



CATA Bulletin



a biweekly newsletter

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Dealers, mechanics union reach accord on new 4-year pact

The risk of a labor dispute among dealership service and body shop workers was averted July 24, when members of Automobile Mechanics Local 701 voted to approve a new four-year pact with the New Car Dealer Committee.

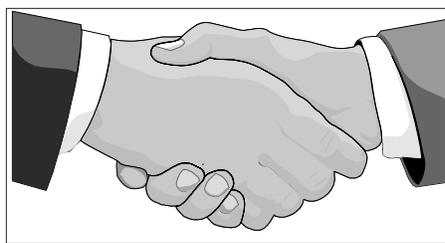
The NCDC is a multi-dealer collective bargaining association that was formed to negotiate the contract on behalf of some 185 member dealers. The previous contract expired July 30.

The contract was negotiated for the NCDC by David Radelet and his associates at Franczek Sullivan, the employee relations counsel retained by the CATA.

The contract covers journeyman technicians, body shop employees, apprentices, semi-skilled technicians and lube rack technicians who work at NCDC dealerships that are represented by Local 701.

The union represents employees at about 35 percent of the market's new-car dealerships.

Under terms of the new agreement, all employees will receive wage increases in each year of the contract. Also, in the face of skyrocketing health



care costs, NCDC dealers agreed to increase weekly contributions to the joint health and pension benefit funds with no employee contribution.

Along with these increases in wage and benefits payments, a number of important changes were made in contract language that will place NCDC member dealers in a stronger position to effectively compete on a retail basis for customer service and body shop work.

One significant change is the elimination of the daily guarantee, introduced four years ago, which calculated base pay for incentive journeyman technicians at 6.4 hours a day. In exchange, NCDC dealers agreed to a weekly minimum of 34 incentive hours for those workers for the term of the four-year deal.

In addition, the duties of semi-

skilled workers are expanded to include brake jobs, key re-programming and other various tasks; and the job duties of lube rack technicians are expanded to include tires, all filters—including fuel—and other various tasks.

A one-to-two ratio of semi-skilled workers to journeymen mechanics is introduced, but the ratio of apprentices to journeymen, which had been one-to-three under the old contract, is reduced to one-to-two.

Another important change is the clarification of flat-rate times used for various repair work, and expanded opportunities for dealers to run customer specials and establish competitive customer pay menus.

The probationary period for new hires is extended from 45 working days to 60, and the repairs come-back period is extended from 30 working days to 45.

Full details of the new contract will be furnished to affected dealers by attorneys for Franczek Sullivan.

CATA dealers who want additional information about the new contract can call the firm's Mary Casto at 312-786-6151.

California enacts first 'Bill of Rights' for buyers of used cars

Used-vehicle buyers in California would be permitted a two-day cooling-off period in which they could return a vehicle for any reason, under legisla-

tion signed July 26 by Gov. Arnold Schwarzenegger. The law takes effect July 1, 2006.

The new law, known as the Car

Buyer's Bill of Rights, also establishes standards for dealers to declare a used vehicle as "certified," and restricts

SEE **BILL OF RIGHTS**, PAGE 3

NADA 2004 compensation survey for CATA dealers released

The area's average dealership general manager earned \$210,572 in 2004, according to data from a biannual compensation survey administered by the National Automobile Dealers Association.

Of the 575 surveys mailed in February, 62 (10.7 percent) were completed. Those dealers last year employed an average 67 workers, sold an average 891 new units a month, and averaged sales in 2004 of \$46.7

million.

The survey sought information on employee pay and other forms of compensation, health and dental plans and vacation allowances. The compensations reflected 2004 W-2 forms.

Dealers may request a copy of the full report by contacting the CATA's Erik Higgins **in writing**, at 18W200 Butterfield Rd., Oakbrook Terrace, IL 60181.

2004 Manager Compensation recap

Manager	0-400 units	401+ units	Overall averages*	2002 averages	Change
General Manager	\$89,130	\$238,729	\$210,572	\$219,955	-4.2%
Business Manager/Comptroller	\$63,944	\$90,532	\$84,015	\$84,157	-0.1%
General Sales Manager	\$87,947	\$125,181	\$118,093	\$126,712	-6.8%
New-Vehicle Sales Manager	\$67,891	\$102,686	\$91,917	\$88,812	3.4%
Used-Vehicle Sales Manager	\$71,397	\$110,385	\$100,617	\$96,684	4.0%
Truck Sales Manager	**	\$87,643	\$87,643	**	**
Fleet Sales Manager	**	\$67,052	\$67,052	\$63,215	6.0%
Lease and Rental Manager	**	\$70,399	\$70,399	\$85,412	-17.5%
Finance and Insurance Manager	\$75,299	\$115,208	\$107,704	\$101,566	6.0%
Director of Service and Parts	\$72,490	\$147,617	\$125,684	\$120,462	4.3%
Service Manager	\$65,540	\$97,740	\$88,318	\$82,102	7.5%
Parts Manager	\$55,932	\$76,065	\$70,018	\$69,526	0.7%
Body Shop Manager	\$58,583	\$66,345	\$63,240	\$76,311	-17.1%

* Includes dealers who did not provide unit sales information.

** Insufficient data

Attorney general sues Illinois dealer for assorted offenses

The Illinois attorney general's office has filed a lawsuit against an Illinois dealership in suburban St. Louis, alleging that the dealership used deceptive sales practices and berated and defrauded customers.

A growing number of customer complaints prompted the Illinois Attorney General to file suit against Metro Chrysler in Columbia, Ill. The complaint charges that the dealership used false advertising along with bait-and-switch schemes, that they processed payments without authorization, that they verbally insulted customers, and that they kept customers keys during negotiations so they couldn't leave.

The Better Business Bureau has recorded more than 80 customer complaints against the company.

Metro Chrysler officials declined to comment about the complaints or the lawsuit.

The lawsuit seeks civil penalties of at least \$50,000 per violation plus restitution for the customers.



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18W200 Butterfield Road
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630-495-CATA [2282] phone 630-495-2260 fax

The CATA Bulletin is published and mailed every other Friday except during the Chicago Auto Show, when it is not published. Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full résumé to the Editor.

Review past editions or search by topic at www.cata.info/

Jerry H. Cizek III President, Publisher
Erik K. Higgins Editor, Director of Dealer Affairs

NADA has materials for customers

Gear up now for Child Passenger Safety Month in September

September's Child Passenger Safety Month, sponsored by the National Automobile Dealers Association, is right around the corner. The NADA encourages all dealers to schedule a child safety seat inspection event at their dealerships during the month. Dealers who participated last year reported large turnouts and positive feedback in their communities.

The NADA can provide all a dealer would need to present a successful event. The association this year has teamed up with the safety group "I'm Safe!" to offer booster seat education materials for children at a discounted price. The materials can be personalized with a dealer's logo and a letter from the principal on the inside cover, if desired.

One set of handouts from "I'm Safe!" includes:

- Activity sticker books branded for the dealership (80 handouts),
- Crayons (80 four-packs),
- Award certificates for safe riders, branded for the dealership (80 handouts),
- An educational video to play at the store, and
- A booster seat "growth chart" poster to display at the store

The cost for the materials is \$165 for one set (a 27 percent discount), for the first 250 NADA members who order; or \$200 (a 12.5 percent discount) for orders after



the first 250. (Note: any additional orders for the "I'm Safe!" educational materials receive a 10 percent discount through 2005.)

To see samples and to order, call Wendy at "I'm Safe!" at 877-NOW-SAFE (1-877-669-7233), ext. 202. Or, learn more at <http://www.imsafe.com/nada/nada.htm>

In addition to the discounted kits, the NADA has free materials for dealers to use at their child safety seat events. Free materials include:

- Postcard-sized guides with instruction on all phases of child seat use (100-200 quantity);

- Consumer brochures on proper booster seat use (100-200 quantity); and

- A video for showroom display.

The NADA also offers a tool kit that contains step-by-step guidance to host a child safety seat event, "Building Child Passenger Safety Awareness in Your Community," which was mailed to members with the June issue of NADA's AutoExec magazine.

To order any of these free NADA materials, contact rwhite@nada.org, and include any mailing information and a contact telephone number.

Dealers also can also review these materials, as well as other child safety seat information, at www.nada.org/boostforsafety/

Bill of Rights

CONTINUED FROM PAGE 1

markups on loan rates, to 2.5 percent on loans up to 60 months and to 2 percent for longer loans.

Schwarzenegger vetoed a similar bill last year after strong opposition from the the California Motor Car Dealers Association. This time, the bill was softened in several key areas and drew the association's support.

For instance, the original bill called for a mandatory three-day cooling-off period during which a customer could return a used car for no charge. The new bill permits a refund as an option available only to customers who pay a restocking fee at closing, from \$75 to \$400, depending on the vehicle's value.

The two-day cancellation option would apply only for used vehicles that sell for less than \$40,000 and which are not driven more than 250 miles.

A used car could not be labeled or advertised as "certified" if it ever was in a significant accident, had major damage that had been repaired, or returned under warranty

Another bill highlight: If the vehicle seller arranges a loan for the buyer, the seller must disclose the buyer's credit score as reported by an identified reporting agency.

Schwarzenegger said the measure strikes the right balance to meet consumer needs and fairness to dealers.

"The Car Buyer's Bill of Rights is going to keep one of California's leading retail industries booming and strengthen the consumer faith and trust that is so essential to our vibrant economy," Schwarzenegger said after the bill signing.

STAR has technology update for dealers

Standards for Technology in Automotive Retail, or STAR, a global Information Technology standards body for the retail automotive industry, on July 21 released a new version of its publication that describes the types of IT equipment and services needed for franchised auto dealers to conduct day-to-day business with auto manufacturers and other business partners.

The publication, "Dealership Infrastructure Guidelines," includes new guidelines for dealers who use portable, wireless computers in their dealerships' showrooms or service areas.

The document emphasizes the need to implement adequate security measures to protect the dealer's business information and computer equipment.

"Just as blueprints guide dealers when they remodel their dealerships, the DIG provides guidance as dealers add wireless computers and other IT equipment in their dealership," said dealer Tom Arden of Downs Ford in Toms River, N.J.

"Dealers want to use technology to improve their business. They need to understand the business aspects of computer technology, not the technical details. The DIG provides executive summaries for dealers and IT details for the dealers' technology vendors," said Eric Purdum, STAR standards chairman.

STAR's initiatives provide the opportunity to improve the daily business activities of dealers, retail systems providers, and manufacturers, which leads to higher customer satisfaction, timely access to business information, and reduced operating costs.

For more about STAR, see www.starstandard.org/

Toyota's hybrids to sport bolder emblems

Toyota is planning more prominent emblems on its gas-electric hybrid SUVs in a new belief that owners want others to know of their environmental consciousness.

Hybrids save gas and reduce air emissions compared with conventional gasoline-powered cars and trucks.

Toyota's first hybrid was Prius, a distinctive car that has no conventional-powered twin. Now Toyota sells hybrid versions of Toyota Highlander and Lexus RX330 SUVs, both of which are available as gas-powered models. The Lexus is called the 400h.

Research when the vehicles were being developed showed that potential customers didn't want to stick out just because they were driving a hybrid, Lexus spokesman Bill Ussery said. So the hybrid version of the Lexus doesn't look different except that the emblem reads RX400h—"h" for hybrid. The hybrid Highlander's rear badge includes a tiny plate that reads "Hybrid Synergy Drive."

But since the two made their debut last spring, the company has received feedback from customers that they want

more visibility, said Ussery. "We are now evaluating alternatives to the current rear tailgate badging," including front and sides, he said.

One marketing expert said special cars need special emblems. "It creates word-of-mouth, creates awareness," said Gordon Wangers, chief executive of the automotive marketing firm, AMCI.

Highlander hybrid owner Michael Lee says more prominent labeling might spread the popularity of hybrids. "It would be better . . . so that more people would ask," said Lee, 54, a Clovis, N.M., railroad engineer.

Other automakers currently selling hybrids aren't considering changes.

Both the Honda Civic and Accord hybrids are clearly marked, and that won't change even when the redesigned Civic is unveiled later this year. Honda Insight is unique, like Prius.

Ford Escape and the new Mercury Mariner hybrid SUVs are marked as hybrids on the back and sides. "People didn't want a vehicle that looks like a freak show on wheels," said spokesman Dan Bedore.

Marketplace

Office Manager 25+ years experience in accounting, management of small-, medium-sized businesses. Solid background with budgets, forecasts, financial analyses. Self-starter able to meet challenges, deadlines. Microsoft Word, Excel, Access; Quickbooks Pro. James Conn Jr., 847-769-5531.

Office Manager 18 years' experience. Expertise in GM, Mercedes-Benz and Mazda dealership financial management, reporting, analysis, inventory control, more. Reynolds and Reynolds ERA system. James McCallister, 815-464-7665.

Office Manager/Controller Strong background in all aspects of accounting. Natural and persuasive communicator, recognized among colleagues for keen ability to energize and inspire individuals to work towards common goal. Linda Bodene, 630-833-1720.

Controller/Office Manager Goal-oriented, strong work ethic, ability to manage multiple projects and meet deadlines. Analytical, inquisitive, able to work independently and as part of team. Jeanette Younglove, 847-223-5441.

Résumés of all candidates on file at the CATA.