



update

Michael J. O'Connor, President

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Ominous Signs Abound at Governor's Year End Budget Review

For the fiscal year that ended on June 30, Virginia had a significant budget deficit. If trends continue, the deficit facing the next General Assembly will exceed a billion dollars. To begin addressing it Governor McAuliffe this morning recommended moving \$300+ million dollars from the state's rainy day fund, and eliminating planned pay raises for state employees. While employment in Virginia increased last year and unemployment is at a ten year low, 47 percent of the 109,880 jobs created in our state last year were considered low wage (under \$940 per week). A continuation of this statistic will likely mean even bigger deficits in the future. What does this mean for the petroleum marketing industry? When faced with similar budget deficits in the past we have seen proposals for weights and measures inspections, an attempted raid on the petroleum storage tank fund, as well as proposals to tax stolen and evaporated motor fuels. We will be on the lookout for the same leading up the beginning of the 2017 session which begins January 11.

ABC Profits

While most of the news at the General Assembly building this morning was negative, one item was certainly not. Last year's profits from the state's ABC stores reached a record of \$86.5 million dollars - a 3.8% increase over the previous year. Once again this shows why the General Assembly was right to reject ABC privatization. It was just five years ago that the big box stores and their in-state sympathizers tried to create a sole source monopoly on the sale of spirits in Virginia. If they had won, they would have made a one-time incidental payment to the Commonwealth. In return they would have reaped the profits from alcohol sales in perpetuity.

Customer Service Seminars Kick Off Successfully

The 2016 VPCGA/NORA customer service training series kicked off this week with four

seminars at Holtzman Corporation's office in Mt. Jackson. Similar programs will be held next Tuesday and Wednesday at the Doubletree Hotel Norfolk Airport, with sessions for office staff and management personnel and a separate session for drivers, technicians and field staff. For more information or to register contact Rob Bailey rob@vpcga.com.

