

Associate Advisory Committee Meeting
Thursday, March 22, 2018
AASP-MN Office

Meeting Recap

Present: Dave Bock, Todd Ratzlaff, Brittany Reilly, McKenzie Spalding, Andrea Ossowski, Brad Schmid, Bob Auman, Judell Anderson

I. WELCOME AND CALL TO ORDER

The Associate Advisory Committee meeting was called to order by Dave Bock. Cell phone policy was noted and those present introduced themselves.

II. BRIEFING: ISSUES/INITIATIVES

Collision Division

AASP-MN has held a series of in-district meetings hosted by member shops with key Senators and Representatives who serve on the Commerce Committee. The meetings have educated the legislators about claims and repair processes, the working relationship between insurers and shops, and the need for legislative intervention to level the playing field in that relationship.

Other issues of high concern for the collision repair industry include the increasing use of insurer photo applications for providing estimates for the repair of damaged vehicles. These photo apps are leaving insureds in a very vulnerable position – often resulting in consumers accepting lower payments for their damaged vehicles than would be required to make proper repairs. Additionally, insurers have increased pressure on shops to deviate from (or not pay for) OEM required procedures during the repair process. Members are concerned about the prospect of repair shop liability if the repair process deviates from OE standards.

AASP-MN representatives recently met with the MPCA on the air quality permit regulations. MPCA has not yet received clearance from the Governor's office to publish the proposed rule. It was expected that the draft rule would be available for review by now. As soon as it is available, AASP-MN will undertake a review and offer comments to the Agency. The object of the rule is to make it easier for repair shops to be properly permitted and to readily comply with the rules through a notice and reporting process.

A meeting with the new Commissioner of Commerce – Jessica Looman is scheduled for March 29th. This is part of an ongoing practice to ensure that repair industry concerns are clearly understood by key personnel at the Department of Commerce.

Mechanical Division

Enrollment for the 2018 *Get to Know Your Neighborhood Auto Repair Pro*TM campaign is currently under way. The program continues to be valued by those who participate.

Legislative

Judell described the major issues that are being considered at the Legislature. This is a non-budget year which will feature the development of a Capital Budget. State general obligation bonds will be issued to repair or build new public buildings.

The Tax Committee will be focusing on developing legislation to conform the State Tax Code with the Federal Tax Code in light of the tax changes that were enacted in Washington, D.C. in late 2017. The February

Revenue Forecast shows the state having a projected surplus of approximately \$329 million. It is not expected that that amount of a surplus will generate a significant amount of activity in terms of new state spending.

MNCARS (Minnesota Careers in Auto Repair & Service) Update

MNCARS' new Motor Mouth campaign will be launching in the coming weeks and will focus on shops working in their own community to promote careers and education in the collision repair and auto service industry. Display and poster materials, brochures, power point presentations and business cards which direct inquirers to a website and social media posts are all part of the new program.

III. MEMBERSHIP UPDATE

Judell reported that AASP-MN achieved a 92% retention rate for 2017 renewals and, for the 4th consecutive year, set a membership record.

IV. OTHER OLD/NEW BUSINESS

- Annual Meeting & Leadership Conference: Doubletree Bloomington South on April 5th. Those present indicated their willingness to help promote the event to their customer base. Judell will provide a digital file for this use.
- Bill Smith Fund: Dave reported that the Board of Directors has taken action to transfer \$10,000 a year from the Bill Smith Fund to the AASP-MN Automotive Education Fund until the Bill Smith Fund is liquidated. The transferred monies will be used to fund AASP-MN scholarships for students entering post-secondary automotive service and collision repair programs in Minnesota.
- Raffle ticket sales: Judell inquired as to whether there were any needs or challenges surrounding raffle ticket sales for the custom bike. None were forthcoming. She stressed the importance of accounting for each and every ticket – sold and unsold – to comply with MN Gambling Board regulations.

V. ROUNDTABLE DISCUSSION

Discussion included State Farm “pruning” shops from its DRP program and a lack of succession planning amongst small shops, particularly in Greater Minnesota.

VI. UPCOMING EVENTS

- SkillsUSA contests – March 24 @ South Central College, Mankato
- World of Wheels – March 23-25 @ U.S. Bank Stadium
- Annual Meeting & Leadership Conference – April 5 @ DoubleTree Bloomington
- Golf Outing – June 19 @ Keller Golf Course
- Bike Raffle – June 27 @ Veit Automotive Foundation

There being no further business, the meeting was duly adjourned.