3,000)? I know, the best answer is a \$10,000 sales day at a 60% gross profit (\$6,000)! You can see why I say both sales volume and gross profit are equally important.

How do I manage both sales and gross profit? I measure the things that affect and provide it. During the time I was a fixed operations director for an auto mall, I decided to start auditing my daily repair orders to make sure my service writers were doing all that they could to produce both sales volume and gross profit.

AUDITING REPAIR ORDERS

I asked my service writers to leave that day's invoiced repair orders on my desk at the end of each day for review. Every morning I would arrive at work about a half hour early to review the prior day's business. I used a checklist derived from key performance indicators on each invoiced repair order from the previous day. I would highlight anything I found that either was not done or was done improperly. I would check all the important margins to make sure they were where our goals were with each. I would then return the highlighted invoices back to my service writers to review and justify why any particular item on the list was not to goal and/ or standard. This was of course my way of holding them accountable to continue to improve and generate the gross profit dollars we require to run a healthy business.

When I first began doing this process, I was finding many things that required follow up and attention. As time went by I found myself highlighting less and less. Could it be that my service writers decided to make sure they were doing it right the first time, knowing that there was going to be accountability if they didn't? Of course as I was highlighting less, the sales and gross profit were rising. Imagine that!

AUDITING PARTS MARGINS

A few of the things I would check were things like parts margin, labor margin, effective labor rate, and whether a courtesy check/inspection was performed thoroughly, etc. Doing this process daily was not very time consuming, but it was extremely important.

Checking the overall parts margin on a repair order is quite easy, as in most cases your point-of-sale software will provide you the parts margin. In the event that it doesn't, you would simply add all of your parts cost together divided into the parts sales you collected from the customer. So, if the parts sales were \$200 and your parts cost was \$100 then you would have a 50 percent parts margin.

AUDITING LABOR MARGINS

Checking your labor margin is very similar; however, many point-of-sale software programs will not automatically provide you this. Just calculate what your labor cost was on the repair order divided into the labor sales you collected from the customer. If your tech is flat rate and gets \$25 per flat rate hour, and you credited him or her with 3.0 hours on this repair order, then your cost would be \$75 plus tax and benefit load (benefits, payroll taxes, 401k, uniforms, etc.), which is normally between 12% and 25%. Let's say in this case it is 20%, so \$75 multiplied by 20% = \$15. Add the \$15 to the \$75 and your total labor cost was \$90. Let's say the labor sales were \$180 to the customer. In this case, dividing one into the other would leave you with a 50% labor margin.

AUDITING EFFECTIVE LABOR RATE

How about checking the effective labor rate on the repair order to see what your customers are really paying for your time? This is also quite easy. You are tracking your technicians' produced hours, aren't you? If not, you need to start. Just add the total time the technician produced on the repair order divided into the total labor dollars the customer paid for it. As an example, let's say the repair order had a flat rate water pump replacement on it along with a menu/canned oil change and transmission fluid change.

Water pump: 3.2 hours
Oil change: 0.3 hour
Trans service: 0.8 hour

On this repair order, total hours produced were 4.3. Let's say the customer paid \$408.50 total labor. Dividing hours into dollars, this would mean the effective labor rate for this repair order was \$95. If your door rate is higher than that, you may want to look into why you collected a lower amount. Some things are justified like coupons, warranty, etc. Other reasons are not justified, like discounting to get the sale, etc.

AUDITING COURTESY CHECKS

Another item I am looking for on my repair order audit is whether we did a courtesy check/inspection, and if so, did we do it right? We always recommend a two-part courtesy check form so you can provide the customer with a copy and retain a copy with the repair order. Many shop owners are using the electronic tablet courtesy checks. Doing it either way will allow you to review to see if a courtesy check was performed and if it was performed thoroughly. How many times do we see a courtesy check done by a tech where everything is checked off as "good" while the vehicle has 120,000 miles on it? Obviously, they are pencil-whipping or table-checking it instead of actually doing it properly. This is an extremely important item to audit, as I believe it is the most valuable tool you have in the shop.

REPAIR ORDER CHECKLIST

You can start to get a picture of all the valuable information by performing a daily repair order review. If you would like a copy of the ATI daily repair order review checklist simply go to www.ationlinetraining.com/2016-09 for a limited time to download your own copy.

CHRIS "CHUBBY" FREDERICK is the CEO and founder of the Automotive Training Institute. ATI's 115 associates train and coach more than 1,400 shop owners every week across North America to drive profits and dreams home to their families. This month's article was written with the help of Coach Steve Privette. cfrederick@autotraining.net

Be Confident in your Compliance Testing & Tank Testing



Your one source provider of:

- ✓ Vapor Recovery
- ✓ Tank, Line & Leak Detector Testing
- ✓ Tank Cleaning/ Biocide Treatments/ Fuel Recovery
- ✓ ATG Services
- ✓ Helium Testing
- ✓ Cathodic Protection
- ✓ Sump Testing & Repairs



1-877-440-8265

www.ATSEnviro.com

Urgent - Old Tanks Crisis and Plan B

By Eric Dana

Let me begin by saying that I was asked to give advice to owners of underground tanks. Naturally, the focus is on old tanks. Some are in crisis mode, of course, and in need of immediate help. So we'll address that. But within the discussion there is also advice for owners of middle-age tanks, like many of the NJGCA members consider themselves.

Here's what I was told: "NJGCA is helping members with aging tanks, and the difficulty they have when they can't afford aging tank renewal insurance. This is immediately putting them in another position.... finding the money to put the tanks out of service, hire the LSRP, hire the contractor, and pay for the tank pull. All while they are required to still maintain tank insurance."

We clearly understand the scenario, and we see it often. Here is what we tell NJGCA members: "The cost of tank insurance for tanks over 30 years old is spiking. Rates have been sharply increasing in the past two years. At 35, the cost of tank insurance often doubles and at 40 years old - it's nearly impossible to buy at any price". So ... according to the paragraph above, the alternate position is to not renew the insurance and take the tanks out of service. Here's more advice: "Take the tanks out of service as long as you are prepared to execute Plan B." And for those that heard my remarks at the NJGCA Summit in Monroe last November, Plan B is every option other than keeping the tanks in service. Replace, repurpose or sell/lease to someone that will replace or repurpose.

Since we can't cover all aspects of a Plan B in this article, we want to address "pay for the tank pull" and a contradiction about "must have tank insurance in place". Before anybody can pay for a tank pull, they need to know how much it will cost. We tell every client that is considering taking their tanks out of service - "Get a written estimate for the project from a tank removal contractor". Maybe get two estimates. The approximate cost to remove the tanks is a key component to deciding what to do next. You need to know the number.

As for the contradiction, if you decide to take your tanks out of service on July 1 (because your July 1 tank insurance renewal proposal is \$9,000 for your three 30+ year old tanks), you may be told that you need to renew the insurance anyway. What? Pay \$9,000 to insure out of service tanks? If the tanks are out of service, the insurance company will NOT

renew the policy in just about every case. Is that a contradiction? Yes - the EPA and the DEP cannot expect tank owners to get Financial Responsibility (tank insurance) coverage when it's simply not available. Maybe this wasn't contemplated 29 years ago when the Financial Responsibility regulations were drafted. The regulators are, and will be, hearing this more and more as old tank systems are taken out of service because of spiking tank insurance costs. Landlords, lawyers and lenders often don't understand these conditions either.

So what can you do? Give them this article and tell them to check for themselves. Accepting that old (35+) out of service tanks can't reasonably be insured, I'll outline the best possible Plan B solutions with a follow up article in the next OTR. Anyone that can't wait 90 days can contact Debbie Hill or me.

(Eric Dana and DANA Insurance and Risk Management 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).

*Our clients are the
smartest people in the
gasoline business.*

*Owning and operating
USTs requires skill and
attention to detail.*

*We value being the tank
insurance advisor to the
NJGCA membership.*



www.dana-ins.com / 800-821-1990 / eric@dana-ins.com



/ Recommended Provider

MEMBERSHIP MEMO!

by Gregory T. Cannon

Hello Again and Happy Spring!

I hope this issue finds everyone in good health and looking forward to a prosperous 2nd quarter.

The main purpose of my article is to alert you to some very important mail and email you will be receiving.

NJGCA is celebrating its 80th Anniversary! We have been serving the businesses that serve the motorist since 1937 which by any standard is a huge accomplishment.

That said, NJGCA is hosting a celebration event to honor the Association and all of you

... The members that have kept us going for 80 Years! The details of the event are being assembled now. What I can tell you is, it will be held on Friday, September 15th and will be a dress-up event. Please be alert to the invitation that you will be receiving and more importantly PLEASE RSVP! It's going to be a fun evening...on us...for you. We're looking forward to a tremendous turnout and hope all of you can attend. More details coming soon!

Thanks for reading. Until next time.

Cheers!

greg

ARE OIL PRICES SUCKING YOU DRY?

TAKE ADVANTAGE OF THE GREAT PROGRAM THAT PPC LUBRICANTS HAS PUT TOGETHER ESPECIALLY FOR NJGCA MEMBERS.

LEARN MORE ABOUT...

- DRIVING NEW CUSTOMERS TO YOUR REPAIR FACILITY
- IMPROVING CUSTOMER RETENTION AND SATISFACTION
- CONSUMER INCENTIVES AND PROMOTIONS

NJGCA Members report saving over \$2,000 / year

Contact Gene Nace
Phone: (717) 215-7253
gnace@ppclubricants.com



ON THE GROUND WITH DIESEL CORROSION

This article, authored by Brad Hoffman of Tanknology, first appeared in the Fall 2016 issue of Fuel Marketer News and is re-printed with permission.

When the EPA revealed the results of its study in July on the increasing presence of substantial corrosion in diesel fuel tanks, it proved that the problem is much larger than anyone anticipated.

The facts are staggering:

- 83% of the diesel tank systems exhibited moderate-to-severe corrosion.
- 75% of the owner/operators of those diesel tanks had no idea it was happening.
- The corrosion is developing in both steel and fiberglass tank systems.

Even more staggering is the severity of the corrosion. I have been an engineer in the petroleum industry for my entire career, first with Exxon and for the last 23 years, with Tanknology. I have never in my life seen corrosion of this magnitude in a fueling system. The fact it was found in moderate-to-severe states in 83% of the systems points to a major industry problem.

Tanknology partnered with Battelle and performed all the fieldwork for this EPA study, which the agency termed the “largest field research of this issue to date.” Our fieldwork consisted of inspecting and sampling each of the 42 tanks in the survey. The sites were from all over the country, covering widespread geography.

Our work consisted of collecting fuel, water and vapor samples, and inspecting fuel filters and the tank system access points for signs of corrosion. We also used our TankCam® remote internal video system to record the conditions inside the tanks.

The images you see here are representative of the extreme conditions we discovered. In this article I’ll address a little more about what we found, why it might be happening, and what you can do as an owner/ operator to mitigate the potential for severe corrosion degradation of your diesel system.

OUR FINDINGS

During our fieldwork for this study last year, as well as subsequent studies performed for our clients, we have observed and documented what I consider to be unique, rapidly accelerated corrosion on the metal components of USTs storing diesel. Virtually all on-road diesel for sale today is ultra-low sulfur diesel, or ULSD, which has been in use since 2006.

Unlike the mild orange-colored oxidation that would be typical for corrosion in this environment, we have seen large tubercles and nodules that can vary in color from yellow to orange to reddish brown and even black. The metal components in the vapor space of both steel and fiberglass tanks, including bungs, risers, caps, plugs, submersible turbine pump (STP) shafts, ball float assemblies and flapper valves have all exhibited this unusual form of aggressive corrosion.

It has not been uncommon to find a severely corroded ball float assembly or bungs completely covered in tubercles, some of which can be up to an inch long. On one occasion, the top of a riser pipe broke completely in half as a result of the corrosion.

We have pulled completely corroded STP shafts from tanks, and in some cases are not even able to remove them due to the excessive corrosion in the riser. Layers of corrosion and tubercles have built up so severely that the inside of the riser is no longer wide enough for the STP motor to be removed or serviced. We have seen the same problem with automatic tank gauge (ATG) probes; corrosion build up in the riser pipe can make it impossible to remove the ATG floats. Consequently, the probes and STPs remain in the corrosive environment of the upper vapor space, either unable to be serviced, or in some cases, replaced with smaller diameter ATG floats once the original floats are knocked off and left to fall down into the tank.

As the study concluded, 83% of the tanks exhibited moderate to severe corrosion. This large percentage of such a diverse experimental group indicates that this issue is not limited by geographic conditions. It can, and is, happening everywhere.

This corrosion can, and in some cases did, compromise the functionality and structural integrity of the UST systems, leaving even the most responsible of UST owners unaware of the problem and potentially exposed to significant environmental impact.

WHY IS THIS HAPPENING?

Unfortunately, the EPA study was unable to pinpoint a direct cause. Multiple factors are likely acting as confounding variables, including bacteria and gasoline-ethanol blended fuels.

Ethanol was found in 90% of the fuel samples taken in the study. Obviously, ethanol is not intentionally blended with diesel, so this suggests that cross contamination is prevalent. As the EPA study concluded, it’s “likely the norm, not the exception.”

As close as EPA got to a cause was the consistent presence of water content and particulate matter in the fuel tested from these tanks. We know that water is no friend of diesel—it is the essential element for microbes to develop and grow in the water-diesel interface -- and that results in corrosion.

The water and particulate content, EPA concluded, is “the closest to being statistically significant predictive factors for metal corrosion, but causation cannot be discerned.”

WHAT YOU CAN DO ABOUT IT?

So the experts can't determine why, exactly, this is happening and even the most diligent of owner/operators could have a severe corrosion problem they aren't even aware of. What is there to do to protect yourself?

You can take steps to monitor, and even prevent, this corrosion while industry experts continue to look for answers.

Here are some steps we recommend:

- Perform regular visual inspection inside the ATG or other riser pipes accessible from grade, looking for any sign of potential corrosion
- Remove and inspect the ball float or flapper valve overflow prevention equipment-- perhaps incorporated as part of a periodic inspection such as PEI RP900.
- Remove standing water, ice and/or snow around tank fill covers.
- Make sure all opening bungs, caps and cord grips are tight and replace caps or gaskets as needed.
- Keep fill and vapor recovery spill buckets clean. Pump out any water; clean out excess fuel and dirt. Don't drain water into tanks!
- Change filters frequently, especially if slow-flow occurs, and look for signs of corrosion on the filter and housing.
- Pay close attention to leak detection equipment and call for immediate service if any leak alarms or conditions occur.
- Verify that tank vents have rain caps.
- Avoid prolonged periods of low tank volume to minimize tank water from condensation.
- Check tanks for water bottoms frequently, especially before and after deliveries.

- No detectable water is acceptable in your diesel tank. It should be removed as soon as possible. Removed water should be tested for microbes and, if detected, appropriate corrective action should be taken immediately.

When it comes to corrosion in a UST, if you can see it during a visual inspection, it's most likely the tip of the iceberg. You almost surely have it elsewhere in your system. It's important to know -- and to address it as quickly as possible.

One of EPA's recommendations is to perform an internal video inspection of your tank. Tanknology's TankCam® remote visual tank inspection service, for example, can be used for this purpose, as it was for the EPA study. Such an inspection provides you with a clear picture of what's happening inside your tank without having to empty it.

More recommendations can be found in the Preventive Maintenance Guide for Diesel Storage and Dispensing Systems, published by the Coordinating Research Council (CRC). We have posted this document, many more actual corrosion photos and more information about the issue of corrosion in diesel fueling systems on our website at Tanknology.com/DieselCorrosion

Brad Hoffman is Vice President of Engineering, Research & Development for Tanknology Inc. of Austin, Texas, the largest UST compliance services company in the world. Brad is a 28-year industry veteran, formerly an engineer and program manager for Exxon. He serves on a variety of PEI and API technical committees. Brad can be reached via email at: bhoffman@tanknology.com.



Association Plans Are Different.

Experience the difference with The Amato Agency and Meadowbrook Insurance Group.

New Jersey Gasoline • C-Store • Automotive Association proudly sponsors The Amato Agency and Meadowbrook Insurance Group for your workers' compensation insurance needs.



We offer:

- ▶ Personal customer service representatives
- ▶ Superior claims handling
- ▶ Access to free Loss Control services
- ▶ and much more!

Put our expertise to work for you!



For more information, contact The Amato Agency at:

P: 800.763.6574

F: 732.530.6727

www.amatoagency.com

**7% workers' compensation
dividend paid to qualified NJGCA
members for the past 4 years!**

* NJGCA's Workers' Compensation Program has paid a dividend 20 times in the past 22 dividend eligible years.

Save TODAY with NJGCA Member Benefit Partners!

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:

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
AUTOMOTIVE TRAINING INSTITUTE (ATI) - Education for a More Profitable Business
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
****CONSUMERS OIL CORP.** - Gasoline and Diesel Supplier
CROMPCO - Tank & Vapor Testing, NJDEP Compliance
DANA TANK INSURANCE SPECIALISTS - Underground Storage Tank Insurance
ENERGY MARKETING PARTNERS, INC. - Gasoline and Diesel Supplier
ENVIRONMENTAL ALLIANCE, INC. - Environmental Remediation & LSRP Services
****EWMA** - Environmental Remediation & LSRP Services
GILL ENERGY - Gasoline and Diesel Supplier
HAROLD LEVINSON ASSOCIATES - Convenience Store Distributor
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
****PEAPACK GLADSTONE BANK** - Full Service Commercial Banking
PPC LUBRICANTS/CASTROL OIL - Motor Oil and Lubricant Supplier
PRESTIGE ENVIRONMENTAL - Environmental Remediation & LSRP Services
SERVICE STATION VENDING EQUIPMENT - Service Station Vending, Air & Vacuum Systems
SPARK CONTRACTORS - Tank and Pump Replacement & Generator Installation & Service
T & R OIL COMPANY - Gasoline and Diesel Suppliers
TMP ENERGY SOLUTIONS - Discounted Electricity and Natural Gas
TRINITY SOLAR - Solar and Generator Power
UNIFIRST - Uniform Service and Station Supplies



Bellomo Fuel

— *Specialized in Personal Service to Service Stations* —



We Offer:

- ✓ Market driven supply and service agreements to maximize volume and margin
- ✓ Unique, local marketing packages to promote your station and increase visibility
- ✓ Realty and business brokerage specializing in service stations
- ✓ Equipment upgrades

908-486-3900

www.bellomofuel.com



PRESORTED
STANDARD
U.S. POSTAGE
PAID
TOMS RIVER, NJ
PERMIT No. 177

New Jersey Gasoline • C-Store • Automotive Association
4900 Route 33 West, Suite 100
Wall Township, NJ 07753
www.njgca.org
P: 732-256-9646 F: 732-256-9666

Serving the Small Businesses That Serve The Motorist

25 Years
of Dedicated
Service

It's time you called SSVE!

Service Station Vending Equipment, INC



**We Buy IT
We Install IT
We Maintain IT
You Share the Revenue**



**Now In
New
Jersey**

Added Benefits to You

- ★ No Contract
- ★ No Complicated Commission Schemes
- ★ Payment Made to you at time of Collection
- ★ No waiting for a Check
- ★ Externally Visible Coin Counters
- ★ 24 Hour Service

call us at:

1-888-7AIRVAC 888-724-7822

Out side New Jersey 800-AIR USA1

www.airusa1.com