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Upcoming DealersEdge webinars

The Chicago Automobile Trade Association has established a partnership with DealersEdge to provide high-quality training and informational webinars that offer the content to CATA member dealers at a significantly discounted rate.

The rate for CATA members for the weekly presentations is $149, half what is charged to users who do not subscribe to DealersEdge. Webinars premiere on a near-weekly basis.

Even for dealers who hold an annual membership with DealersEdge, the new relationship with the CATA represents a savings because DealersEdge offers its Webinars to its own members for $198. Regular annual membership fees are $397, and normal webinar fees are $298 for non-DealersEdge members.

Once purchased, DealersEdge webinars and accompanying PDF files can be downloaded and viewed later—and repeatedly. No matter how many people watch at your location, each connection costs a CATA member just $149. A telephone connection is not needed; and the fee includes both PowerPoint slides and audio.

To register for any of the DealersEdge webinars, go to www.cata.info. On the tan bar across the top of the screen, click on Education/Careers and follow the drop-down menu to CATA-DealersEdge webinars.

Coming topics:

Thursday, May 16 at 12 p.m. CDT

"Dealership IT and Data Security in an Age of Multiple Devices and Systems" Smartphones, tablets, laptops, employee devices, open wireless connections, cloud data storage and access, employee-installed software and apps ... and the list goes on! Where you are

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Taxes on leased vehicles to change?

Illinois could be on the path of joining 47 other states in basing sales tax owed on leased new vehicles on the monthly payment instead of the vehicle's selling price.

Brian Hamer, director of the Illinois Revenue Department, indicated to officials of the CATA and the Illinois Automobile Dealers Association, who are advocating the change, that Illinois should align its tax computation with most other states. State lawmakers said they would not advance legislation to make the change without Hamer's blessing; on Wednesday, he declared the department's position to be neutral.

Hamer said he would not support a bill that reduces tax collection, but language

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NADA Workforce Study extended

The deadline to participate in the NADA's 2013 Dealership Workforce Study has been extended to June 30, to accommodate many requests from dealer members for more time.

It's the only study that compares a dealership's compensation and benefits, retention and turnover, work schedules and hours of operation to aggregated peer data.

The results will allow dealers to make data-based decisions when recruiting, hiring and motivating employees.

Only members of the National Automobile Dealers Association and the American Truck Dealers are eligible to participate, and there is no cost.

To participate, visit www.nadaworkforcestudy.com and follow the step-by-step directions to complete the survey and upload your payroll data file. There are separate processes for single dealership enrollments and multi-dealer group enrollments.

Each participating dealership will receive a com-

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Leases

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for an amendment to be inserted into pending legislation projects revenue increases of $14 million to $28 million, based on forecasts of increased leasing activity following the change. Lease transactions in Illinois currently are about half the number in nearby states.

The best scenario would find the legislation containing the amendment clearing the General Assembly before its scheduled May 31 adjournment and continuing to Gov. Pat Quinn for final consideration. The bill had not been identified at this newsletter's deadline.

The dealer associations have made several runs at the taxation change on long-term leases (more than one year), but revenue officials always focused on near-term shortfalls in tax collection over long-term gains. Immediate gains would be seen in the current structure, under which dealers could not offer advance trade-in credits to their lease customers.

Nevertheless, consumers would enjoy lower monthly payments on leased vehicles which, in turn, would lead to increased leasing activity.

Several CATA directors on May 7 traveled to Springfield to attend the IADA's annual legislative conference and meet with leaders of the General Assembly's two chambers, including Senate President John Cullerton (D-Chicago) and Senate Republican Leader Christine Radogno (Lemont); Rep. Tom Cross of Oswego, the House Republican leader; Illinois Treasurer Dan Rutherford; and an aide to Quinn. They all indicated support for the taxation change.

At the same time, and in an unrelated matter, the CATA visitors tried to disarm a motion to eliminate all trade-in credits available to consumers who trade in the vehicles they own. The idea comes from the revenue department, which reportedly was instructed by Quinn to develop a laundry list of revenue-producers for the General Assembly to consider.

But the legislators whom the CATA officials met did not seem warm to the idea. Quinn's aide added that the change could not happen without a revamp of the state's tax code.

Another laundry list suggestion is to eliminate the 1.75 percent Retailers Collection Allowance, which is offered to businesses for serving as the state's tax collector and remitter. That suggestion is commonly floated in budget negotiation in the final days of a legislative session.

Webinars

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vulnerable, and how can you safeguard your systems? Those who would invade your systems to steal data and otherwise do you harm have multiple opportunities to work their evil upon your dealership. Data security no longer can be treated as an after-thought. Careful and complete planning for data and systems security is a must.

The presenters for this webinar are members of the Crowe Horwath LLP professional staff and specialize in working with auto dealers and their IT needs and security.

Thursday, May 23 at 12 p.m. CDT

"Improve your Service Dept 15% to 20% thru New Mgt Process and Revised Tech Compensation: Live Case Studies Revealed" If you continually find yourself "balancing" your best technicians' hours by giving them "gravy" maintenance tasks, a "re-think" is in order. Improvements include a much better-served customer, improved CSI & profitability, and a better-focused management team.

The 1980s saw the introduction and growth of teams, simple support groups and lateral support groups — all of which provided benefits to smooth shop operation. But the accelerating growth and influence of advanced technologies are forcing some primarily large and high-line dealerships to conclude that a new organization in service is required to help them make the grade.

Join presenter Lloyd Schiller for this special presentation, featuring two case studies of a "re-thinking."

Study

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plimentary individualized Basic Report comparing its data against data aggregated on a regional and national basis. Participants also will receive a complimentary, comprehensive Dealership Workforce Study Industry Report.

Participants may purchase an individualized Enhanced Report, which compares dealership data against data for the franchise and state.

CATA golf June 10 at Cog Hill

Be part of the CATA's annual golf outing, which returns with a noon shotgun start Monday, June 10 at Cog Hill Golf & Country Club in Lemont. Or just register for dinner at 6 p.m. For full details and to register, call the CATA at (630) 495-2282.

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Review past editions dating to 1998 or search by subject at www.cata.info.

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Used-car prices decline 1.5% as spring softness settles in

By Mark Scarpelli
Chicago Metro NADA Director

Overall market prices for all vehicle segments declined by an average of 1.5 percent in April compared to March. The wholesale price decline in April was directionally correct with what NADA analysts expected to occur during the first full month of the spring selling season.

In terms of declines, the midsize car segment led the pack with prices declining an average 1.9 percent compared to the prior month. Following closely behind was the compact car and compact utility segments which saw prices fall by 1.8 percent apiece along with midsize utilities, which dropped by 1.2 percent.

All remaining mainstream segments experienced declines well under the market average: Midsize vans declined by 0.7 percent and large pickups followed right behind, at 0.6 percent. The only mainstream segment with no noticeable movement was large SUVs, which remained flat compared to March prices. Luxury cars and luxury utilities declined by 1 percent.

On a year-over-year basis, according to the NADA's Used Price Index, prices for used vehicles grew by 0.2 percent in April compared to the same period last year. The index is a seasonally adjusted measurement of the change in prices for used vehicles up to 8 years in age. For more information, visit www.nada.com/b2b.

In other NADA news …

A new NADAguides.com survey found that new-car and -truck buyers ranked Fuel Economy, Ownership Costs, Brand Perception, Safety and Vehicle Design as the **five most important attributes considered** when shopping for a vehicle. Factors were scored on a scale from 0 to 100, with a higher score indicating greater importance.

Both new-car and -truck shoppers ranked Fuel Economy as the most important factor. Car buyers placed a greater emphasis on Fuel Economy compared to truck buyers with scores of 89 and 84, respectively. Car buyers gave Vehicle Design a mark of 76, making it the second most important factor considered after Fuel Economy.

"The fact that car shoppers ranked Vehicle Design so highly is a reflection of the ongoing parity we've seen in the areas of quality, dependability and efficiency among the brands," said Jonathan Banks, executive automotive analyst for the NADA Used Car Guide. "As we've seen from the success of Hyundai and Kia over the past few years, inspirational design can change how consumers view a brand and act as a catalyst to increase new-vehicle sales."

Banks said that the restyles of the 2013 Honda Civic and 2014 Chevrolet Malibu, just one year after major revisions, also were examples of how "manufacturers are keenly aware of the pronounced role of design in shaping the sales success of a brand."

With scores ranging from 67 to 72, Brand Perception, Safety and Ownership Costs rounded out the top five most important factors considered by new-car shoppers.

Performance Capabilities received a moderate score of 56, a second place ranking for luxury car respondents, just behind Vehicle Design.

Car respondents ranked Versatility/Utility, Incentive Availability and Advanced Technologies as the three least important factors.

For SUV and truck buyers, Ownership Cost was the second most important purchase attribute with a score of 83, just one point behind Fuel Economy.

"The close proximity of these two factors resulted from the broad composition of SUV and truck respondents, which was comprised of consumers shopping for pickup trucks and SUVs of all sizes," said Banks.

"Shoppers of small SUVs ranked Fuel Economy as their top concern and Ownership Costs as third, while shoppers for mid-size and large trucks ranked Ownership costs as their top concern and Fuel Economy third. Results indicate that larger truck shoppers want to maximize fuel economy, but they also understand that the added size required to support their household and recreational needs will result in higher gasoline costs. To compensate for this, buyers will look to reduce maintenance expenses and purchase dependable trucks with solid used value retention," Banks added.

Truck shoppers, similar to car shoppers, rated Safety and Brand Perception as the third and fourth most important purchase considerations with rankings of 69 and 68, respectively. Vehicle Design and Versatility/Utility followed closely behind with respective scores of 65 and 63.

Brand Preference ranked fourth for truck shoppers overall, but was the No. 1 most important attribute for pickup shoppers who are loyal to specific brands in the pickup truck segment.

With an average score of 58, Performance Capabilities was ranked seventh by truck shoppers, but pickup truck shoppers ranked Performance fourth. Luxury truck shoppers, just like luxury car shoppers, ranked Performance as the second most important purchase factor.

NADAguides.com helps consumers to research new and used cars compare prices, fuel economy, warranty and other important purchase factors for multiple new or used vehicles side-by-side.

Illinois Recovery Group named preferred recycling, disposal vendor

Illinois Recovery Group, Inc. has been selected by the CATA as the preferred provider for the recycling and environmental needs (Used Oil, Used Antifreeze, Used Oil Filters, Triple Basin and Car Wash Basins Cleanings, etc.) of the association's dealer members.

In these economic times, the CATA felt it was necessary to find a company to help manage ithe dealers' costs and maximize the revenues by providing a complete package of recycling services.

Illinois Recovery has been servicing the Chicagoland area for 33 years. The company follows all Federal and State regulations to make sure all dealers are compliant with the recycling and disposal of materials that members generate. IRG is currently servicing about 120 dealerships in the Chicago area.

The Illinois Recovery package provides your dealership with:

• Recycling of Used Oil, Used Antifreeze, Used Oil Filters, Spent Parts, Washer Fluid, Spent Paint Thinner, Outdated Electronics, Fluorescent Bulbs, HID Bulbs, and Misc. Empty Drums.

• Monthly compensation for used oil collected

• Maintenance of Parts Washers

• Maintenance of Triple Basins, Car Wash Basins, and Shop Floor Drains

• Supplier of Windshield Washer Fluid in Bulk

• Supplier of Absorbent Pads (Oil and Antifreeze)

• Provide Members a monthly report by email of services and amounts.

• Provide Members a Certificate of Insurance listing IRG as additionally insured.

Illinois Recovery Group has agreed to offer CATA member dealers who sign up with IRG one free triple basin and one free car wash basin cleaning a year (not to exceed 1,000 gallons for each).

Illinois Recovery Group is scheduling appointments with CATA members. Contact Scott Dettmering at scott@illinoisrecoverygroupinc.com or (815) 641-6494.

Read more about the CATA's Member Benefit program by visiting the association's website, specifically: www.cata.info/resources/cata_member_benefits.

Appeals court strikes down NLRB poster ruling on right to unionize

A federal appeals court on May 7 struck down a National Labor Relations Board rule requiring most private sector employers to post a notice informing employees of their right to unionize.

Ever since the labor board proposed the rule in 2010, business groups have asserted that the move exceeded the board's authority and was an improper imposition on nearly 6 million employers, most of them small businesses.

In its decision, the U.S. Court of Appeals for the District of Columbia Circuit concluded that the NLRB's rule violated a federal law that bars the board from punishing an employer for expressing its views so long as those statements do not constitute threats of retaliation or force.

The labor board had originally said that an employer's failure to post the notice would be considered an unfair labor practice, resulting in penalties, but the circuit court said the board would be acting illegally to punish an employer for expressing a statement or, in this case, for failing to post a statement under orders by the labor board.

The labor board's rule told employers to post a notice, informing workers of their right to form or join a union, to strike, to bargain collectively and to act together to improve working conditions.

The federal circuit court issued an injunction in April 2012, suspending the labor board's rule, after two lower courts differed on whether the board had overstepped its powers.

The circuit court cited several Supreme Court rulings to reach its decision that employers have a right to disseminate views as well as a right not to disseminate views. The court relied on rulings that prohibit the government from telling people what they must say, such as telling schoolchildren they must recite the Pledge of Allegiance.

Many businesses asserted that the labor board's proposed poster was one-sided and pro-union, although the board said the poster was neutral.

The National Association of Manufacturers applauded the court's ruling, calling it "an important victory in the fight against an activist NLRB and its aggressive agenda."

"The poster rule is a prime example of a government agency that seeks to fundamentally change the way employers and employees communicate," the manufacturers' association said. "The ultimate result of the NLRB's intrusion would be to create hostile work environments where none exist."

The AFL-CIO attacked the ruling. "The Republican judges of the D.C. Circuit continue to wreak havoc on workers' rights," said its president, Richard Trumka. The labor federation, like the Obama administration, was already upset with the circuit court for ruling in January that President Obama's recess appointments to the labor board were illegal and that the board thus did not have a quorum needed to operate. The Obama administration has appealed that decision to the Supreme Court.

Trumka questioned the sweep of the May 7 ruling, saying, "The circuit court's ruling suggests that courts should strike down hundreds of notice requirements, not only those that inform workers about their rights and warn them of hazards, but also those on cigarette packages, in home mortgages and many other areas."