



# CATA Bulletin

DRIVE **CHICAGO** .COM  
official Web site of CATA dealers

a biweekly newsletter

Volume 100, No. 22

November 10, 2003

## Proposed Cook County budget would raise sales, lease taxes

Taxes to lease a \$20,000 car would increase \$800 in a 2004 budget under debate among Cook County commissioners. The proposed budget would raise the sales tax one-quarter percent and add a 4 percent tax on leased equipment like cars and computers.

If adopted, the total sales tax on merchandise would rise to 9 percent in Chicago and at least 8 percent in suburban Cook County, where overall sales tax charges vary among municipalities. Chicago already levies a 6 percent lease

tax, so the total lease tax in the city would grow to 10 percent on monthly payments.

Casey Wickstrom, chairman of the CATA, urged dealers in Cook County to contact their board commissioners to defeat the budget proposal. The 17 commissioners and the proposed budget can be seen at the county board Web site, [www.co.cook.il.us/](http://www.co.cook.il.us/)

“Cook County Board President John Stroger’s proposed tax increase on leases would all but end automobile

leasing in Cook County,” Wickstrom said. “Automobile leases make the newer, safer, more reliable transportation accessible to the average consumer by tying up less income in the automobile.”

Stroger said more than 70 percent of the nation’s counties are experiencing budget shortfalls.

Commissioner Mike Quigley, a Chicago Democrat, said that instead of a 4.3 percent increase, the county could

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## CATA starting safety seat program

Often the purview of police and fire stations, area dealerships can become child safety seat inspection sites, under a program under development by the CATA.

Involvement in such a program naturally helps safeguard children by educating their parents and caregivers about the importance of properly installed child safety and booster seats. It also can generate favorable media coverage and showroom traffic, and position a dealership as a good corporate citizen.

“There have been a lot of manufacturer programs the past few years. We want to put an umbrella over them

locally,” said CATA Treasurer Terry D’Arcy, who is spearheading the program.

“The first thing we want to do is put together a resource of dealership employees who have been trained in proper child seat installation,” D’Arcy said.

Dealership employees who have been certified on proper installation of child safety seats or toddler booster seats should contact the CATA’s David Sloan about the program, at 630-495-2282.

The CATA intends to promote the program with a display at the upcoming Chicago Auto Show and at events at dealerships.

## Advance tickets to '04 auto show on sale now

Tickets that admit the holder to the 2004 Chicago Auto Show free or at a reduced price can be ordered by CATA members using the order form included in this newsletter.

The tickets promote goodwill among customers and even can help a prospect to close a deal.

Three kinds of advance tickets are available, each at a saving over the \$10 box office price. Until Nov. 21, members can order Special Admission Tickets that feature their names imprinted on the ticket. The tickets cost \$4 each, with a minimum order of 2,500 tickets.

General Admission and Weekday Discount tickets also are available. The former, which costs CATA members \$600 for 100 tickets, admits the holder to the auto show free, without a box-office wait. The Weekday Discount tickets cost members \$100 for 100 tickets and admit the holder for \$5 during the week. A minimum 100 tickets must be purchased for either ticket.

To order any of the tickets, call or fax Tom Hunt at the CATA, using the enclosed flyer.

## Carmakers turn to niche marketing

Elements of mass marketing and boutique commerce are being combined by the auto industry to exploit every available niche for sales of new cars and trucks. The approach takes some aspects of conventional mass production, rejects numerous others and applies boutique mystique to the slimmed-down mass-market body, according to an article in the Detroit News.

Changes in manufacturing and marketing coincide with profound changes in other automotive thinking. No longer is it assumed that a sports car means the same thing to everyone, or that a pickup truck is for workers or a minivan is for moms, or that all people want the same thing in an SUV.

Concepts of "economy" and "luxury" have changed, as well. The 2004 Suzuki Verona, for example, might seem like an economy car to people who believe Suzuki Motor Corp. builds cheap automobiles as a sideline to selling hot motorcycles. But Suzuki thinks it has identified a group of buyers who want what the company calls "affordable luxury." Those are buyers who like nice things, but who are willing to pay only so much to get them. They want a maximum return on a minimum investment.

The 2004 Chrysler Pacifica is the product of similar collaborative efforts to mine a niche. DaimlerChrysler found a potentially lucrative negative—a group of Americans who did not want a minivan, SUV or station wagon. Instead, they wanted something like an SUV, in terms of the high seating position; and something with the carrying capacity of a minivan, the utility of a station wagon and the ride of a family sedan.

Prospective Pacifica buyers, DaimlerChrysler executives theorized, also did not want a Mercedes-Benz—one of DCX's premier automobiles. Pacifica buyers preferred to "buy American." But they also want a touch of Mercedes-Benz class.

## Congratulations!

Six area Mazda dealers are among 258 Mazda dealers nationwide who exceeded their automaker's summer sales challenge goals.

Local dealers are **The Autobarn**, Countryside and Evanston; **Biggers Mazda**, Elgin; **Community Mazda**, Oak Forest; **Mazda of Crystal Lake**; **Terry Shaver Mazda**, Highland, Ind.; and **Wilkins Mazda**, Villa Park.

## CSI broken, obsolete: NADA head

Customer Satisfaction Index systems don't work as intended, have lost credibility with dealers and undermine dealership operations, the chairman of the National Automobile Dealers Association charged recently.

Since the 1970s, said NADA chairman Alan Starling, the industry has changed dramatically, "from emissions controls, safety, braking systems, entertainment systems, and so on.

"Yet the CSI has stayed the same. And along the way, a once-useful system has grown obsolete."

Starling said American consumers have developed "survey fatigue," and CSI surveys are contributing to it with "long and cumbersome" questionnaires that often are filled out imprecisely or not returned at all.

"Who has the time or patience to fill out a wordy, eight-page survey? No many people," Starling said. "Of those who do fill them out, how many will consider each question thoughtfully? Even fewer.

"Who's going to be the most motivated to fill out the surveys? Probably the least satisfied customers."

The result, said Starling, is a CSI system that does not reflect dealer performance.

Starling said the survey questions typically do not distinguish between satisfaction with the vehicle, which dealers can't control, and satisfaction with the dealership experience, which they directly control.

"Lumping vehicle quality with sales and service cannot provide a true and fair picture of dealer performance. It's apples and oranges," Starling said.

The survey results are used increasingly as a key factor in dealer evaluation and incentive programs.

Manufacturers, Starling said, must "take a fresh look at its entire CSI process with an eye toward making changes that reflect the current marketplace."

The NADA has begun discussions with manufacturers on the CSI system.

The CATA Bulletin is published by the  
**Chicago Automobile Trade Association**

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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/](http://www.cata.info/)

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## Consumer magazine names '04 'best buy' vehicles

Thirty-eight vehicles have received Best Buy ratings from Consumers Digest magazine out of 238 total for the 2004 model year. The ratings, published in Consumers Digest's November/December issue, span seven categories: Small Cars, Family Cars, Luxury Cars, Sporty Cars, Trucks, Vans, Compact/Midsize SUVs and Luxury/Fullsize SUVs.

The Best Buys—based on behind-the-wheel testing, safety ratings, ownership costs, warranty, purchase price, comfort, ergonomics, styling and amenities—reflect the magazine's assessment of which 2004 vehicles offer the most value for the money.

Six "Small Cars" received Best Buys: Chrysler PT Cruiser, Honda Civic, Pontiac Vibe/Toyota Matrix, Suzuki Aerio and Toyota Corolla. The five "Family Car" Best Buys are Buick Century, Ford Crown Victoria, Honda Accord, Nissan Altima and Toyota Camry.

Four "Luxury Cars" received Best Buy ratings: Acura TL, Audi A4, Buick LeSabre and Toyota Avalon. Among six "Sporty Cars" receiving Best Buys was the Dodge Stratus/Mitsubishi Eclipse, Infiniti G35, Mazda RX-8, MINI Cooper and Volvo S60R/V70R.

Three "Trucks" and three "Vans" earned Best Buys. The Chevrolet Ava-

lanche, Ford F-150 and Toyota Tundra top the list of pickup trucks, and Dodge's Caravan, Honda's Odyssey and Toyota's Sienna are recognized as the best van values.

Consumers Digest divides SUVs into compact/midsize and luxury/fullsize models. Of the former, five Best Buys were announced: Ford Escape/Mazda Tribute, Honda Element, Suzuki XL-7 and Toyota Highlander. Luxury/fullsize SUV Best Buys include the Chevrolet Tahoe/GMC Yukon, Infiniti FX35/45 and Volkswagen Touareg.

"Value," as we see it, is based on a vehicle's purchase price and ownership costs relative to more subjective factors, like performance and design," says Randy Weber, publisher of Consumers Digest.

Among design factors considered, Weber said, are interior ergonomics, seating, accessories and cargo space. Performance characteristics evaluated include starting and acceleration, shifting, steering and handling, braking, ride quality and fuel economy.

Insurance-industry ratings, crash-test results and government findings contribute to the magazine's assessment of vehicle safety.

The magazine's automotive Best Buys appear in a special center-section of the November edition.

similar cuts in the Cook County budget. We consider the sales tax a massive advertising campaign for Indiana retailers."

Stroger offered no guarantee the budget will pass as is, and Commissioner Forrest Claypool said he'll have the nine votes needed to block the increases.

Public comment can be expressed at hearings in Markham on Nov. 10, in Skokie on Nov. 12, and in Chicago on Nov. 14.

A board vote on the budget is expected Dec. 9.

## Area dealers struck by identity thieves

Several area dealers have been stung recently by identity theft cases in which thieves presented out-of-state licenses but said they recently had moved to Illinois. Most of the victimized dealers sell high-end makes.

A common trait in the cases: The thieves showed salespeople out-of-state driver's licenses but supported those with other IDs showing local addresses. The thieves no doubt stole identities in other states and then obtained state-issued documents with their own photographs.

Compounding the problem for dealerships, the identity theft victims usually have very high credit ratings, and the thieves favor no-money-down deals.

The Federal Trade Commission maintains an Identity Theft Data Clearinghouse, a national identity theft victim complaint database containing more than 460,000 complaints. Businesses can search that database for identity theft victim and/or suspect information across the country. Call the FTC's hotline, 1-877-IDTHEFT, or see the Web site, [www.consumer.gov/idtheft/](http://www.consumer.gov/idtheft/)

The FTC does not have any criminal investigation authority with respect to identity theft, but other agencies do.

Businesses can contact a U.S. Secret Service field office in Chicago at 312-353-5431. The agency is under the auspices of the U.S. Treasury Department.

Also, the U.S. Justice Department produced a free videotape, "Stop Identity Theft Now." Copies can be ordered at 888-228-0315.

## Taxes

CONTINUED FROM PAGE 1

slash its budget by restructuring. Hard decisions rather than taxes are what's called for, he said.

"The taxes represent a body blow to an economy that needs stimulus," Quigley added.

Jerry Roper, president of the Chicagoland Chamber of Commerce said: "At a time when we are witnessing job cuts in businesses and other units of government, we are not seeing

**Tune to "Drive Chicago,"  
the CATA's radio program,  
9-10 a.m. Saturdays  
on WLS-AM 890.**

## *Labor forms must be posted—but they're free*

All businesses no doubt receive regular mail solicitations reminding them about various labor posters that must be displayed, and that the solicitors can provide them—for a fee.

The fees the companies propose represent quite a handling charge for posters that can be obtained free from various government agencies. The Chicago Automobile Trade Association also has limited quantities of the posters, available free to CATA members.

Federal regulations mandate employers to display the labor law posters in locations that are conspicuous to employees, such as a break room, at each of the company's work facilities.

The U.S. Department of Labor's workplace poster requirements mandate employers to post five posters: (1) Federal Minimum Wage Notice, (2) Employee Polygraph Protection Notice, (3) Equal Employment Opportunity/Age Discrimination, (4) Occupational Safety and Health Act, and (5) the Family Medical Leave Act of 1993.

In addition the Illinois Labor Department requires three posters to be displayed: (1) Minimum Wage Law, (2) Worker's Compensation Act, and (3) Unemployment Insurance Act.

The federal labor department provides electronic copies of the required posters, some in languages other than English. Visit the government site at [www.dol.gov/](http://www.dol.gov/)

The Illinois agency prints the necessary posters in English only, so presenting the posters in other languages is not mandatory.

Failure to post the notices can lead to substantial civic or criminal penalties. However, not all employers are accountable to each of the U.S. Labor Department poster statutes. For example, some small businesses may not be covered by the Family and Medical Leave Act and thus are not subject to the act's posting requirements.

## **Martin Boyer deflects unemployment claims**

One hundred seventeen CATA dealer members reported a combined 474 unemployment claims to the Martin Boyer Co. during the third quarter of 2003. The company's efforts saved those dealers a total of \$822,269 in benefits by contesting the claims.

Martin Boyer monitors any unemployment claims against its clients. About 200 CATA dealers are clients of the company.

Through three quarters of 2003, the unemployment claims savings to area dealers have totaled more than \$3.2 million.

Claims that can be protested and subsequently denied help minimize an employer's unemployment tax rate. The rate can vary between .06 percent and 6.8 percent of each employee's first \$9,000 of earnings. The average unemployment tax rate among Illinois employers is 3.1 percent, or \$279 annually.

"The unemployment tax is really the only controllable tax, in that it's experience-driven," said Paul Schardt, senior vice president of Martin Boyer. An ex-employee's claim affects the employer's tax rate for three years.

Client fees amount to \$2.10 per employee, per fiscal quarter. For the fee, Martin Boyer monitors all unemployment claims, files any appeals, represents the client at any hearings, verifies the benefit charge statements and confirms the client's unemployment tax rate.

Martin Boyer has represented CATA members since 1979. To discuss retaining the company, call Schardt at 312-381-8241.

## **Union workers earn Thanksgiving holiday pay**

Unionized employees of CATA members are entitled to a paid holiday Nov. 27, when dealerships are expected to be closed for Thanksgiving.

In all cases, employees must work their regularly scheduled day *before* and *after* a holiday in order to receive pay on the holiday, unless the employee is off-work or on an employer-approved vacation or leave.

Eligibility for holiday pay among probationary employees varies among the unions. Employers should consult the existing union agreements to confirm which employees are eligible.

Dealers with questions should call the CATA's labor relations counsel, Franczek Sullivan, at 312-986-0300.

### **Mechanics Local No. 701**

Pay equal to one regular day's pay at hourly (not booked) rate.

### **Garage Attendants Local No. 731**

Pay equal to one regular day.

### **Mechanics Local No. 1749**

Pay equal to 8 hours pay at at hourly minimum rate or flat minimum rate.

### **Teamsters Local No. 179**

Pay equal to 8 hours at minimum hourly rate.

### **Machinists Local No. 377**

Pay equal to 8 hours at straight-time hourly minimum rate. Employees who work 10-hour days receive 10 hours pay at that rate, unless Thursday is the employee's normally scheduled day off, in which case 8 hours pay at that rate.

[www.cata.info](http://www.cata.info)

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