



# September 2023 Bulletin

Please pass me along to other stations!

## ASSOCIATION CONTEST

**CONGRATULATIONS TO THE AUGUST 2023 CONTEST WINNER, MIKE'S AUTOMOTIVE, PAWLING, NY.** Please read through this bulletin for your chance to win!!! Call the office or email [cobalde@ssdgnny.org](mailto:cobalde@ssdgnny.org) with the correct answer to the trivia question and you will be entered in the monthly drawing for a chance to receive a free month's dues; a value of \$45.00.

## ATTORNEY'S CORNER

### BUYING A BUSINESS - BUYER'S POINT OF VIEW - PART ONE

People definitely need attorneys when they are buying a business. For our members it's usually a service station with gasoline and/or repair bays, and/or a convenience store and/or a repair business without gasoline sales at the front of the house.

It is a very important transaction for the buyer who at the outset needs to do the proper due diligence. *Not employing a lawyer in the transaction reminds us of, "pay me now or pay me later"*. It is less expensive to have an attorney help you buy a business than it will be if you have to get involved in litigation over that purchase, more specifically, what that means is that the legal fees for an attorney to litigate over the business purchase may be multiples of the money that you thought you "saved" by not having an attorney at the front end to help you.

Your membership in the Association provides you with many no cost items under our Legal Plan, such as lease advice, and greatly reduced legal fees involving business transactions such as a business purchase even if it involved real estate.

#### ***Things That a Skilled Lawyer Can Help You With***

There are many things that need to be considered beyond the purchase price for the business. If you are buying the business and it is already established, you must have a plan for the operations of the business once you take control. Some as simple as do you keep the name and telephone numbers? If you need to establish an LLC or a Corporation, ask your attorney to form it for you. Don't use one of the internet "services" who just pay the state fees and sends you a "cookie-cutter" set of documents. Same for your accountant who probably uses the same service.

If you have a business partner, shouldn't the LLC (or corporation) take that into account? Having legal support for your purchase can make a big difference in the outcome of the sale. You will also want to be sure that you are aware of the financial picture involved in the business acquisition. To "save money", too many people go it alone and end up with all kinds of surprise expenses and costs that they did not think of. This can lead to the loss of the business shortly after purchase or years of debts that could have been avoided.

#### ***Why is an attorney necessary for these transactions?***

Buying a service station, convenience store and/or repair shop are a much more complex endeavor than, for example, the sale or purchase of a home. There are a number of issues that can arise during the process of buying, selling, financing and developing the business and trying to navigate the process alone, or even with the help of an accountant can be ulcer-inducing. These purchases also have many laws and regulations. Can you deal with the DMV? Want to deal with the health department for the C-store portion? How about lottery? Tobacco? NYS Liquor Authority if you want to sell grocery beer and wine? Local zoning?

Your attorney will review all the pertinent information and documents and consult with you regarding financing, construction, zoning and environment laws, taxes, applications, fingerprinting and any other questions or issues associated with your business use and development.

Does the business have any tenants? Are there written or unwritten (month-to-month) leases? Are there any existing contracts? Gasoline supply contracts? Franchise agreements? Is the business bank owned because your seller defaulted. Is the inventory owned or pledged. Is the customer list real? Any liens? Are there environmental issues? An attorney should be able to help you with analyzing any contracts, resolving inspection or permit issues, and finalizing the closing.

Your attorney will also be much better at recognizing any abnormalities in the contract that could cost you time and money in the long run. Beyond the purchase of the business, the attorney can help address any issues with contractors or subcontractors during a build-out process. For example, if your architect hijacks your build-out and holds up the entire process by withholding the blueprints or refusing to work with the contractor, then your attorney can seek legal action against that person much faster and with greater efficiency since they're already familiar with the property.

# September 2023 Bulletin

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## ***Not so common problems***

There are even more unique circumstances such as the building that the business is housed in has structural problems, UST's leaking, lines leaking, dispensers not working properly, or even being sold by the government to satisfy a tax lien. Is the business bank owned because your seller defaulted. Is the inventory owned or pledged. Is the customer list real? Any liens? Are there environmental issues? The attorney will bring his or her focused experience to manage risk, identify opportunities and to ensure the deal proceeds smoothly.

Call the Association - we are ready to help.  
Carla Obalde or Mandi Conner - 914-698-5188

Vincent P. Nesci  
General Counsel Service Stations Dealers  
and Automotive Services of Greater NY, Inc.  
Direct; 914-645-7530

## **CAR REPAIR COSTS ARE UP ALMOST 20% OVER THE PAST YEAR. HERE ARE 6 REASONS WHY**

Car repair costs are up almost 20% in the past year, according to the consumer price index, more than six times the national inflation rate and among the largest annual price increases of any household good or service. So, what's driving up prices?

It's a combination of factors, some emerged in the pandemic era while others are longer-term trends in the auto market. Here's a look at six reasons why.

### **1. More technology in cars**

Common car repairs can run consumers \$500 to \$600 a visit and sometimes "much higher," according to AAA.

More advanced, and more expensive technology in vehicles is a big reason for higher repair costs, said Robert Sinclair Jr., a spokesman for AAA Northeast.

Take advanced driver-assistance systems, for example. Such technologies, including auto emergency braking, lane keeping assist or cross-traffic alert systems have "proliferated" and are available in just about any vehicle, Sinclair said.

Electronic sensors to facilitate these technologies are found in bumpers, fenders and grilles, which are commonly damaged in wrecks, he said.

Put another way, cars today are like computers that run on gasoline or electricity, said Skyler Chadwick, director of product consulting at Cox Automotive.

Not only are there higher costs associated with fixing broken technology, but the tech also requires more precision and time for auto body work. For example, the thickness of paint on a car bumper must be "just right" so the sensors work properly, Sinclair said.

Consider this: One repair shop proprietor told Sinclair that striking a deer with a vehicle can lead to roughly \$1,500 to \$2,000 more in repairs today than it did 15 years ago due to these technologies.

### **2. Ongoing supply-chain issues**

It's not just technology, though: Many car parts have become pricier in the pandemic era due to supply-chain issues, Sinclair said. Those supply-chain issues create shortages of certain components (such as microchips), making it tougher and pricier to replace parts during a repair. "Supply chain problems we saw in the pandemic essentially continue," he said.

Major long-term shifts in the auto industry toward more automation and electric vehicles also require more chips and put "further strain on an already stretched industry," according to J.P. Morgan.

### **3. Longer vehicle ownership**

Cars on the road have also gotten gradually older, raising the likelihood of "major repairs" being necessary, Chadwick said.

The average age of passenger cars and trucks in operation increased to 12.2 years in 2022, up from about 10.5 years in 2010, according to S&P Global Mobility.

Pandemic-era shortages for auto parts put upward pressure on average vehicle age. Shortages translated to a lower inventory of new and used cars, and consumers held on to their current cars for a longer time, wrote S&P Global Mobility analysts.

Higher interest rates starting in early 2022 also meant it was more expensive to buy a car, Chadwick said.

### **4. More car crashes**

The prevalence of car crashes jumped in the pandemic era, experts said. There were 6.1 million crashes reported to the police in 2021, up from about 5.3 million in 2020, according to data compiled by the National Highway Traffic Safety Administration.

Fatalities have also increased: There were almost 43,000 deaths from motor-vehicle accidents in 2021, according to the NHTSA — the highest tally since 2005 and a 10.5% jump from 2020, the largest annual percentage increase on record. The number of auto deaths in 2022 was similar, though slightly less, at 42,795.

More auto wrecks mean greater demand for mechanics, raising prices for car repairs, Sinclair said.

# September 2023 Bulletin

## 5. Fewer auto repair technicians

Meanwhile, there's been a dearth of available mechanics to meet that greater demand, translating to higher labor costs, auto experts said.

In 2021, for example, about 733,000 automotive technicians were employed, a nearly 5% decline from about 770,000 in 2018, the recent high point, according to the latest data from the TechForce Foundation, a nonprofit group advocating for technical careers.

There were about 56,000 unfilled auto-technician positions from 2021 heading into 2022, its data shows.

Auto dealers ranked "service" as the business area suffering most from staffing issues, according to Cox Automotive's Q2 Dealer Sentiment Index.

## 6. High-tech service appointments

Many repair shops — particularly at dealerships — have started sharing photos and videos of potential problems with customers, kind of like a telehealth appointment for their car, Chadwick said. That service increases the average repair cost by \$260, he said.

"If I can actually take a video and show you your oil pan is leaking really bad ... it makes more sense to me as a consumer to get that work done," he explained.

Overall, revenue generated by each repair order was up 31.8% in June relative to January 2019, according to Cox Automotive data.

*As seen on CNBC*

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- **Discount - On-Line Videos**
- **Watch Members Only Videos**
- **Discount - Tools and Equipment**
- **Access to Members only Store**
- **Discount - Training Materials (Books)**



## OPUS FORFEITURE OF TRANSACTION FEES

DMV is aware of frustrations with unacceptable Opus helpdesk wait times regarding the NYS Vehicle Inspection Program.

In response to these concerns, DMV is requiring Opus to forfeit transaction fees collected for five days as a sanction. Those fees will be credited to your station for inspections performed on those days.

**\*\* You do not need to take any action to claim the applicable credit for your station. \*\***

**\*\*You will be receiving a separate notice from Opus containing detailed information about the credit for your inspection station.\*\***

One of the Department's missions is to provide quality customer service in all areas, including inspection stations that serve a vital role for all New Yorkers. Complaints, suggestions, and comments are taken very seriously. We are working with Opus to ensure the customer service being provided is the highest quality and is conducive to the day-to-day operations of your business. DMV will continue to hold Opus accountable for providing inspection stations with the expected level of support.

The implementation of NYVIP3 will continue this fall and will conclude December 1, 2023. During the implementation, DMV will ensure minimal disruption to stations pursuant to the State's contract with Opus. We appreciate your participation in NYVIP and will continue to closely monitor implementation and support.

### REFERRALS

If you know of a station that needs our services and is interested in becoming a member, refer them to us and upon signing you will receive a \$50.00 Amazon gift card. If you know of someone interested, please contact our Sales Representative Bill Griese at 914-227-0144.

# September 2023 Bulletin

## NEW YORK STATE DEPARTMENT OF MOTOR VEHICLES AND SSDGNY

We have received an abundance amount of phone calls regarding the NYVIP3. We are just as frustrated with this transition as many of you are. We sent a letter to the DMV in collaboration with the other associations, expressing our concerns and requesting a meeting to address the problems that are stemming from this new system. Please see the letter below:

*Dear Deputy Commissioner Wood,*

*We represent the four major gasoline and auto repair shop Trade Associations in New York State. Our collective membership is comprised of over 90% of the New York State Public Motor Vehicle Inspection Stations. We are writing to you to bring to your attention the serious problems our members and the industry have encountered since the launch of the new NYVIP3 program. As professionals, we take pride in serving the public and keeping New Yorkers safe on the roads. We have laid out to you the faults of the antiquated inspection program in regards to the safety inspection regulations, the data and the inspection fee. All of which haven't been changed in 20 years while operational costs and supplies have increased dramatically.*

*As we write to you today, we emphasize the numerous faults about this platform which have been put out by the DMV and Opus. We are being inundated with calls from frustrated and angry members regarding the new program. We feel this entire system, from purchasing to setting up to utilizing, should have been better planned. Inspection stations are having problems with sticker availability, the sticker printer, as well as OBD communication issues. The Heavy Duty Inspection Stations have not received their inspection machines in spite of the fact that they sent in their money to purchase them. We have been told that the delay was due to the DEC not yet approving the equipment, however they were not informed of this bureaucratic delay. How is this at all possible? Many inspection stations are facing problems with all of these and they are reaching out to the DMV and Opus and in many cases not receiving any help.*

*We are aware that the DMV and Opus are overwhelmed with calls as well. It seems that they cannot handle all the issues. Stations are running out of stickers and Opus cannot keep up with the demand. The DMV then sends out a message accusing the stations of not properly setting up the equipment. This is invalid and a bit condescending. How can it be the fault of the stations if mostly all of them are having the same problems? Let's think about that for a moment. A suggestion is to have the AFI's in go to the shops to help them set up the machines. Thus helping the shop owners and the shop owners will then appreciate the DMV and their efforts.*

*These issues need to be properly fixed and as we have in the past and will do so in the future, we seek to work with you and your staff to address and remediate these issues as well as adjusting the inspection fee which needs to be adequately changed to meet today's standards. We request a meeting with your department to hopefully resolve these problems quickly. A ZOOM meeting would be preferred by us given the necessity of a timely meeting.*

*Thank you for your time and consideration of our request to meet in the near future. Please understand that we are an integral part of this industry and our knowledge and experience will only benefit your department if you listen to us. Working together will ensure that the new program will be successful for all concerned parties including the general public.*

Afterwards, the DMV reached out to us to schedule a ZOOM meeting on August 28, 2023. They were very receptive to our issues and because of all of the issues this program is bringing they are holding OPUS accountable for the unacceptable service they are providing.

They do realize the need for the NYS Inspection program and the regulations to be looked at in detail. We have told them numerous times to ask for our input. Who is not better suited to help them with understanding what it takes for a vehicle to be safe on the road other than the industry itself.

At the meeting the DMV acknowledged that some things needed updating. They notified us that in the fall they are going to reach out to the industry for public comments on the inspection program. They will be sending this to all stations for feedback. Hopefully, with the help of the stations they will make the changes that are needed, including the fee.





# September 2023 Bulletin

## SEPTEMBER TRAINING

**World Pac Virtual Training - For information and to register:** <https://www.wtitraining.com/>

**Fuel Trim Diagnostics - Digging Deeper**  
TWO DAY EVENT

**Date:** Wed, Sep 20 and Thu, Sep 21, 2023

**Time:** 7:00 PM ~ 9:00PM EST

**Instructor:** Jim Wilson

**Class ID:** OLT386

**Cost:** \$ 125

**BMW Plug-In Hybrid**

FOUR DAY EVENT

**Date:** Wed, Sep 6, Thu, Sep 7, Wed, Sep 13 and Thu, Sep 14, 2023

**Time:** 9:00PM ~ 11:00PM

**Instructor:** Drew Wolfe

**Class ID:** OLT374

**Cost:** \$ 225

**World Pac Lunch and Learn**

**Getting the Most From Your Digital Multi- Meter**  
**No Cost**

**Instructor:** James Wilson

**Date:** Tuesday, Sep 12, 2023

**Time:** 1:00pm - 2:00pm EDT

**Class ID:** LTT405

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## WELCOME NEW MEMBERS

Aldy's Auto Service, Inc  
Hawthorne, NY

## TRIVIA QUESTION

When will the implementation of NYVIP3 conclude?

Call the office or email [cobalde@ssdgny.org](mailto:cobalde@ssdgny.org) with an answer for a chance to win a free month's dues.

## SCHOLARSHIP RAFFLE TO BENEFIT THE JOSEPH ENGELDRUM MEMORIAL SCHOLARSHIP

It's that time of year again to get your raffle tickets and apply for the \$1,000.00 Joseph Engeldrum Memorial Scholarship. The donation for a raffle ticket is \$25.00, and the prizes are as follows: First Prize \$2,500.00; Second Prize \$1,000.00 and Third Prize \$500.00.

This drawing will be held at the Board of Directors meeting in December 2023. The winners of all prizes will be notified then.

If you would like to participate in the drawing you can call the office to set up a payment and we will send you the raffle ticket or you can call your representative to come to your shop.

Don't forget to fill out the application for the Joseph Engeldrum Memorial Scholarship in this bulletin. Be sure to send in your application as soon as possible. To be entered in the drawing all applications must be received no later than November 30, 2023.

## CLASSIFIEDS

**For Sale:** You can be your own boss! Est. shop that specializes in trailer repair, snowplow and salter sales, parts and repair. We also offer vehicle up-fitting. We sell and install numerous truck bodies. The shop is geared towards landscapers and contractor's needs. The service center has an excellent reputation that repairs all makes and models of box trucks, utility trailers landscape and boat trailers. Welding and fabricating repairs/parts as needed. We have the ability to make hydraulic hoses that we make on site. The showroom is fully stocked with inventory. The shop can fit 4 vehicles inside. Shop equip. includes: 2 post lifts, torches, welder, tire changer, balancer, band saw, drill press, work benches & more. There is also a private office. We are an authorized BOSS snowplow, Ramp Rack, Buyers and Woolwax dealer. Motivated to sell IMMEDIATELY due to relocating out of the area. Great opportunity to get in now during the snow season. Please call 845-590-5800 for more information.

**For Sale:** Pwrsprrts Dlrshp for sale, Motorcycles, ATVS, UTVS, Snowmobiles, Generators/power washers. Parts / Service dept. 8500 sq. ft. building on 8 acres. Rent or buy. Kawasaki and Arctic Cat, Kymco, Generac generators. We are located on the Newburgh/Marlboro NY, RT 9w. High traffic road. Check our website [bigboyztoysny.com](http://bigboyztoysny.com) Call Tony 845-781-3082 cell

I hope you enjoyed reading this month's bulletin. If you have any questions, feel free to call the association. We are here to help you and your industry.

Regards,

*Carla Obalde*

Operations Manager