



IOWA COLLISION REPAIR ASSOCIATION | WWW.IOWACRA.COM

ICRA LEGISLATIVE ACTION

This year the Iowa Collision Repair Association is tackling the issue of reimbursement for sales tax paint and material again in 2011. We have been working on this for some time. The interesting news is that in speaking with someone from the Virginia collision repair association, we found out it took them seven years to get the law changed. The Iowa Auto Dealers Association is working with the ICRA on sales tax legislation this year.

Why We Are Doing This?????

Iowa is one of only three states left that does not allow for reimbursement for sales tax on paint and material.

In researching this law we can report that body shops are generally the "consumers" of material and do not purchase them for resale. (See **W.J. Sandberg co V. Iowa State Board of Assessments and Review, 225 Iowa 103, 278 N.W. 643 (1938)**). What is interesting is this law somehow was written with the shoe repair people in 1938.

Shops should pay tax to their suppliers on all materials purchased and consumed by body shops. If materials are purchased from non-Iowa suppliers that do not collect Iowa tax from Body shops, such body shops should remit consumer use tax to the department of revenue on such materials. Since (1938) the Body Shop **model** has changed, (with computers).now, Body Shops, can do job costing, which allows the Body Shop to itemize the paint and materials that were used on a vehicle. Then the Body Shop can charge the correct amount of sales tax to the customer. Shops buy the paint and materials at a discount and charge a mark up to the customer. The State of Iowa is collecting sales tax on the cost and not the retail sale.

The State is losing large amounts of tax dollars each year.

The Venders, who sell the Paint and Materials to the Body Shops, have to report sales tax for each Body Shop, and each location many have a different sales tax rates for shops in the area. This is great administrative burden to report many different tax rates, for these small Iowa business.

The benefit is worth the time,effort and financial resources it will take to repeal this law. For a \$1Million dollar shop that is \$10,000 given back to their bottom line.

**THE FUTURE IS IN OUR OWN HANDS
LET'S WORK TOGETHER**

The Iowa Collision Repair Association is looking forward to a busy year in 2011.

ICRA Education

This year, the ICRA will offer regional education programs. Our State Spring Meeting will be April 20 at Prairie Meadows in Ankeny, Iowa. This is by request, Prairie Meadows is a spectacular meeting place and always enhances ICRA programs. Details will be available soon.

Coming Events:

April 20 - Collision Industry Day Ankeny, Iowa

June 16 – Collision Industry Program LeMars, Iowa (Tentative Date)

September 22- Collision Industry Program Iowa City, Iowa (Tentative Date)

The ICRA is looking forward to bringing relevant and best information to the industry with the least interruption for our businesses. If you would like an educational program in your area and have some ideas or comments, please call ICRA Executive Director, Janet Chaney at 480-720-2565.

ICRA Insurance Meetings

Insurance Committee Chair in 2011 is Gaylen Knaack from Correctionville. The goal of this committee is to meet with insurers and develop better working relationships and develop more clear understandings of the claims handling and repair processes. This year, the ICRA had a positive and informative meeting with Farm Bureau Insurance. We will be conducting more meetings throughout the year. If you would like to be on the Insurance Committee, please call Janet Chaney, 480-720-2565.

Legislation

ICRA is working with lobbyist Scott Weiser and continuing to build a state wide presence at the State Capitol in Des Moines. (see adjoining article)

Information and Representation

ICRA is always working for the collision repair industry in the state of Iowa. We are now a strong and recognized trade association in the State of Iowa. Please get involved.



Scott Weiser

The Iowa Collision Repair Association is looking forward to working with Scott Weiser and Capitol Strategies Group this 2011 legislative session

Scott is one of Iowa's most experienced lobbyists with over twenty eight years of service at the capitol. As President of the Iowa Motor Truck Association (IMTA) from 1986 until 2008, Scott is widely credited with establishing IMTA's lobbying effort as one of Iowa's best. As a lobbyist for the transportation industry and other CSG clients, Scott has earned the reputation of being a thoughtful, diligent and effective spokesperson and a trusted friend and leader to many legislators and lobbyists alike.

Experience, enthusiasm and effectiveness are Scott's key attributes. As an active participant in Iowa's political and business communities, Scott is a recognized leader. He is bringing the collision repair industry into a recognized entity at the State Capitol in Des Moines.



ICRA/Arnold Motor Supply — Scholarship Winner Announced

Jack Riesenberg was the first winner of the ICRA/Arnold Motor Supply Scholarship in 2010.

Riesenberg, son of Chuck Riesenberg of the Collision Center of West Bend, Iowa, is the 2010 winner. Jack is attending Iowa State University in Ames, Iowa working towards a civil engineering degree. "By receiving a degree in civil engineering, I am a step closer to accomplishing my goals of changing the lives of others by making this world a little better place to live, whether it be with constructing roads that manage traffic better, bridges that last longer, or buildings that are eco-friendly and appealing," Riesenberg writes in his essay.

This \$500 Scholarship was available only to members of the Iowa Collision Repair Association and family members to assist in acquiring and attaining post-high school education. Prospective recipients prepared an essay of 200 words or less on: "What I Hope To Accomplish Through My Post High School Education."

"This is our first year for the Scholarship program," says ICRA President Mark Martin, "We are very very pleased with the result, and want to recognize Arnold Motor Supply for their tremendous contribution." "We received many great Scholarship applications that reflect the integrity of our collision industry family. The ICRA is proud of all our applicants and wish them success in their endeavors."

The Iowa Collision Industry is very proud of Jack Riesenberg and wishes him much success as he moves through his education journey.

Here is a **TIP:**

Do a sustainability audit.

- Focus on how your shop can reduce waste and increase sustainability.
- Can you cut back on your use of supplies.
- Can you save time, by moving supplies and parts in a more efficient manner.

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Mark Your Calendar!

April 20th

COLLISION INDUSTRY DAY
Prairie Meadows, Altoona Iowa

Newsletter Published by Iowa Collision Repair Association

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Useful Web Sites:

Society of Collision Repair Specialists: www.scrs.com

Database Enhancement Gateway: www.degweb.org

Collision Industry Conference: www.ciclink.com

OE Repair Information Access: www.oem1stop.com

Iowa Insurance Division: [Http://www.iid.state.ia.us](http://www.iid.state.ia.us)

Iowa Unfair Claims Practice Statute:

www.legis.state.ia.us/IACODE/2001/507B/4.html

Letter From The President



Happy New Year Iowa.

For most of us 2010 was a mind boggling year. For the last two years, we have watched our world gasp and struggle to get our bearings from the dramatic financial global shock. I myself, couldn't believe it for some time. This cannot happen in America.

I look at 2011 as a year of resolve. We have learned there are going to be no easy answers and certainly bets are off as far as business projections have

gone in the past. So, we make new and shorter projections and work harder than we have ever worked before. We are now playing 'little ball'. We are getting around the bases one at a time.

The Iowa Collision Repair Association has bonded with that same resolve. We have a talented and dynamic Board of Directors who have the best interest of the Iowa collision repairer in their sights.

We have a strong membership and are looking forward to bigger numbers this year. In fact, I found out from SCRS that our membership numbers are above average for collision repair trade associations.

Go Iowa! Let's continue to grow together and work towards a sustainable, profitable and safe environment for the collision repair industry.

We are making our own new 'Good Old Day's - the old ones are gone.

—Mark Martin



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"Far and away the best prize that life has to offer is the chance to work hard at work worth doing"

—Theodore Roosevelt

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 ron@dentsmart.net

ICRA 2011 Membership List

<u>Company</u>	<u>Contact</u>	<u>City</u>	<u>State</u>
Abra Auto Body & Glass	John Grolmus	Iowa City	IA
Ace Body & Motor	Larry Wieland	Des Moines	IA
Al's Custom Auto Body	Alan Christeson	Rockford	IA
All Seasons Auto Body Repair & Painting	Joe Oswald	Monticello	IA
Anderson Collision, LLC	Scott Weber	Cedar Falls	IA
Ankeny Auto Body	Mark Martin	Ankeny	IA
Arnold's Body Shop	John Arnold	Davenport	IA
Arnold Motor Supply, LLP	Dave Kimbell	Spencer	IA
Avalon Body Shop	Dale or Kevin Wilgenbusch	Rickardsville	IA
Bacher Computer Solutions / Mitchell	Brian Linderman	Wauconda	IL
Bob Mickey Collision Center	Jim Thompson	Cedar Rapids	IA
Bort Auto Body Inc.	Bort	South Sioux City	NE
Brian's Collision Clinic LLC	Brian Hartwig	State Center	IA
C & H Body Repair Inc	Harlan Huizenga	Orange City	IA
Chuck Smith Body Shop	Chuck Smith	Iowa City	IA
Collision Center of West Bend Inc	Chuck Riesenber	West Bend	IA
Deery Collision Center	Terry Johnson	Burlington	IA
Denstmart of Illinois Inc	Ron Whitton Jr	Pekin	IL
Division Street Auto Body	Barry Kounkel	Sioux City	IA
DuPont Performance Coatings	Chris Belvo	Clive	IA
Eldridge Body Shop	Kent or Cari Pennel	Eldridge	IA
Golden Hammer Collision Center	Michele Kellogg	Cedar Rapids	IA
Hanley Auto Body Inc.	Robert Hanley	Dubuque	IA
Hertz Corporation	Jeffrey A Horner	Des Moines	IA
Hetrick Auto Body	Phil Hetrick	Marne	IA
Inter-Tech Collision Center	Ken Scott	Red Oak	IA
Iowa Auto Rebuilders	Dick Merron	Waterloo	IA
Johnny's Body Shop	Delaine Resh	Essex	IA
K & J Body Shop, Inc.	Ken Vander Ziel	Rock Valley	IA
Karl Chevrolet Inc	Larry Gilliam	Ankeny	IA
Keystone Automotive	Darin Hayzlett	Cedar Falls	IA
Keystone Automotive	Darrin Cook	Omaha	NE

ICRA 2011 Membership List

<u>Company</u>	<u>Contact</u>	<u>City</u>	<u>State</u>
Keystone Automotive	Jeff Curtis	Davenport	IA
Keystone Automotive	Jim Houselog	Dubuque	IA
Keystone Automotive	Kory Stevens	Urbandale	IA
Keystone Automotive	Neville Martin	East Peoria	IL
Knaack's Body Shop, Inc.	Gaylen Knaack	Correctionville	IA
Kroeger Body Shop Inc	Rick Kroeger	Dyersville	IA
LKQ Smart Parts	Ron Egelseer	Hustisford	WI
Lynch Collision Center	Jim Thompson	Mt Vernon	IA
McGrath Collision Center	John Weber	Cedar Rapids	IA
Midwest Paint & Body Inc	Lyle Van Voorst	Hull	IA
Moffitt's Ford	Tony Cox	Boone	IA
National Coatings and Supplies	Jay Sharp	Des Moines	IA
New Hampton Auto Body LLC	Stanley Trask	New Hampton	IA
Northside Body Shop, Ltd	Rob Van Riessen	Sioux Center	IA
Osage Auto Body	Kurt Mills	Osage	IA
Pat's Body Shop	Pat Bunt	Marcus	IA
R Jones Body Pros	Christy Jones / Bob Jones	Des Moines	IA
Ray's Restorations Inc.	Ray Shimak	Mason City	IA
Sanborn Body Shop	Brian Koldenhoven	Sanborn	IA
Sherwin Williams Automotive Finishes Corp		Cleveland	OH
Sioux Body Shop	George Tsiobanos	Sioux City	IA
Southwestern Community College	Jeff Magneson	Creston	IA
Stephenson Collision Center	David Stephenson	Vinton	IA
Strieter Motor Company	Logan Peitscher	Davenport	IA
Summit Software & Mobile Solutions	Frank Terlep	Poway	CA
The Body Parts Store	Jon Snyder	Des Moines	IA
Toys Done Right LLC	Dan Steffens	Dubuque	IA
Van Sant Collision Repair Inc	Bruce Van Sant	Pella	IA
Vic's Collision Center, Inc.	Bill Wagonknecht	Iowa City	IA
Waln Repair & Collision Center	Steve Waln	Fairfax	IA
West Des Moines Auto Body	Michael Kaut	West Des Moines	IA
Wheeler's Auto Body Supply	Jo Johnson	Waterloo	IA
Xtreme Auto	Jeff Feaster	Humboldt	IA

Industry News

Competitor helps Q-C 'Santa' win national award

Reprinted from Quad-City Times

Tears trickle down Mike Peppers' face as he sits in his Santa-filled office at Sergeant Peppers Auto Shop in downtown Davenport. Across the city, one of his business competitors - John Arnold of Arnold's Auto Body - is feeling pretty emotional, too. They just can't help it.

Every time they talk about the PRIDE Award that Peppers recently won from the National Auto Body Council, in honor of his 40 years of playing Santa Claus in the Quad-Cities, they shed a few tears of joy and admiration for each other. Peppers has won a lot of awards, but this one is special, especially because Arnold is the one who nominated him for it.

It's the first time Montana resident Janet Chaney, the chairman of the council's PRIDE Award committee, has ever heard of someone nominating a competitor for the 14-year-old national honor, which recognizes people who help create a positive image of the collision repair industry in their community. The 67-year-old Santa portrayer was one of five winners of the award, which he accepted during November at an industry trade show in Las Vegas. The idea that his competitor nominated him helped make Peppers stand out, but so did his good heart, Chaney said. "He is just so full of goodness," she said. "He's incredibly heart-warming and consistent. One of the things we try to do is find people who are doing this kind of thing for the right reasons, not to promote themselves and their business." Peppers fit the bill for the award committee, and hundreds of his fellow workers in the collision-repair business from across the United States gave him a standing ovation when he accepted the award, Chaney said.

Arnold, 59, said he has admired Peppers for his community service, spreading Christmas cheer around the Quad-Cities, for many years. He remembers looking up to Peppers as he got his start playing Santa for the Davenport Jaycees, Arnold said. "Mike is one of my heroes," he added. "Yeah, we're competitors. But as far as I'm concerned, that sort of brings us a little closer together because there are way too many cars in Davenport, let alone the Quad-Cities, for either he or I to fix all of them." More than anything, Arnold is impressed with Peppers' passion for reaching out to people, young and old, who need some kind of boost. "I've always admired Mike for taking the time away from his business and spending his own money along with other groups' money," Arnold said. "He's made just a tremendous personal commitment of time and money to make the lives of folks that he touches better."

When Arnold found out Peppers had won the award, he drove down to Sergeant Peppers Auto Shop and surprised his competitor with a visit to his office. He had never been there before, Arnold admitted. "He about dropped his teeth when I walked in the door," Arnold said with a chuckle. "I told him, 'I'm here because you're my hero.' He got this strange look on his face, and we both sat there and cried like a couple of little kids."

The two have a lot of common. Both followed their fathers into the auto body business. Arnold's Body Shop opened in 1969, and Arnold joined his dad in the business in 1975. Now, his own son is involved, he said. Peppers' dad, Tom Peppers, ran his own shop - Pep Auto Service - in Davenport. Mike Peppers began his business in 1975. When he first started helping Santa, Peppers said he had to make a decision: Did he want to wear the Sergeant Peppers Auto Shop emblem on his red suit? Should he promote the business as he served the community? The answer to both questions was no.

"It's all about the kids and making them all happy," he said. "I want them to believe."

For more information about the National Auto Body Council's PRIDE Award, go online to www.autobodycouncil.org.



If you are patient in one moment of anger, you will escape a hundred days of sorrow. Chinese Proverb



Mike Peppers (l) stands with Fred Iantorno, Chairman of CIECA after receiving his prestigious PRIDE Award the Collision Industry Achievement Luncheon in Las Vegas, November 4.



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IOWA Shop Profile

Getting to Know Your Neighbors - ACE Body and Motor - Des Moines, Iowa

Des Moines, Iowa—Since 1982, Larry Wieland, owner of Ace Body & Motor, has been offering mechanical and collision repairs at his combo shop in northeast Des Moines. It wasn't until 2005, however, when Wieland purchased the property next door that he was able to build a second building and separate the two businesses, he said.

The new land became the home of his collision repair facility, which Wieland said he built to his liking. "I had this crazy dream of building a shop that looked like an old gas station," he said, "because when I worked at a service station in the '70s, it was just a fun time—it was one of the better times in my life, and it was fun to recreate that."

Inside and out, the shop is a step back in time, from the Texaco and Standard Oil memorabilia in the waiting area to the 18-foot-tall Texaco sign that sits roadside. "I drove 1,100 miles to get that sign out front and brought it back in the back of my pickup," said Wieland, adding that customers often say that stepping into his shop even gives them a sense of nostalgia. Though the decor may be of yesteryears, Wieland said the collision repair industry has come a long way from those days, but regardless of changes such as new metals and electronics or waterborne paint and DRPs, customers still desire the simple things.

"Appearance means a lot—customers trust and want to do business at a clean, well-kept shop," he said. "If you're not into quality work, your building typically shows it. From day one in the new shop, Wieland said he made it a priority to keep the facility looking immaculate, which he believes has paid off handsomely. For one, if you keep it clean from day one, which we have, it's not that hard to keep clean daily," he said. "In the new building, our closing ratio is way higher than it used to be. In the old building, it was 60-65 percent, but now it's about 85-90 percent, and it's due to the people coming in and feeling comfortable here."

In today's market, Wieland said value-adding services can be the difference in gaining or losing a customer, so he offers things to his customers such as a shuttle service operated by his father, Larry Wieland Sr., and for all his customers' service needs, they can go next door to his mechanical repair facility—a NAPA Auto Care Center that his son, Jason, manages.

"In fact, the mechanical customers almost always think of us for body work, but the body customers don't even know we do mechanical a lot of the time, so I tell them when they come in here." Wieland added that offering both services is not only beneficial for his customers, it also helps alleviate some of the peaks and valleys that both the body and mechanical shops have seen recently. "It's good because it helps keep your gross sales even—there are less spikes when you do both," he said, "but the biggest challenge is just keeping up with both industries, which at the same time are changing so quickly."

Most recently, Wieland said, he switched paint companies after using the same brand for 25 years. "I'm a member of a collision repair group called BodyPros, and I was at one of our meetings one day and realized I was the only one not using AkzoNobel/Sikkens," he said. "I asked them why they used Sikkens and they said it was because of the customer support from Body Parts Store in Des Moines. "I didn't find that as much with our previous paint company—our rep just didn't have the experience that Rick Fleming at Body Parts Store had. So, Sikkens made us an offer we couldn't refuse—they were confident that I would like the product—we have been thrilled with the quality."

Paint, however, is the one area of the business that Wieland said he is no longer involved in on a daily basis. "There are four of us on the body shop side including me, and I do everything except painting," he said. "I used to do painting but not anymore because I get called away so many times during the day that I don't get involved at all. And, Wieland said, if employees in the body shop can keep the customers happy, he has implemented a bonus to keep his staff satisfied as well. "My guys have a bonus where if they go 30 days without a single complaint on their repairs, they get a bonus," he said. "It keeps the quality up and keeps them happy."

This year marks 28 years in business for Wieland, and he said he still shares the same desires he had from day one. "I think we're all after the same thing—to make customers happy and make a good living," he said.

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Property Casualty Insurers Association Expects Auto Body to Be Hot Issues in 2011

Going into the 2011 legislative sessions, the Property Casualty Insurers Association of America (PCI) says that auto body repair issues such as anti-steering, labor rates and aftermarket parts are once again expected to be hot issues.

The association says that to help control costs and promote customer service, PCI will oppose legislative efforts that would restrict insurers' ability to make recommendations or suggestions to consumers on individual repair facilities or that would impede insurers' ability to manage the claim repair process and control costs on behalf of consumers.

"The sweeping change in the political landscape following the 2010 midterm elections present PCI with opportunities to advance a pro-consumer agenda that supports healthy, competitive insurance markets across the nation," said Paul Blume, senior vice president of state government relations for PCI. "We believe there are some opportunities to take positive steps on a wide range of issues. However, we also recognize that the legislative environment could be challenging in some states and we are prepared to fight against proposals that could be detrimental to consumers and the insurance marketplace."

Following the recent elections, there will be many new legislators and governors as well as elected and appointed state insurance commissioners. PCI said it is making it a top priority to meet with these lawmakers and state regulators to discuss the important role insurers play as job providers and how free market principles strengthen the insurance marketplace and benefits consumers.

