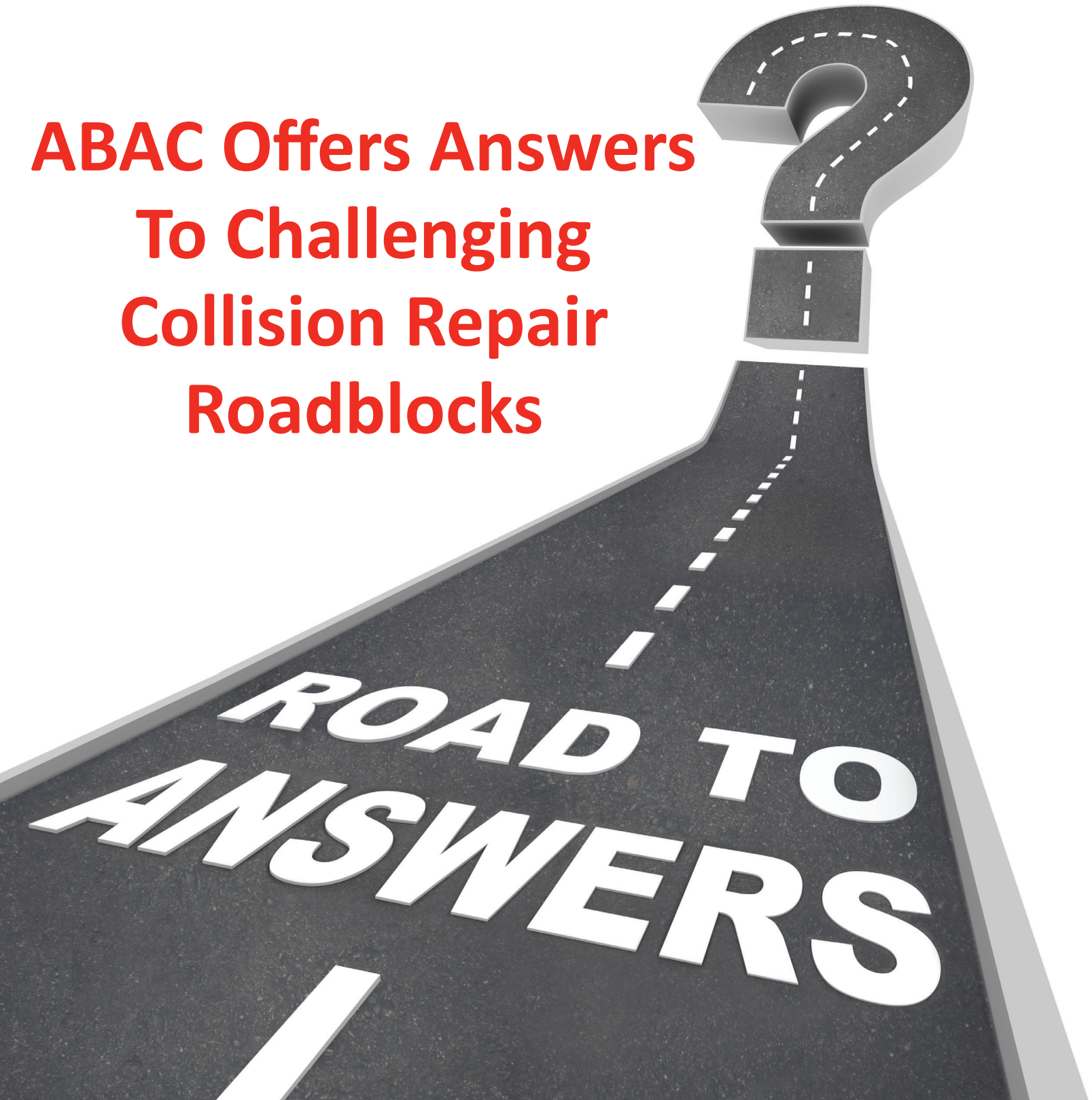


ABAC NEWS

March
April
2019

The Official Newsletter of the Auto Body Association of Connecticut

ABAC Offers Answers To Challenging Collision Repair Roadblocks



Your Car, Your Choice - Find us at www.abaconn.com

Also In This Issue

President's Message:
"To Certify Or Not?" 2-3

ABAC Social Media Update... 3

ABAC Offers Answers to
Collision Businesses'
Roadblocks at "Winds of
Change 2" Event..... 4-10

Wilcox Tech Hosts Annual
Skills USA State Automotive
Repair Competition..... 11-13

Vendor Spotlight Shines on
Stephen Automall
Centre..... 14-15

"Name That Car" Contest 15

SCRS Presents **Lifetime
Achievment Award** to Tony
Lombardozzi..... 16

SCRS Launches 401(k)
Program for Members ... 17-19

Your ABAC Officers & Board
of Directors 20



President's Message

Bob Amendola

To Certify or Not



In today's day and age, we discuss technology all the time. It is changing our industry as we know it daily.

As technology is rapidly changing and advancing, shops are feeling the pressure to invest at rates never seen before.

Furthermore, we are also struggling with how to be compensated for these new investments and continual training.

But reinvesting and getting paid for such is just the tip of the iceberg. The stakes are high and it is not necessarily clear what a good investment is or is not.

As business owners we often ask ourselves what investments are most advantageous to the future of our business. I think we can all relate to the feeling that everyone has a hand in our wallet and deciphering between what is real value versus money-grabbing is often difficult.

I think most of us have ultimately arrived at the conclusion that it is paramount that we continually train our staff, invest in new equipment and follow manufacturer repair procedures. However, many of us may be struggling to determine which avenues will produce ROI or not.

In recent years, I have spent a lot of time and money reinvesting in my business with respect to equipment and training. It is inevitable in our line of work and absolutely imperative to safely repairing today's vehicles. However, I have yet to sign on to any manufacturers' certification programs.

In my opinion, the jury is still out. On the contrary, many of my colleagues are participating in these programs now. Understandably so, the premise of most certification programs is to ensure that vehicles are repaired properly and techs are trained appropriately.

Continued on Page 3

Continued from Page 2

Not only do I agree with this idea but I believe it is imperative to the future of the collision repair industry. Despite this, I'm not sold on the idea of shops having to pay to participate. The amount of money required to do so is where my concerns lie.

As business owners, we constantly work under the principle of risk versus reward. In all honesty, I have been contemplating this for quite some time and have not arrived at a conclusion yet.

Perhaps a solution would be to start with one certification and see how it goes over a period of time. In conclusion, regardless of your decision to join any of these programs or not, I encourage you to do your own independent research and make a decision based on what is best for your own business.

Bob

**Bob Amendola - Autoworks of Westville
President - Auto Body Association of Connecticut**

ABAC Social Media Update



In our last social media update, we reported a reach of over 200,000 people through our social media efforts within a 3 month time-frame. We're happy to report that we've continued this progression within the last 3 months as well, reaching over 170,000 people!

We currently have nearly 4,000 followers on our Facebook page and just about 700 on our Instagram page. We continue to work towards hitting the next milestone of 5,000 followers on Facebook and 1,000 on Instagram through paid advertisements, boosted posts and creative content.

An exciting side-note to mention and evidence that we are gaining traction online, the Governor's Instagram page is now following our page!

Keep an eye out for the last set of videos we will be releasing soon so you can share them with your friends, family and customers. You can find them on Facebook page in the "videos" section of the sidebar.

As always, we appreciate your continued efforts in sharing our content and encouraging your friends, family and customers to follow our page. The more education and awareness we can provide to the motoring public the better!

Submitted by Ashley Burzenski - ABAC Vice-President

ABAC Offers Answers to Collision Business' Roadblocks

Board Members & Industry Leaders Form Panel to Assist Attendees

On Tuesday March 12th, the Auto Body Association of Connecticut (ABAC) held its quarterly meeting at the USS Chowder Pot in Hartford, CT.

ABAC President Bob Amendola called the packed house to order and expressed appreciation to attendees for taking the time to come to the meeting and sponsors for their support.

The sponsors for this evening's event were:

- **Primary Sponsor**

- Albert Kemperle – Auto Paint, Body & Equipment
- PPG



- **Co-Sponsor**

- Enterprise Rent-A-Car



Bob also acknowledged the ABAC News Supporting Advertisers and Corporate Sponsors.

Amendola then went over the highlights from the first "Winds of Change" meeting that was held in January. Said Bob, ***"At our last meeting we presented what we thought were some of the sticking points that may be holding back our industry and each one of us spoke on a topic, issue or concern. What we will be presenting tonight during "Winds of Change 2" is to try and answer any specific questions or concerns that YOU may have or, how to try and make something better. We have provided questionnaire cards for all of you at each table for you to write down those questions or concerns. After dinner, we will gather those cards and will try, to the best of our ability, to provide you with answers from our panel. We ALL learn, and every time we engage with each other, we ALL learn more."***

He then continued, ***"During our first "Winds of Change", we were answering questions and it seemed as though we didn't have enough time to address those questions entirely. Tonight, in this format, we hope to be concise and to the point to address your concerns. Our Executive Administrator, Heather Romaniello, sent out an email to members well before this meeting to ask for input on what topics we may address. We did receive a few responses and we will begin with those immediately after dinner."***



Continued on Page 5

Continued from Page 4

Before breaking for dinner, Amendola recognized several of the attendees from the Alliance of Automotive Service Providers of Massachusetts (AASP/MA) who were in attendance this evening. Through the efforts of their Executive Director, Evangelos “Lucky” Papageorg, they all traveled to Hartford together not only to attend, but to learn what other associations outside of their area are doing to help the automotive collision industry move in a positive direction.



After dinner, Immediate Past President Tony Ferraiolo stepped up to the podium. ***“In your folders that we have provided on each table, you will find a document that is so important. It is the Customer Repair Contract. If you don’t use a Repair Contract, you basically have nothing. If these people do not want to pay you or if you go up against an insurance company and you go to court, you have a zero chance of a decision in your favor. This is the simplest change (using a repair contract) that you can implement in your business, This form is in your folder and it’s on our website www.abaconn.org. ABAC Legal Counsel Attorney John Parese has worked tirelessly to make sure that this contract is iron-clad and valid”***, said Ferraiolo.

Amendola then introduced Dave Fogarty from the Lorensen Auto Group. Said Fogarty, “We presented “Winds of Change 1” in Guilford and it was so well received that the ABAC decided to follow that up with tonight’s “Winds of Change 2” event here in Hartford.” Fogarty then introduced each participating ABAC panel members and guests that would provide answers to members’ questions. They were:

- President - Bob Amendola – Autoworks of Westville – New Haven
- Immediate Past President – Tony Ferraiolo – A&R Body Specialty – Wallingford
- Board of Director – Tony Cavallaro Sr. – Airport Road Auto Body – Hartford
- Board of Director – Ed Lupinek – Eddie’s Auto Body – East Haddam
- Superare Marketing/CCRE President – Tony Lombardozzi – Nashua, NH
- ABAC Legal Counsel – John M. Parese – Law Offices of Buckley, Wynne & Parese
- Managing Director - Dave Green - Pinnacle Tool & Equipment - Cranbury, NJ

Continued on Page 6

Continued from Page 5



At this time, the questionnaires were presented by those in attendance to our panel members. Here are the results of those questions:

Why do we allow insurers to interfere with our business?

Tony Lombardozzi: Very simple. Because we know no other way. How many people think there's a better way? There IS a better way. It's a mindset change. All you must do is learn to change. It can be done. People in attendance here tonight have done it. I've done it. I began the process almost 25 years ago and I know it works. They (the insurers) don't belong in our businesses. They sell insurance; they pay claims. We repair collision damaged vehicles, plain and simple. And we're not in the insurance business.

What is the difference between an "authorization to repair" and a "repair contract"?

John Parese: A *repair contract* is fundamental to everything you do. It can be utilized for fighting insurance companies when there's a short pay; but it can also function to protect you from your own customer who doesn't pay. It also protects you against any complaints that may be filed against you at the DMV. So, using a proper repair contract really protects you in three important ways. That's a *repair contract*. That gives you rights to sue and to protect yourself in the event of a claim.



Continued on Page 7

Continued from Page 6

A *repair authorization* essentially just gives you authorization to fix a vehicle. So, it's much more limited. When I first started consulting with repair shops many years ago, I would say that almost everyone had the wrong forms. Most shops were violating DMV regulations and shops weren't protected or eligible to sue in court because their forms were wrong. Now, it has gotten much better but there are still shops that are not using the right forms. It's an easy thing to adopt in your business. You can download the forms for free from the ABAC website (www.abaconn.org), send it to your local printer to have copies made.



Can insurance companies abandon cars that don't have any salvage value?

Bob Amendola: We see this happening a lot. What we started doing is filing lawsuits over this. It's a grind but can be worth it. Once you sue them a few times over it, they will get the point. Then, we typically will call the customer and explain what the company's done to them and then we ask where they want the car dropped off: in their driveway or in front of the house. After a few times, the carrier will learn its lesson.

Are we entitled to be paid for our effort and work on a sublet?

Tony Ferraiolo: Obviously if you are transporting a car somewhere and you're paying out money, you're entitled to a markup on it. That markup is determined by you, the shop owner, based on a fair and reasonable rate. We do not share with third parties what we pay for services. That is confidential information.

Are certifications worth the investment?

Tony Cavallaro Sr.: I began my first Certification in 2004 with Jaguar and Range Rover. I've continued to move forward ever since. The certifications that are in place today are very important to all of us. That is where the industry is going. I feel so fortunate that I took an investment in becoming certified. I made the investment and just never looked back. The OEM manufacturers will be your customers moving forward. Insurance companies are concerned about that fact. When a customer gets into an accident and they have roadside assistance and you're on a certification program, that vehicle is coming to you before it gets into an insurance company's hands. And that's what we really need to do. You need to get on board with certification. Yes, it is worth the investment.

Is it legal to charge storage on repairable vehicles?

Tony Ferraiolo: Yes. If you look in your Winds of Change books that you received tonight, you will find documentation from the State of Connecticut DMV that was sent to John Parese that pertains to Regulation of Motor Vehicle Storage Charges. Use this documentation! On the second page you will see a highlighted paragraph that will give you the standards and requirements.

How do equipment usage charges factor into a good business model?

Tony Lombardoizzi: Does every vehicle have to go on the bench? Every damaged vehicle? Does every vehicle need an AC refrigerant evacuation and recharge? No. But some equipment is specific to the vehicle that is being repaired. So, what you do is you take the cost of the equipment, you add maintenance and material costs, you amortize and that will give you your cost per year.

Continued on Page 8

Continued from Page 7

Divide that by 12 to figure out your cost per month and then estimate the number of cars that will be needing that equipment and that will be your basic cost to use that equipment every single time. Once you've established the cost you can get Return on Investment (ROI). You add a profit margin to your cost and that's your fee. There are many variables. Menu pricing is another option to consider when thinking about your investment in today's modern equipment.

Is pre/post scanning necessary to properly fix today's vehicles?

Bob Amendola: Yes. We do this all the time. We invoice for our services and we are paid for what we do. Check the OEM guidelines on this as well.

On a total loss, are we legally entitled to charge for our labor, including time spent with insurance and customer?

Bob Amendola: The answer is absolutely yes. You're taking into consideration removing the plates, helping the customer with their personal belongings, writing a fair damage assessment. All of these things cost you time. And time is money.

What happens when the insurer doesn't want to pay for necessary parts or procedures to make the vehicle crashworthy, particularly when recommended by the manufacturer?

Tony Ferraiolo: It's an easy answer. Who's the professional? You're the professional repairing that vehicle. You need to make the judgment call as to what is necessary to repair the vehicle properly. That's up to you. And you bear the risk if you are wrong. Getting paid can be a challenge, but you should not ever compromise safety or quality.

How do you fight an insurance company that is refusing to pay your fair and posted rates?

Tony Cavallaro: What we do, and this doesn't work for all insurance companies, we've built this reputation; quality work, quality service, get paid for what we do. We write our supplement at our own labor rate. If you stand your ground, you have a better chance.

If the states merge with some type of association: which states would be involved? What would be first on the agenda? Can it be legally done?

John Parese: Yes, it can be done legally. There's nothing illegal about having an association to better your industry. What would be first on the agenda? Great question. It would be great to see Connecticut, Massachusetts and Rhode Island starting to bridge the gap because we all have something to gain from this unity and we can all learn from each other.

How do you combat photo estimates and virtual supplements/desk reviews?

Tony Ferraiolo: Like I've said before, I hate photo estimates. I have not done a virtual estimate. Some companies have said, 'This is the only way that we do it.' Well, that's not the way WE do it. It's easy. Just start saying no on the photo estimates. Send an appraiser. Your customer has the right to have their vehicle inspected in person. The best way to combat photo estimates is to educate your customers.

Continued on Page 9

Continued from Page 8

How do we get around the insurance company telling us they will not pay for additional parts unless we purchase from the specific vendor they state, even if the parts are incorrect?

Tony Lombardozi: They lie. I don't believe there is any law in Connecticut that states that you are bound to purchase parts from a source that the insurance company recommends. Insurance companies do not repair vehicles!

How do you express to the customer that the OEM procedures are the best repairs?

Tony Lombardozi: You open your mouth and start the dialogue. You tell them what's right based on what the OEM manufacturer recommends, what you recommend. You're the expert.

How does a customer go about collecting the money they paid out because the insurance will not fix the vehicle properly?

Tony Lombardozi: They can do a demand letter, or they can go to court. It's a civil matter.

What is the best way to bill for research time?

Tony Lombardozi: Put it on your invoice. I'm not trying to be a wise guy. You bill for it. If you performed the work and you feel entitled to get paid, put it down in writing on your invoice.

How do you determine true cost of labor?

Tony Lombardozi: Calculating your true cost of labor can be done by using a formula that includes taking your raw cost of labor and adding in your fringe benefits costs and your overhead costs to determine your actual "cost". Then you must ADD a reasonable profit margin that you feel works for your shop. This becomes your shop billing rate for labor. Superare Marketing can assist you in calculating these rates. Our fee is reasonable, and you will get a return on the investment immediately.

What is menu pricing?

Tony Lombardozi: Menu pricing is a list of your shop's charges in dollar amounts.

As an example:

Administration Fees from \$ XXX.xx

AC System Servicing from \$ XXX.xx plus refrigerant and oil.

Diagnostic Alignments from \$ XXX.xx

Basic 4 Wheel Alignment from \$ XXX.xx

Blueprinting and Repair Planning from \$XXX.xx

Data Research and Repair Plan research from \$ XXX.xx

How do we deal with an insurance appraiser telling us the company won't pay for necessary repairs after we've already started working on the vehicle and the appraiser hasn't visually confirmed the additional damages?

Ed Lupinek: Once an insurance company inspects a vehicle, determines the loss and liability, we produce a repair plan and repair the vehicle. It's that simple. The days of waiting are over. You can and should document what you are doing and take photos. The photos together with a final invoice is all that is required. We are not working for the insurance company. Your customer should be updated on the repair process and all repairs should, of course, be authorized by your customer.

Continued on Page 10

Continued from Page 9

How do we tell the customer that if you wish to have your car repaired to pre-accident condition, you may have to pay the difference in price for OEM parts?

Panel: This conversation should be discussed up front when you are scheduling the repair work. The customer must make the decision of repair parts, no-one else really has that decision. Whatever arrangement the customer has with their insurance company, is the customer's business. The repair shop and customer have a repair contract, the price for services needs to be understood by both parts. The best thing is to educate your customers so they can make a safe and informed decision.

How do you challenge the insurance company and not lose your customer?

Panel: There are a lot of ways to handle this. But you have to start with education, integrity, quality, honesty, and proper and safe repairs. If you are doing these things, you will keep your customer and fix their vehicle correctly.

What is the difference between a contract with the customer and a contract with the insurance company?

Panel: If you are not a direct repair for the insurance company, you can't have a contract with the insurance company. Your contract is with your customer. We believe having a contract with both a vehicle owner and insurer paying on the claim can cause a conflict of interest. You have two masters. At the end of the day, your contract requires you to fix the vehicle for your customer the vehicle owner. That's where your primary responsibility lies.

How do you organize shop materials?

Ed Lupinek: If you are organized and diligent, organizing and being fairly paid for shop materials should not be a problem. If you are not already, you should consider using software to determine costs based on vehicle paint codes. You can use paint system pour sheets to document costs. You need to really know what materials are costing you. Make sure to thoroughly document and invoice for what you are using.

Thank you to the panel for helping make this "Winds of Change 2" another successful meeting of the Auto Body Association of Connecticut.

Amendola then brought the meeting to a close with a 50/50 Raffles and a give-a-way of several gift cards donated by the ABAC.

Submitted by Don Cushing



Wilcox Tech Hosts Annual Skills USA Competition

Wilcox Technical School in Meriden, CT. was the host site for the Annual Skills USA Competition on March 29th, 2019.

SkillsUSA is a national membership association serving high school, college and middle school students who are preparing for careers in trade, technical and skilled service occupations, including health occupations, and for further education. SkillsUSA is a partnership of students, teachers and industry working together to ensure America has a skilled workforce. SkillsUSA helps each student excel.

Dan Thibault, Instructor at Wilcox Tech was kind enough to allow us to take photos and see this competition in action. Thibault has been involved in teaching automotive classes for 28 years.

Ten participants from 8 area Technical Schools assembled to compete in areas of Auto Body repair consisting of Refinishing, Sheet Metal Prep, Welding, Tram Measurement and Steering & Suspension ID. Contestants will demonstrate their ability to perform jobs and skills based on the task list outlined by the National Institute for Automotive Service Excellence (ASE) and the National Automotive Technicians Education Foundation (NATEF). There will be a written test on estimating, structural analysis, and an ASE exam. The competitors will also participate in an interview. The overall appearance of the finished product, speed and proper safety practices will be judged.



Students competing in this year's Connecticut competition were:

Continued on Page 12

Continued from Page 11

- | | | |
|--------------------|--|------------|
| • Russell Ebbeling | Harvard H. Ellis Technical High School | Danielson |
| • Nicholas Grenier | Oliver Wolcott Technical High School | Torrington |
| • Bailey Haniewski | H. C. Wilcox Technical High School | Meriden |
| • Michael McKlosky | Platt Technical High School | Milford |
| • Anthony Oliveras | Platt Technical High School | Milford |
| • Paul Patenaude | Vinal Technical High School | Middletown |
| • Jaedon Rivera | Ella T. Grasso Technical High School | Groton |
| • Jonathan Rivera | A.I. Prince Technical High School | Hartford |
| • Nicolas Santoro | Oliver Wolcott Technical High School | Torrington |
| • Carlos Suarez | W.F. Kaynor Technical High School | Waterbury |

These students could potentially be working on automobiles which have become “high-tech computers on wheels” and will offer the students a good future in our industry. Each student was assigned to repair 2 hail size dents in a fender (straighten one and fill the other), prepare to refinish and paint another portion of the fender and then move to the welding area to weld several metals.



Proctors grading the competitors were:

- Mike Nobes - Northeast Industrial Sales Manager - Global Finishing Solutions
- Thomas Streeter - Technical Service Specialist - Albert Kemperle
- Chris Brubaker - Welding Process Specialist - Northeast Region – Airgas

Instructors were:

- Daniel Thibault - Wilcox Tech
- Ed Welch - Wilcox Tech
- Bob Hipp - Kaynor

Continued on Page 13

Continued from Page 12

Don Cushing, Wholesale Sales Mgr. and Cynthia Robinson, Outside Sales Representative for Tasca Parts Center based in Rhode Island were also in attendance. As in years past, Cushing contacted executives at the Mopar Parts Division of FCA and they were kind enough to donate the fender panels, through Tasca, for the competition which the students repaired and painted. Don and Cynthia tell us that they and their company are happy and honored for the opportunity to be involved with Skills USA and future auto body technicians!

Trade Instructor Phone # E-Mail Address

- Danielson-Collision McColgan, Patrick- DH 860-412-7548 Patrick.Mccolgan@ct.gov
- Danielson-Collision Senuta, Thomas 860-412-7524 Thomas.Senuta@ct.gov
- Groton- Collision Violette, Steve- DH 860-448-0220 ext 360 Steven.Violette@ct.gov
- Groton- Collision Rios, Jose 860-448-0220 ext 361 jose.a.rios@ct.gov
- Waterbury- Collision Hipp, Robert- DH 203-596-4302 ext 8724 Robert.Hipp@ct.gov
- Waterbury- Collision Lilienthal, James 203-596-4302 ext 8727 james.lilienthal@ct.gov
- Milford- Collision Turcotte, Robert- DH 203-783-5300 ext 360 Robert.Turcotte@ct.gov
- Milford- Collision Catan, Robert 203-783-5300 ext 383 Robert.Catan@ct.gov
- Hartford- Collision Benedict, Richard- DH 860-951-7112 ext 5509 richard.benedict@ct.gov
- Hartford- Collision Levesque, Eric 860-951-7112 ext 5512 eric.levesque@ct.gov
- Middletown- Collision Crary, Tom- DH 860-344-7100 ext 326 Thomas.Crary@ct.gov
- Middletown- Collision Maher, Eric 860-344-7100 ext 390 Eric.Maher@ct.gov
- Meriden- Collision Thibault, Daniel- DH 203-238-6260 ext 5838 Daniel.Thibault@ct.gov
- Meriden- Collision Welch, Ed 203-238-6260 ext 5920 Ed.Welch@ct.gov
- Torrington- Collision Ducey, Robert- DH 860-496-5376 Robert.Ducey@ct.gov
- Torrington- Collision Moreira, Rui 860-496-5377 Rui.Moreira@ct.gov





This edition's Sponsor Spotlight shines on Stephen AutoMall Centre in Bristol, Ct. Stephen's is another of the ABAC's Gold Sponsor Supporting Vendor and has been a loyal supporter for many years.

We recently caught up with several of their key parts people to get their thoughts on the industry, as well as a look inside their wholesale parts operation.

Greg Kearns is the Toyota Scion Parts Manager. He has been in that position for 12 years. Devon Sylvester is the Cadillac/GMC Parts Manager and has also been in that position for 12 years.

Both gentlemen worked their way up through the ranks working in other dealership positions such as lot attendants, detailing, counter person, etc. They advanced due to their eagerness to learn and manage.

Stephens' parts departments have 17 "wholesale specific" employees. They are the leading GM Wholesale dealer in Connecticut. They carry a \$1.5M combined inventory housed under one roof. They serve all of Connecticut with twice-a-day deliveries for Independent Mechanical Repair Facilities, Collision Repair Centers and Fleet Facilities. Their 5 delivery drivers are on the road by 7:00am. Their motto: "Take Care of the Customer!" They are willing to outsource for the good of the customer even if it means minimal profit.

Stephen AutoMall also has their "man on the streets" in their Outside Service Representative, Brian Walendziak. Brian has been with the company for 15 years, the past 3 as their OSR and before that, serving as Toyota Parts Manager and Assistant GM Parts Manager. Brian has been involved in the industry for 24 years. He gets a first hand look at what's going on in the industry by meeting and greeting many of the shops that are his customers. You can also see Brian at most ABAC Events throughout the year.



Continued on Page 15

Continued from Page 14

Devon, Greg and Brian saw an opportunity to become a Gold Sponsor with the ABAC and have been reaping the benefits by offering on-site training for IRF's and Collision Shops through GM. Stephen's has stepped up and taken the lead by bringing in and scheduling GM certified training and continue to host General Motors' new plans in an effort to keep everyone up-to-date.

As a last question, we asked them what they see as the future of the parts industry. ***"With all the involvement of the insurance industry and their mandates, we see the future as very challenging. We hope that the education of the Collision Repair shops and the consumers continue through the various associations."***

The ABAC would like to thank Greg, Devon and Brian for taking their time to give us some feedback.

Submitted by Don Cushing

Name That Car Contest!

What Classic Car Is This??

Send Your Answer to

abacnews13@gmail.com

**On May 31st, we will choose a winner
from all of the correct answers**

**Winner will receive a \$200.00 Visa Gift Card
One Entry per person, please!**



**We had several
entries for our
January - February
contest.**

**However, it appears
that we stumped
everyone.**

The correct answer is a 1964



Opel Cadet Custom

Tony Lombardozzi, President and Founder of the Coalition for Repair Excellence Presented with SCRS' Lifetime Achievement Award in Nashville

Businessman. Leader. Diligent. Impartial. Inventive. Passionate and persistent. Reliable. Resourceful. The list of what Tony Lombardozzi is and means to our industry goes on. But the one word that we'd like to use for Mr. Lombardozzi is, **friend**. The ABAC was extremely proud to learn that Tony Lombardozzi was presented the Lifetime Achievement Award from the Society of Collision Repair Specialists recently at their meeting in Nashville. (See excerpt below)

Mr. Lombardozzi's passion for the Collision Industry knows no limit. Tony is always ready to educate or offer assistance at any time. Over the years, his presence at many of our ABAC meetings is certainly an added draw for attendees. He's always ready to step up to the podium to offer his words of wisdom. The ABAC is so fortunate to be able to draw from this man's ability to lead. Congratulations Tony Lombardozzi for all you have done and continue to do for our industry. The award is well deserved. We're proud to call you **"friend"**.



SCRS' new board was sworn in Wednesday during a luncheon that also saw the organization recognize its corporate members and present three special awards. SCRS only gives its awards when it feels they're warranted rather than risk filling an annual award with a warm body.

Lifetime Achievement: SCRS gave the 15th Lifetime Achievement award in its nearly 40-year history to Tony Lombardozzi, president and founder of the Coalition for Collision Repair Excellence.

Hendler said that while he and Lombardozzi didn't always agree during various industry

battles, both were on the same line: improving the industry. Lombardozzi "stands on that line so hard, the line shrinks," Hendler said.

Lombardozzi told the audience that when he started his "little quest" in 1957, he wanted to leave the collision industry better than he found it. "I think we've accomplished a lot of it; we have a long way to go" Lombardozzi said. "I keep trying, and I will keep trying."

He said the award was also for everyone who tried to improve the industry.

Submitted by Don Cushing - Excerpts from www.RepairerDrivenNews.com

SCRS launches 401(k) program for members

The Society of Collision Repair Specialists on Tuesday announced it had formally launched its 401(k) program for member companies, an initiative that could help smaller auto body shops compete with larger rivals on benefits.

SCRS and partner HR services firm Decisely have developed a program which allows multiple small businesses to team up and spread the cost of a 401(k) among each other.

"They're quite expensive," especially for small businesses, Decisely marketing Vice President Diane Peoples said in 2018. She said the savings can be as much as 50 percent of the 401(k) fees to an employer.

"A 401k plan has several layers of cost and like many businesses, pricing improves with scale," SCRS wrote in a news release Tuesday. "By joining with other employers, association members can achieve greater numbers, which drives down expenses for participants."

SCRS on Tuesday reported preliminary testing "identified savings ranging between \$5,000 - \$15,000 annually; while also presenting opportunities to positively impact employee plans and basis points."

"Our board is comprised of small business owners and feel strongly about finding ways to support and assist our team members," SCRS Chairman Kye Yeung (European Motor Car Works) said in a statement. "We are also all keenly aware that there is a challenge for many businesses like ours as a result of the costs and administrative burdens that go along with offering competitive benefits. It was a priority for this organization to find ways to alleviate some of those hurdles to positively impact the businesses we serve, and the lives of those they employ."

Virginia Asset Management partner Scott Broaddus has been tapped as the investment advisor for the plan and participating SCRS members. His company will also offer members with existing 401(k)s or simple IRAs a free cost and investment options analysis.

"A business owner offering a 401(k) plan is required to run a compliant retirement plan while often having little previous experience managing workplace benefits," Broaddus said in a statement. "Over the past 12 months, SCRS has worked hard to design an Association 401(k) plan that will save its members both time and money. With compliance and fiduciary oversight support, a business owner now has professional partners to ensure plan compliance while also saving on average 25% in total fees for its members with an existing 401k plan."

SCRS said collision repairers could also save administrative liability and time by using its 401(k) option.

As former SCRS Chairman Andy Dingman (Dingman's Collision Center) observed during the organization's open board meeting Tuesday, his company has grown from offering a simple IRA to a 401(k) with fiduciary responsibility on the plan provider. He called the latter a "really big benefit" to his shop, for it offered an additional layer of Employee Retirement Income Security Act compliance protection.

"Employers who use the Plan will have partners who provide fiduciary services and formalize their Plans with an Investment Policy Statement, Investment Committee Meeting Minutes and Employee Education," SCRS wrote in the news release. "This is uncommon in employer plans under \$5 million in assets."

In terms of saving time, the program allowed small shops without any full-time HR employees to delegate retirement-related tasks to a third party. Without such a partner, the shop owner or another employee would have to handle those items along with their other responsibilities.

Continued on Page 18

Continued from Page 17

If your shop already offered a retirement plan or was considering doing so, “this is such a great opportunity,” Dingman said.

“There has never been a better time to be a member of SCRS, or to consider joining,” SCRS Executive Director Aaron Schulenburg said in a statement. “We have said repeatedly that we believe small businesses deserve more, and that we are going to do everything in our power to leverage the opportunities created by the size and scope of SCRS’ membership. We are exceptionally fortunate to have partners with a similar vision and look forward to serving our members – and their employees – well with programs like this that can contribute to increased quality of life.”

The option to combine forces on 401(k)s had already existed for small businesses in general, but it received a boost in October 2018 when the Trump administration announced a proposed Department of Labor rule regarding Association Retirement Plans and 401(k)s offered by Professional Employer Organizations, which are companies that contract to handle some human resources duties for other businesses.

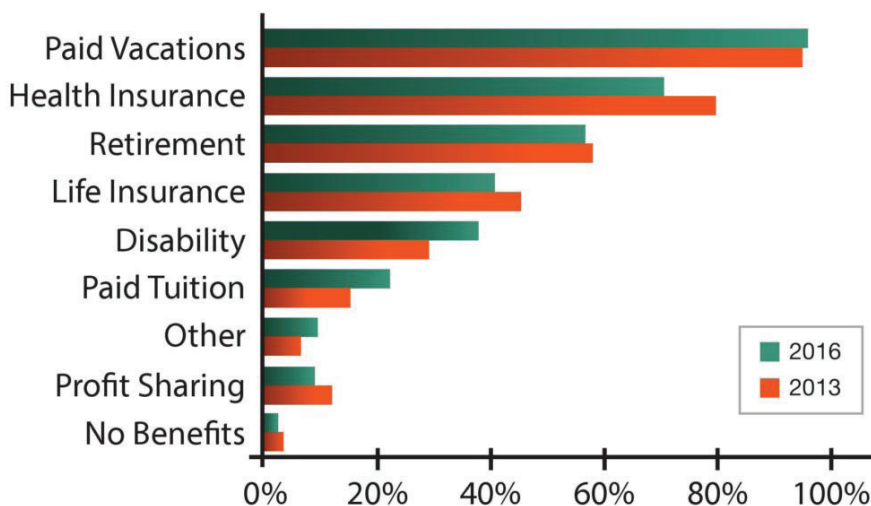
“Under the proposed rule, Association Retirement Plans could be offered by associations of employers in a city, county, state, or a multi-state metropolitan area, or in a particular industry nationwide,” the Labor Department wrote last year. “Sole proprietors, as well as their families, would also be permitted to join such plans. In addition to association sponsors, the plans could also be sponsored through Professional Employer Organizations (PEO). A PEO is a human-resource company that contractually assumes certain employment responsibilities for its client employers.” Decisely CEO Kevin Dunn at the time said the Labor Department had opened an “aperture” to make it easier for collective plans.

Staying competitive

Even if you don’t use SCRS’ option, some sort of retirement plan could be crucial to a small shop which wants to stay competitive with local, regional or national MSOs.

Nationwide, 45 percent of all private businesses with fewer than 50 staffers offer retirement benefits, according to the Bureau of Labor Statistics. However, 75 percent of businesses with 50-99 employees, 88 percent of businesses with 100-499 employers, and 94 percent of companies with 500 or more workers offer retirement.

Percent of Shops Offering Each Benefit



Continued on Page 19

Continued from Page 18

Less than 60 percent of collision repairers surveyed offered retirement as a benefit in 2016, according to an I-CAR-Collision Repair Education Foundation study. That's a little less than three years prior. (Less than three percent of auto body shops offered no benefits at all in 2016, I-CAR and CREF wrote.)

"Benefit packages offered to today's collision repair technician workforce show little change from previous survey data, except for a significant decrease in health care coverage," the two organizations wrote.

Retirement could be increasingly attractive to an industry that appears to be graying.

"Average technician age has increased to almost 41 years old, rising about 13% since 1995," CREF and I-CAR wrote. "A particular concern for this industry is the growth in the percentage of technicians over 50 years old."

The CEO of Gerber Collision's parent company reported in March that the company's normalized same-store sales jumped 5.2 percent in the fourth quarter of 2018. Boyd Group CEO Brock Bulbuck indicated a major factor was also the company's progress on its technician shortage. The company has a backlog of work that simply can't be converted to sales if it lacks the techs to do the repair and get paid.

The Boyd Group, which owns Boyd Autobody, Gerber Collision and Assured Automotive, last year put half of the projected \$11 million CAD savings from the U.S. tax cuts into better benefits for its technicians. It increased vacation and holiday pay for commissioned repairers, and it doubled its employer match and shortened vesting on repairers' 401(k)s.

"We're not out of the woods" on the tech shortage, but the Boyd Group made enough progress to post the kind of results it did in the fourth quarter, Bulbuck told analysts on an earnings call.

Source: www.RepairerDrivenNews.com - Article by John Huetter



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