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## Ballots mail June 2 for CATA board elections

Ballots mail June 2 to CATA member dealers to choose the next four members of the association's board of directors. There are four candidates on the ballot.

The aberration in the structure of the annual elections comes in light of the board voting to contract the size of its body from 15 directors to 13 over two years, a change that comes in light of the Coronavirus pandemic.

Directors said they reasoned that most dealers would prefer to focus on their business concerns in the current climate rather than mount a campaign to get elected to the board. The board

constricted from 18 directors following the Great Recession in the 2000s.

"The first reduction to 14 members takes place this year. That means that this year we have no incumbent directors ineligible for reelection," CATA President David Sloan wrote in an April 29 letter to member dealers.

"With that in mind, and due to the unique conditions brought on by the pandemic, the Nominating Committee determined that it will not present additional nominations for Director. (There is, however, an additional process for any interested dealer to gather petition

SEE **BOARD**, PAGE 2

## Illinois transitions to Phase 3 of reopening

Illinois on May 29 moved to Phase 3 of Gov. J.B. Pritzker's five-phase Restore Illinois Plan, paving the way for an estimated 700,000 Illinoisans to return to work. Car-shoppers in Illinois no longer must arrange for an appointment to visit a showroom.

However, businesses must limit customers in their stores at one time to five customers per 1,000 square feet (excluding employees). The customer occupancy limit is calculated by taking the total square footage of the permanent

SEE **PHASE 3**, PAGE 3

## General Assembly ends spring session without fix to trade-in credit cap

Efforts to rescind the \$10,000 cap on the value of traded-in vehicles in Illinois failed as the state's General Assembly ended its spring legislation with lawmakers struggling to reach agreement on a budget that's been blown apart by the coronavirus-induced economic downturn.

Borrowing from the federal government was a key component to address a budget hole that Gov. J.B. Pritzker's office estimated

is at least \$6.2 billion. With the state in such dire financial straits, lawmakers appeared loathe to forsake the revenue that the cap generates for the state by reducing the amounts of trade-in credits consumers buying or leasing another vehicle can apply to the final transaction amount, upon which sales tax is calculated.

The trade-in cap, which took effect Jan. 1, first emerged in the final days of May 2019, as Pritzker and

lawmakers sought funding for the governor's \$45 billion capital infrastructure plan. Also impacted by the plan: a doubling of the state's gasoline tax and nearly 50% jumps in title and registration fees.

The CATA and other groups backed an alternate path for raising state revenue — increasing the tax on private party vehicle sales — but an abbreviated fall veto session last year and the chaotic atmosphere this

year did not enable that argument to gain traction.

Lawmakers stretched their session into overtime on May 23, as they sought to finalize details on a maintenance-level \$40 billion state budget that would depend heavily on federal funds while also making another effort to get a Chicago casino off the ground.

A Chicago casino is seen as key to the capital bill the legislature passed last year.

## Dealers using hands-free activation to boost profits during pandemic

In the wake of the COVID-19 pandemic, car dealerships must consider major changes to adapt to our ever-changing society. Many customers no longer feel safe or comfortable entering or exiting businesses, including showrooms and service departments, without the option of not having to grab a frequently touched surface such as a door handle. Dealers can overcome that trepidation with the Record 8100 Automated Touchless Entry System.

The Record 8100 swing operator is the ideal solution and the most inexpensive way to retrofit any manually operated pedestrian door and any ADA-compliant push-button door

without having to replace it. The technology incorporates motion sensors which signal the door to open once an individual gives a waving motion with their hand. Each unit comes with a 2-year warranty, is rated for more than 1 million cycles, and is installed by technicians certified by the American Association of Automatic Door Manufacturers.

To obtain an estimate or for further consultation, contact Toby Holtz at American Door and Dock at (847) 815-5916 or [tholtz@americandooranddock.com](mailto:tholtz@americandooranddock.com).



Hands-free door activation reduces the spread of germs on frequently touched surfaces.

## Board

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signatures to be placed on the ballot, so please contact me if you are interested.)”

Voters will be asked to return to the board **John Crane** (Hawk Auto Group), **Fred Marks** (Classic Toyota-Kia, Waukegan), **Jason Roberts** (Advantage Chevrolet, Bolingbrook and Hodgkins; and Advantage Toyota), and **Richard Wickstrom** (Wickstrom Auto Group, Barrington).

“Next year, when the Board further reduces to 13 members, and there are only three incumbents, we plan to return to the practice of nominating five or more candidates for four vacancies, assuming business conditions have returned to normal,” Sloan wrote in his April 29 letter.

A director can serve up to three three-year terms on the board. All the incumbents on the 2020 ballot are completing their first terms.

## OEM not helping with floorplan?

What’s a dealer to do when the OEM is not offering any relief on floorplan expenses, one participant asked during a recent NADA webinar that considered best ideas from 20 Groups. Based on his sales rate, the questioner said he had a 12-month inventory supply.

“There is tremendous strength in numbers in the dealer body,” said Tom Carney, a 20 Group management consultant who led the presentation. “The best way I see to leverage that is, you get together your fellow dealers that are within your OEM and you basically trade.

“If they’re not trading, you need to contact your regional vice president. They are influenced by some of the key dealers, especially if you have worked together with some of your 20 Group dealers, and put together a letter saying, ‘We need to talk about some floorplan assistance, or some sort of bonus or something that is going to help us as dealers to get through this, almost like a Paycheck Protection Program for dealers.’”

The OEMs will listen to such an appeal, Carney said, because they only make money when vehicles are sold.

## In Memoriam

**Norman Edward Zimmerman**, 84, a longtime Chicago and Winnetka resident and principal of Schaumburg Lincoln-Mercury, died April 21, 2020.

Born in Chicago, Mr. Zimmerman graduated from Theodore Roosevelt High School in Chicago, then attended the University of Illinois and, later, Northwestern Law School. He practiced law for many years before entering the family business, the Lincoln-Mercury dealership, which operated 1976-2012.

Survivors include his wife, Barbara; sons Michael and Alan; and step-children Melissa and Stephen.



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Review past editions dating to 1998 or search by subject at [www.cata.info/publication/bulletins](http://www.cata.info/publication/bulletins).

David E. Sloan  
Erik K. Higgins

President, Publisher  
Editor, Director of Dealer Affairs

Area winners of FCA's 2019 Customer First Award for Excellence include **Bettenhausen Motor Sales** (Tinley Park), **Bosak Motors of Merrillville, Fields CJDR** (Glenview), **Grieger's Motor Sales** (Valparaiso, Ind.), **Heller Motors** (Pontiac), **Liberty CDJR** (Libertyville), **Marino CJDR** (Chicago), **Pearl CJDR** (Peotone), **Prescott Brothers** (Mendota), **River Front CJDR** (North Aurora), **South Oak DCJR** (Matteson), **St. Charles CDJR, Taylor CJDR** (Bourbonnais), **Tyson Motor Corporation** (Shorewood), and **Wickstrom CJDR** (Barrington).

Winners of Honda's 2019 President's Award include **Continental Honda** in Countryside and **Valley Honda** in Aurora.

**Bill Jacobs BMW** in Naperville and **Laurel BMW of Westmont** were among 35 U.S. dealerships named BMW 2020 Center

of Excellence award winners.

**John C. Crane** (Hawk Volkswagen of Joliet), **John Jennings** (Jennings Volkswagen, Glenview), **John Martino** (Bill Jacobs Volkswagen, Naperville), and **Mark Muller** (Muller Volkswagen, Highland Park) were named members of Volkswagen's 2019 Wolfsburg Crest Club, for extraordinary sales and customer experience efforts.

Charlie Watson, of **Advantage Chevrolet of Bolingbrook**, is part of the March 2020 graduating class of the NADA Academy.

Mercedes-Benz bestowed its 2019 Gold Laurel to **Autohaus on Edens** (Northbrook), **Mercedes-Benz of Chicago**, and **Mercedes-Benz of Naperville**. Winners of the 2019 Silver Laurel include **Loeber Motors** (Lincolnwood) and **Mercedes-Benz of Orland**

## Congratulations!

**Park.**

**Hanley Dawson IV** (Patrick Cadillac, Schaumburg) and **Tony Rizza** (Rizza Cadillac, Tinley Park) are among 20 winners of the 2019 Cadillac Dealer of the Year Award.

**Terry D'Arcy** (D'Arcy Buick-GMC, Joliet) is one of 22 winners of the 2019 GMC Dealer of the Year Award.

**Ernest D. Semersky** (The Porsche Exchange, Highland Park) is one of 29 U.S. dealers named a 2020 Porsche Premier Dealer.

The 2019 Honda Masters Circle honor, given to the top 50 dealerships nationwide in sales volume, was given to **Valley Honda**, in Aurora.

**McGrath Acura of Westmont** was named a 21-year recipient of Acura's Precision Team, for exceptional client relations and a focus on a driver-centric

buying experience. **Arlington Acura in Palatine** won the award for a ninth year.

Honda Financial Services named the honorees of its 2019 Council of Excellence award. **Bill Kay Honda** (Bourbonnais) is a 12-year award winner; **Honda of Downtown Chicago** and **Pauly Honda** (Libertyville) are one- to nine-year winners of the award.

Acura's 2019 Council of Excellence award winners include **Joe Rizza Acura** (Orland Park), a 12-year winner; and **Pauly Acura** (Highland Park), which has won the award one to 11 years.

**Dominic Pugliani** (Pugi Mazda, Downers Grove) is among the winners of the 2019 Mazda President's Club award.

**Napleton's Valley Hyundai**, in Aurora, is among the winners of the 2019 Hyundai Board of Excellence award.

## NADA chairman: Dealers help America get back to work

Dealers across the country have been supporting their communities during this time with a myriad of philanthropic giving — ranging from charitable grants to the donations of medical supplies to providing complimentary auto maintenance to first responders, NADA Chairman Rhett Ricart said in a recent video message to dealers, employees and customers.

In his message, Ricart underscored the importance of safety. "Safety is our first concern — both for our staff and for the customers who rely on us," Ricart said. "To keep everyone safe, we're maintaining safe social distancing; we're wearing personal protective equipment while we service cars and help folks who might need a new or used car during this difficult time."

## Phase 3

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structure the business occupies and dividing by 1,000. If the square footage of the facility is less than 1,000, the number of people is also less than five, based on percentage.

Pritzker's guidelines came with a set of industry-specific toolkits. The guidelines and toolkits can be found online through the Department of

Commerce and Economic Opportunity's website at [www2.illinois.gov/dceo/pages/restoreILP3.aspx](http://www2.illinois.gov/dceo/pages/restoreILP3.aspx).

"Social distancing, wearing face coverings, and capacity limits are just a few of the responsible actions we must all take in order to avoid a second wave of COVID-19 infections," said Dr. Ngozi Ezike, director of the Illinois Department of Public Health. "I applaud (businesses')

willingness to follow these guidelines and keep your communities safe. Please set the example as an anchor in your community. The actions we take today will shape the future of Illinois for years to come."

All businesses also must have a procedure in place for asking if any customer is currently exhibiting COVID-19 symptoms before allowing entrance, if necessary.

## High-speed crashes on the rise as lighter traffic brings faster speeds

More than three weeks after they disappeared, the bodies of a North Carolina couple were discovered inside a wrecked car “deep in the woods,” according to local police who estimated their vehicle had reached 103 mph at the time of the crash.

The incident that claimed the lives of Stephanie Mayorga and Paige Escalera was brutal but far from unique, according to authorities. With traffic down as much as 80% in some parts of the country due to coronavirus lockdowns, there has been an epidemic of speeding, often at triple-digit rates.

And while preliminary figures suggest there have been far fewer fender benders and conventional accidents during the past two months, the number of extreme, high-speed crashes appears to have skyrocketed.

The National Safety Council reports

that, despite the sharp drop in traffic due to pandemic lockdowns, motor vehicle fatality rates jumped 14% in March, with speeding, racing and other behaviors apparently behind the increase.

“People (still) on the road have been getting the itch to drive faster,” said Susanna Gotsch, director of industry analysis for CCC Information Services, a firm that consults with insurance companies on auto crashes and repairs. As a result, she said, “There has been a pretty significant jump” in crashes resulting in “non-drivable” or “total loss” of vehicles.

The data is not yet available to confirm that this jump specifically is the result of motorists driving much faster during the pandemic, but “It points to higher speeds before impact,” Gotsch said, noting that “total loss frequency

is going up.”

The numbers might not seem like much, at least at first blush. By mid-April, CCC saw a 2% increase in crashes involving vehicles that couldn’t be driven from the scene, often the case when high speeds are involved. In a normal year, even a 0.2% jump would raise eyebrows, said Gotsch. But the increase was all the more alarming when one considers that, on the whole, “there’s been a pretty significant drop in auto claims” since March, when most of the U.S. was ordered into lockdown.

It could take some time before experts have enough data to fully understand what has occurred. Among other things, they will be watching to see if there has been a jump in crashes involving pedestrians and bicyclists, both particularly vulnerable when motorists are speeding.

### Littler has help for dealers

Littler Mendelson, the CATA’s labor relations counsel, continues to produce helpful information for dealers and other businesses navigate the current climate. Among them:

#### Updated COVID Response Kit

The kit’s third edition, sent free via email to all dealers on May 27, incorporates recent guidance by the Centers for Disease Control and Prevention on quarantining and returning to work after an employee tests positive or has symptoms, and also incorporates further guidance issued by OSHA in late May on determining whether a COVID incident is “work-related.” Previous editions of the kit were sent to dealers March 27 and May 1.

#### COBRA: New notice and election forms released by DOL; Modified COBRA deadlines

Since many businesses either already have implemented layoffs or are about to, they need to know about the new COBRA forms that were released by Department of Labor in May, and also about the modified COBRA deadlines during the COVID outbreak which were established by IRS guidance issued in late May. This notice, sent via email to all dealers May 29, is Littler’s first bulletin to dealers regarding COBRA issues.

#### FFRCA Paid Sick Leave and Paid FMLA Leave policies and forms

Littler sent notice to dealers about these new laws on April 3 and again on April 9 and offered the materials for \$250 (\$400 for multiple rooftops), but few dealers responded. Dealers at the time likely were focused on Paycheck Protection Program loans and the fact that PPP loans have largely covered continuing pay for all employees during recent weeks. Now that PPP is coming to an end, Littler’s notice will be sent again about June 3.

### CATA annual golf outing a victim of COVID

Golf courses in Illinois have reopened, but not to the degree that they can accommodate the CATA’s annual golf outing, which had been planned for June 18 at Cog Hill & Country Club, in Lemont.

Upwards of 500 golfers often are drawn to the annual CATA event.

Part of the outing traditionally includes the association’s annual meeting during dinner, at which the results of the board of directors election are announced. Those results this year will be announced separately.

