MADA
Minnesota Automobile Dealers Association

News
May 2019

Legislative News

MNLARS to be Discarded
MADA Applauds Decision

After 11 years and over $100 million dollars, an independent review of MNLARS has concluded that the plug should be pulled on the beleaguered motor vehicle titling and registration system. The recommendation was made by Rick King, the chair of Governor Walz's Blue Ribbon Council on Information Technology, and accepted by Walz and key legislative leaders.

"A new direction was needed...."

Instead of spending another $50 million to fix MNLARS, King and his colleagues are proposing the state should spend a bit more for a packaged software solution that will provide "the lowest risk path to a solution that is expected to more fully meet the long-term needs of all stakeholders." He also noted that the marketplace for software vendors has matured significantly since MNLARS was first considered in 2007. The state can leverage the expertise and resources of an outside vendor who understands the needed functionality and has the experience to execute the project.

In coming to his decision, King and his team conducted over 50 stakeholder meetings, including a productive session with MADA; poured over the Office of the Legislative Auditor's reports on MNLARS; and interviewed four other states that use prepackaged software solutions. MADA supports the recommendation.

"We have long believed that MNLARS is too broken to fix and a new direction was needed in order to best serve Minnesotans," stated MADA President Scott Lambert.

Legislators have until May 20, to figure out how to

MNLARS to be discarded... *continued on page 7*

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Twin Cities Labor Contracts Approved

Let MADA Insurance Help You

upcoming events

- jun 5 — Manufacturer Replenishment Programs Webinar
- jun 11 — Title Basics West St. Paul
- jun 12 — Dealership Customer Experience for Receptionists West St. Paul
- jun 19 — Service Advisor 101 West St. Paul

visit
www.mada.org
for details, registration and a complete list of Upcoming Events and Training

Scott Lambert, President • 200 Lothenbach Ave. • West St. Paul, MN 55118 • (651) 291-2400 • 1-800-652-9029 • FAX (651) 291-2894

Education News

New Tools for Service Managers

On Wednesday, April 17, service managers from all over the state participated in the workshop 'Leadership for Service Managers' at MADA. The workshop focused on strategies and facilitation techniques that attendees could use to build great teams and create successful team dynamics. Notably, participants had the opportunity to take Predictive Index (PI) Behavioral Assessments and receive immediate results which they were able to use for activities throughout the workshop. The activity allowed for attendees to understand their behavioral strengths and their relation to the workplace, giving them insights on how to best connect with their team and make hiring decisions that fill the gaps.

The interactive workshop was created and instructed by David Kelly and Dan Hahn of ADG and received a five-star rating from participants. Contact MADA Training and Education Manager Alice Morse at alice@mada.org or 651-789-2956 to find out when this class will be next offered and to learn of additional training opportunities to help you maximize your dealership's success.

MADA
Minnesota Automobile Dealers Association

The Minnesota Automobile Dealers Association is a non-profit trade association dedicated to the progress of the retail auto industry in Minnesota.

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Legal News

New Theft Vulnerability for Dealers

Every spring there seems to be a new tactic from the bad-guys on how to steal cars, and this year is no different. MADA has received multiple reports of vehicle thefts involving new vehicles being delivered and unloaded by a transport company, but not yet formally received by the dealership. Specifically, the thieves are waiting for the short period of time between unloading the vehicle from the transport truck, where the fob might still be in the vehicle, and the time someone at the dealership can get in and relocate the vehicle within the dealership. Service vehicles being brought in by tow-truck are also being targeted during the same timeframe: between unloading the vehicle and the service department physically taking it in. It's important to remember that just because a vehicle comes in by tow-truck doesn't necessarily mean it wouldn't run or is otherwise incapable of being driven off the lot.

Theft Tip: Keep a close eye on new vehicle deliveries and service vehicles, especially during the period of time between unloading the vehicle from the transport truck and the time someone at the dealership relocates/parks the vehicle. Dealers may want to consider adopting policies where keys are never left in an unattended vehicle or require that dealer personnel always are present during the entire vehicle unloading process.

Legal News

Twin Cities Labor Contracts Approved

Both the Teamsters Local 974 and District Lodge No 77 Machinist Unions agreed to new three-year contracts with their respective Twin Cities dealers. Twenty-two Minneapolis-area stores have mechanics and shop personnel governed by the Teamsters wage agreements and negotiated through the Greater Metro Auto Dealers Association (GMADA). Another 22 St. Paul-area stores are governed by the agreement with the Machinists. An additional ten metro stores have negotiated separate agreements. Both cities' agreements will be in effect until the Spring of 2022.

Reported registrations at the end of 2017 appear to be negatively impacted by implementation of the state's new vehicle titling and registrations system (MNLARS). This has likely resulted in underreporting of registrations during these months and has led to declines in year-over-year new vehicle registrations. Future data updates released by IHS Markit should address the apparent shortfall in reported registrations.

Minnesota Auto Outlook

Covering the Minnesota automotive market **Data thru March 2019**

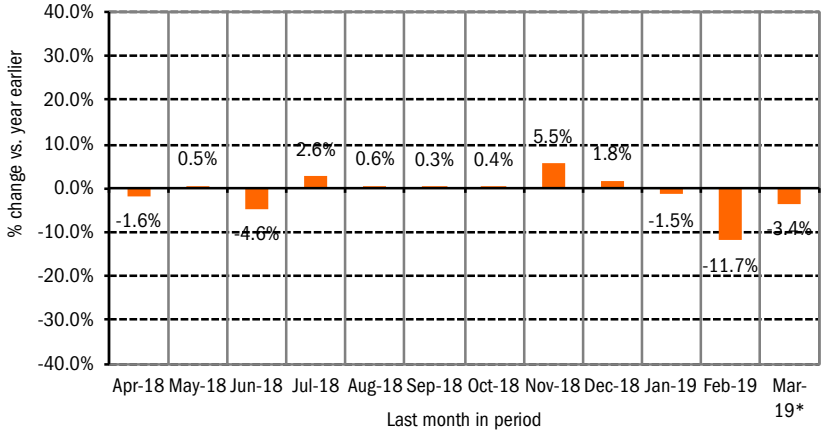
Released by: Minnesota Automobile Dealers Association

Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months*			YTD thru Mar.			YTD Market Share		
	2/18 & 3/18	2/19 & 3/19*	% change	YTD '18	YTD '19*	% change	2018	2019	change
Industry Total	33,822	32,238	-4.7%	47,527	45,894	-3.4%			
Cars	6,964	5,623	-19.3%	9,711	8,030	-17.3%	20.4	17.5	-2.9
Light Trucks	26,858	26,615	-0.9%	37,816	37,864	0.1%	79.6	82.5	2.9
Japanese Brands	11,707	11,100	-5.2%	16,474	15,459	-6.2%	34.7	33.7	-1.0
Honda	3,189	3,210	0.7%	4,344	4,402	1.3%	9.1	9.6	0.5
Nissan	1,606	1,340	-16.6%	2,234	1,865	-16.5%	4.7	4.1	-0.6
Toyota	3,833	3,459	-9.8%	5,434	4,755	-12.5%	11.4	10.4	-1.0
Other	3,079	3,091	0.4%	4,462	4,437	-0.6%	9.4	9.7	0.3
Domestic Brands	17,718	16,753	-5.4%	25,028	24,514	-2.1%	52.7	53.4	0.7
FCA (excl. FIAT)	4,585	4,605	0.4%	6,641	6,946	4.6%	14.0	15.1	1.1
Ford	4,811	4,429	-7.9%	7,066	6,474	-8.4%	14.9	14.1	-0.8
General Motors	8,266	7,558	-8.6%	11,224	10,656	-5.1%	23.6	23.2	-0.4
Other	56	161	187.5%	97	438	351.5%	0.2	1.0	0.8
European Brands	2,253	2,281	1.2%	3,139	3,085	-1.7%	6.6	6.7	0.1
BMW	446	462	3.6%	620	655	5.6%	1.3	1.4	0.1
Mercedes	272	259	-4.8%	401	379	-5.5%	0.8	0.8	0.0
Volkswagen	1,144	1,196	4.5%	1,582	1,536	-2.9%	3.3	3.3	0.0
Other	391	364	-6.9%	536	515	-3.9%	1.1	1.1	0.0
Korean Brands	2,144	2,104	-1.9%	2,886	2,836	-1.7%	6.1	6.2	0.1

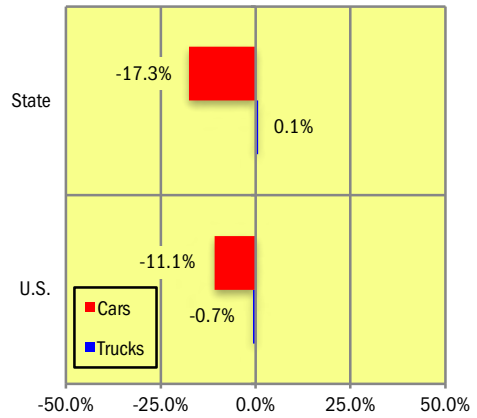
Brands included above: Domestic Brands: GM (Buick, Cadillac, Chevrolet, and GMC), Ford (Ford and Lincoln), Chrysler (Chrysler, Dodge, Jeep, and Ram). Japanese: Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Nissan (Nissan and Infiniti), Other (Mazda, Mitsubishi, and Subaru). European: VW (Audi, Bentley, Porsche, and Volkswagen), BMW (BMW, Rolls Royce, and MINI), MB (Mercedes Benz and smart), Other (Alfa Romeo, Aston Martin, Ferrari, Fiat, Jaguar, Land Rover, Lotus, Maserati, and Volvo). Korean: Hyundai and Kia. *Figures for March 2019 were estimated by Auto Outlook. Data Source: IHS.

Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies. *Figures for March 2019 were estimated by Auto Outlook. Data Source: IHS.

Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '19 thru March* vs. YTD '18



The graph above compares the change in new retail car and light truck registrations in both the area and U.S. markets. *Figures for March, 2019 were estimated by Auto Outlook.
Data Source: IHS.

Data Information

All data represents new vehicle retail registrations in Minnesota and excludes fleet and wholesale transactions. **Reported registrations at the end of 2017 appear to be negatively impacted by implementation of the state's new vehicle titling and registrations system (MNLARS). This has likely resulted in under-reporting of registrations during these months and has led to declines in year-over-year new vehicle registrations. Future data updates released by IHS Markit should address the apparent shortfall in reported registrations.** Data Source: IHS.

Minnesota New Retail Light Vehicle Registrations	Registrations			Market share	
	YTD '18 thru Mar.	YTD '19 thru Mar.*	% change	YTD '18 thru Mar.	YTD '19 thru Mar.*
TOTAL	47,527	45,894	-3%		
Acura	260	272	5%	0.5%	0.6%
Alfa Romeo	50	36	-28%	0.1%	0.1%
Audi	434	406	-6%	0.9%	0.9%
BMW	510	581	14%	1.1%	1.3%
Buick	1,060	866	-18%	2.2%	1.9%
Cadillac	262	224	-15%	0.6%	0.5%
Chevrolet	7,837	7,575	-3%	16.5%	16.5%
Chrysler	489	302	-38%	1.0%	0.7%
Dodge	895	762	-15%	1.9%	1.7%
FIAT	32	17	-47%	0.1%	0.0%
Ford	6,830	6,260	-8%	14.4%	13.6%
Genesis	25	18	-28%	0.1%	0.0%
GMC	2,065	1,991	-4%	4.3%	4.3%
Honda	4,084	4,130	1%	8.6%	9.0%
Hyundai	1,284	1,349	5%	2.7%	2.9%
Infiniti	158	117	-26%	0.3%	0.3%
Jaguar	56	62	11%	0.1%	0.1%
Jeep	3,352	3,434	2%	7.1%	7.5%
Kia	1,577	1,469	-7%	3.3%	3.2%
Land Rover	126	109	-13%	0.3%	0.2%
Lexus	476	479	1%	1.0%	1.0%
Lincoln	236	214	-9%	0.5%	0.5%
Maserati	13	11	-15%	0.0%	0.0%
Mazda	1,284	1,059	-18%	2.7%	2.3%
Mercedes	401	379	-5%	0.8%	0.8%
MINI	109	74	-32%	0.2%	0.2%
Mitsubishi	440	473	8%	0.9%	1.0%
Nissan	2,076	1,748	-16%	4.4%	3.8%
Other	18	22	22%	0.0%	0.0%
Porsche	98	108	10%	0.2%	0.2%
Ram	1,905	2,448	29%	4.0%	5.3%
Subaru	2,737	2,905	6%	5.8%	6.3%
Tesla	96	434	352%	0.2%	0.9%
Toyota	4,958	4,276	-14%	10.4%	9.3%
Volkswagen	1,050	1,022	-3%	2.2%	2.2%
Volvo	244	262	7%	0.5%	0.6%

Top ten ranked brands in each percent change category are shaded green.
*Figures for March 2019 were estimated by Auto Outlook.

Data Source: IHS.

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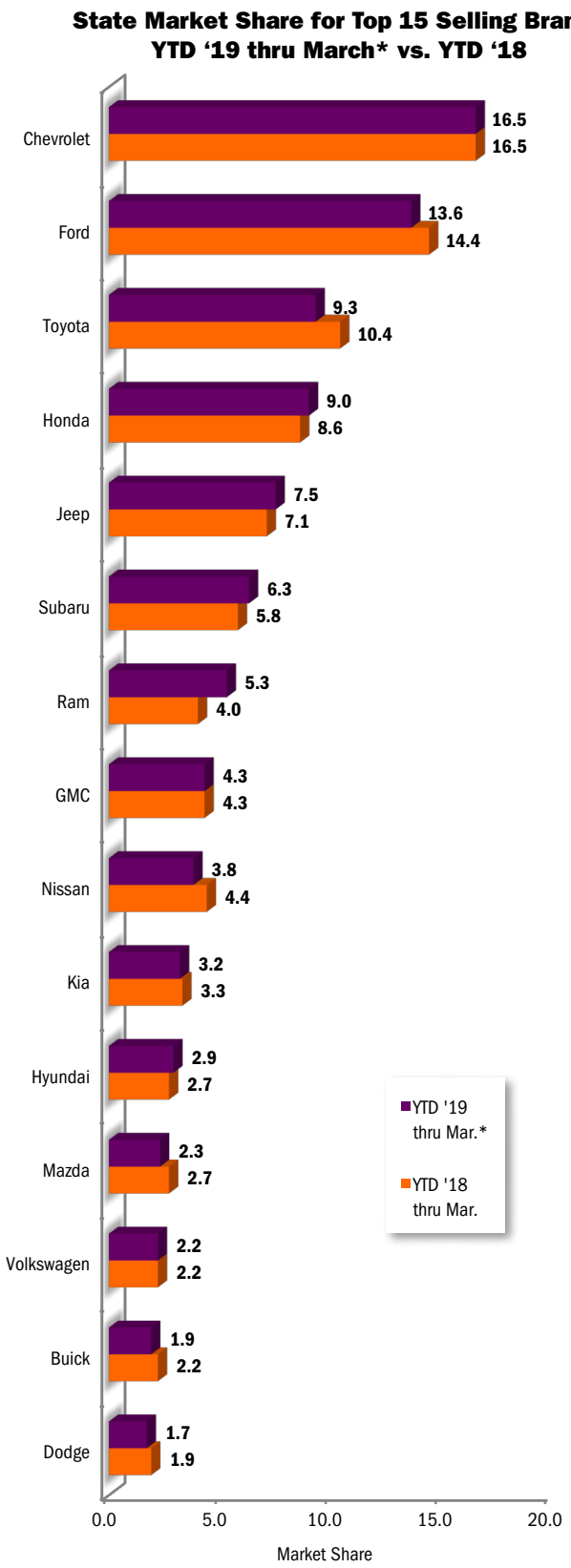

*Figures for March 2019 were estimated by Auto Outlook.

Data Source: IHS.

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SERVICE ADVISOR 101

Learn practices that are essential to increase revenues, improve survey scores, and excel in customer retention.

Service advisors will learn methods to manage vehicle service from start to finish, including communicating with customers, handling customer objections and performing an engaging vehicle walk-around.

Participants will learn:

- Techniques for communicating needed services.
- Methods to build rapport with every client. Techniques for handling objections throughout the process.
- How to ensure trust and credibility in customer relationships.
- How to perform an engaging and informative vehicle walk-around.

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For more information contact Alice Morse
alice@mada.org OR 651-789-2956

WEDNESDAY, JUNE 19

10:00 a.m.- 3:00 p.m.

MADA

200 Lothenbach Ave.
West St. Paul, MN 55118

Meet the Expert

Dan Hahn, *Director Fixed Operations Automotive Development Group (ADG)*

Dan joined ADG in 2014 as a Fixed Operations Trainer and was instrumental in positioning ADG as an industry leader in training and income development for automotive dealerships. Dan brings with him over 25 years of experience in the automotive industry, of which 20 were spent in retail. From the technicians stall, to the service drive and office, his experience allows him to implement customized solutions and drive sustainable results.

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Upcoming Classes
Register Today!

Register online at www.mada.org/training
OR contact Alice Morse alice@mada.org

	Class Options	Date	Location
Webinar: How to Make the Most of Every Lead in a Down Market	**Webinar** 10:00 a.m. - 11:00 a.m. $39 per person	**May 21, 2019**	**Webinar**

	Class Options	Date	Location
Webinar: Manufacturer Replenishment Programs	**Webinar** 10:00 a.m. - 11:00 a.m. $39 per person	**June 5, 2019**	**Webinar**

	Class Options	Date	Location
Title Basics	9:30 a.m. - 11:30 a.m. $199 per person	**June 11, 2019**	**MADA Headquarters** 200 Lothenbach Ave West St. Paul, MN 55118
	9:30 a.m. - 11:30 a.m. $199 per person	**August 13, 2019**	

	Class Options	Date	Location
Dealership Customer Experience for Receptionists, Cashiers & Admins	**West St. Paul** 10:00 a.m. - 2:00 p.m. $199 per person - lunch included	**June 12, 2019**	**MADA Headquarters** 200 Lothenbach Ave West St. Paul, MN 55118

	Class Options	Date	Location
Service Advisor 101	**West St. Paul** 10:00 a.m. - 3:00 p.m. $199 per person - lunch included	**June 19, 2019**	**MADA Headquarters** 200 Lothenbach Ave West St. Paul, MN 55118

	Class Options	Date	Location
The Certified Title & Registration Program	**Sales Tax** 9:00 a.m. - 10:00 a.m. $129*	**August 15, 2019**	**MADA Headquarters** 200 Lothenbach Ave West St. Paul, MN 55118 *$387 for all classes - lunch included
	New to Fleet 10:30 a.m. - 12:30 p.m. $129*	**August 15, 2019**	
	Minnesota Titles and Transfers 1:00 p.m. - 3:00 p.m. $129*	**August 15, 2019**	

When you utilize MADA Education and training, you are investing in your dealership's success AND your industry's success!

We offer trusted, comprehensive, and topical educational opportunities that serve to improve dealership operations. Each course is designed to provide solutions and empower your staff to successfully manage the evolving situations that your dealership faces.

The revenue generated from MADA's training program is reallocated to legislative efforts at the Capitol, your legal counsel, and to fund the activities that strengthen our representation of YOU!

MNLARS to be discarded... *continued from cover*

fund and authorize the changes recommended in the review. In the meantime, DVS and MN.IT staff will finish their last MNLARS release, scheduled for early June, and then freeze the system as procurement and implementation of a new software system is conducted. The estimated timeframe for completion is 16-24 months, which is no longer than fixing the failed MNLARS system was estimated to take.

Member News

Weelborg Chevrolet was recently recognized by the New Ulm Area Chamber of Commerce for their name change last summer. Since 1995, the dealership had operated under the name ***Kohls Weelborg*** to reflect the partnership between **Brett Weelborg** and **Ron Kohls**. Brett Weelborg recently became the sole owner of the company when Ron Kohls retired. Congratulations, Weelborg Chevrolet!

H & L Motors, owned by **Larry & Gary Eekhoff**, has recently changed its name to ***Renville Chevrolet***.

Services News

Familiar Face at MADA Insurance

Sarah Cleveland

MADA Insurance is pleased to announce that Sarah Cleveland is moving from MADA Services to MADA Insurance. In this new role, Sarah will report to Sue Fluegel, MADA Insurance Manager. Sarah has been with MADA Services since October 2014 and brings with her a wealth of knowledge and a great disposition. In her new role of Insurance Coordinator, Sarah will be responsible for managing group insurance enrollments, overseeing COBRA and performing accounting tasks associated with MADA Insurance. Sarah may be contacted at sarah@mada.org or 651-789-2939.

Services News

MADA Services Welcomes New Staff

MADA Services is pleased to welcome Katrina (Katie) Mincke to our customer service team. Katie joins us after having spent the past seven years in various capacities in the Minnesota automobile industry. Katie will be the purchasing expeditor, assisting the sales staff with apparel and promotional product orders.

Katie Mincke

Katie grew up in South St. Paul and still resides there. Katie and her husband have two kids: Logan is 11 years old and Mason is 8. Her husband Dan just started working for MNDOT after running his own prosthetics company for the last six years.

MADA
Minnesota Automobile Dealers Association

Endorsed Service & Vendors

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FIS / Certegy

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American Fidelity Assurance

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Hireology

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Fleet Fueling Program
Speedway

Garagekeeper's Insurance
Arthur Gallagher

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Blue Cross Blue Shield of MN
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Pre-Paid Legal, Jim Gavin
Identity Theft Shield &
Pre-Paid Legal Services

Uniforms and Linen Services
AmeriPride Linen & Apparel Services

Warranty Reimbursement
Bellavia Blatt

Workers Compensation
Ensure Agency

MADA
Services Incorporated

MADA Services sells a wide variety of products directly to the dealers including business forms, clothing and promotional items. For a full review of options, contact your sales representative at 651-291-2400 or go to www.mada.org

Minnesota Automobile Dealers Association
200 Lothenbach Avenue
West St. Paul, MN 55118

MADA NEWS ▪ MAY 2019

Insurance News

Our Answer to the Dealership Insurance Puzzle

One of the many benefits offered to MADA members is the option to participate in MADA Insurance plans. We know insurance can be complex, with many different options and pieces that need to fit together. Our competitive premiums and comprehensive plans provide your dealership the support to attract, and retain, talented employees by offering robust health, vision, dental and life insurance. MADA Insurance also makes insurance as easy as possible, fitting all the pieces together for you so your dealership can focus on your customers.

As the dealership's plan administrator, MADA Insurance manages everything. We make sure your dealership is only charged for current subscribers. We manage enrollments, withdrawals, and changes for the various group insurance plans. We manage all insurance materials for the dealership, including enrollment forms, brochures, flyers, booklets and more. We track COBRA participation and reconcile COBRA payments. We are your COBRA administrator, handling your COBRA continuation paperwork for free!

MADA Insurance also offers dealers support through live discussions and emails so your questions can be answered quickly.

Contact Sue Fluegel, Insurance Manager, by email (sue@mada.org) or phone at 651-789-2937 to learn more about plan options, get a quote, and help you solve your insurance puzzle.