

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Bulletin # 10-19

May 22, 2019

Fitzgerald Auto Mall Celebrates Opening of Solar-Powered Parking Garage Two MDOT/MVA Bulletins for Dealers to Note 2018 EEOC Wage Data Due May 31, 2019
WANADA Leadership Attends Anthony Brown Fundraiser
Washington National Opera Honors Jack Pohanka
Howard County Dealership Looking to Fill Administrative Position
Longtime WANADA Bulletin Writers Hand off the Job
Familiar Faces at Jury Duty in Rockville
Staying Ahead...

Fitzgerald Auto Mall Celebrates Opening of Solar-Powered Parking Garage

Maryland political and community leaders gathered last week in Gaithersburg to celebrate the official opening of Fitzgerald Auto Mall's new solar-powered parking structure, the largest solar canopy on the property of an auto dealer east of the Mississippi River.



State and local leaders join Fitzgerald Auto Mall leadership at a ribbon-cutting ceremony for the dealership's new solar-powered garage. L to R: Rob Smith (Fitzgerald), David Jenkins (Fitzgerald), State Sen. Cheryl Kagan, Joan Kleinman (Sen. Chris Van Hollen's office), Del. David Fraser-Hidalgo, Sonny Holding (Rep. David Trone's office), Jack Fitzgerald, State Sen. Nancy King, Del. Kumar Barve, MEA Director Dr. Mary Beth Tung, Gaithersburg Mayor Judd Ashman, Larry Branche (Fitzgerald).

The structure, which features 2,475 solar panels covering more than an acre of space on the top of the five-level garage, will provide Fitzgerald with more than 80 percent of its annual power. Fitzgerald Auto Mall estimates that the system will save approximately 1.7 million pounds of carbon emissions over the 25-year lifespan of the solar panels.

"The solar canopy on the parking garage just made sense for us," said Jack Fitzgerald, owner of Fitzgerald Auto Mall. "Customers' cars and inventory are shaded while the panels generate energy on site. It's a win-win that aligns perfectly with our Environmental Management System."

Dr. Mary Beth Tung, the Director of the Maryland Energy Administration, which offers lucrative tax credits and financial assistance to dealerships that wish to install similar panels

on new structures, said the state government provided more than \$200,000 in incentives for this structure, which will help make it a net money-maker for the dealership within a decade.

"There are certainly upfront costs to building a structure like this, but that's where we at the state level come in and try to help," Tung said. "These grants lower the cost of entry, and then you get

the savings on the back end. Plus, there are lots of benefits to the dealers; you get vehicle coverage, we help promote EV charging infrastructure, and of course, we generate power."

Mike Ryan, the Vice President of Operations at Columbia-based Aurora Energy, which oversaw the development and installation of the solar panels in conjunction with Porter Construction, said there are vast benefits to dealers installing projects like this.

"Bottom line, it reduces the cost of operating the business in the long term," Ryan said. "With the incentives in place, and the reduction in energy costs, along with the inventory protection you get from having your vehicles housed under a covered structure, you're talking about a four-to-seven year timeframe in which you start making money off this project."

During the construction of the garage, which lasted around a year, Fitzgerald Auto Mall remained open for business. Rob Smith, the dealership's vice president, said that there were challenges involved with the logistics of balancing a major construction project with ongoing sales operations, but that it ultimately was manageable and will pay off in the long run.

"The payback of this project is so great," Smith said. "And while it was ongoing, in some cases we actually sold more cars than normal because we were working out of a more condensed working space for a little while, and that really fostered collaboration among our employees.

In addition to Tung, who is an appointee of Gov. Larry Hogan (R), government leaders in attendance included state Sens. Nancy King (D-Montgomery Village) and Cheryl Kagan (D-Rockville), Del. David Fraser-Hidalgo (D-Boyds) and House Environment and Transportation Committee Chair Kumar Barve (D-Rockville). District directors from the offices of U.S. Sen. Chris Van Hollen (D) and U.S. Rep. David Trone (D) were also on hand for the event, as was Gaithersburg mayor Judd Ashman (D).

Del. Barve, who works as an accountant for his full-time job, said that solar panel installation is good for both the environment and for dealerships' bottom lines. He said he hopes that the Fitzgerald ribbon cutting is the first of many similar events he'll get to attend in the near future.

"It's a change in philosophy, but I see this as being good for the dealers' balance sheet," Barve said. "I'd tell other dealers to just have your accountant run the numbers, and if it makes sense, do it."

Two MDOT/MVA Bulletins for Dealers to Note

The Maryland Motor Vehicle Administration recently published two guidance notices regarding issues important to franchise auto dealers – one reminding dealers of six important business practices, and the other making dealers aware of fraudulent electronic inspection documents that have been submitted to the state.

The reminder notice, which you can read here, serves to notify dealers of particular business processes that are very easy for sales personnel to overlook. The state's notice includes a reminder to be aware of specific motorcycle classification measures, and also for dealers to avoid ever sending copies of checks, credit cards, or social security numbers with transaction paperwork that they file with the MVA.

The e-inspection fraud notice, <u>linked here</u>, was sent in response to a spate of forged electronic inspection documents that the state has received recently. The notice features detailed best practices on how dealers and their employees can verify Vehicle Inspection Program certificates on the Maryland State Police website.

2018 EEOC Wage Data Due May 31, 2019

Note: This was provided by Mike Alford, Chairman of NADA's Regulatory Affairs Committee.

Dealers with 100 or more employees are subject to the U.S. Equal Employment Opportunity Commission's (EEOC) EEO-1 Survey filing mandate. The EEOC enforces federal laws that make it illegal to discriminate against a job applicant or employee because of race, color, religion, sex, national origin, age, disability or genetic information.

<u>The EEO-1 Survey for 2018</u> data is due by May 31, 2019, and must include demographic data on race, gender and ethnicity by job category (information known as "EEO-1 Survey Component 1 data").

In addition, the Federal District Court for the District of Columbia recently ruled that additional data for calendar years 2018 and 2017 must be filed by September 30, 2019. Known as "EEO-1 Survey Component 2 data," these additional filings must include employee W-2 wage and hours worked information set out in 12 specified pay bands. Important: the EEOC intends to open by mid-July a portal for Component 2 data; NADA will notify dealers when that happens.

Last week, the U.S. Department of Justice filed a notice to appeal the District Court's ruling requiring the Component 2 data. However, since the District Court's ruling has yet to be stayed, NADA suggests that for now EEO-1 filers should assume that they will have to file Component 2 data by the September 30, 2019 deadline.

Questions can be directed to <u>regulatoryaffairs@nada.org</u>.

WANADA Leadership Attends Anthony Brown Fundraiser

Members of the WANADA Board of Directors and senior staff attended a fundraiser on May 7 for U.S. Rep. Anthony Brown (D), who represents parts of Prince George's and Anne Arundel counties in Maryland and sits on the House Transportation and Infrastructure Committee. The organization was represented by board members Jamie Darvish of DARCARS, and Geoff Pohanka of Pohanka Automotive, along with WANADA President and CEO John O'Donnell, and Vice President of Association Operations Joe Koch.

WANADA is happy to support local members of Congress like Rep. Brown, who has been a longtime supporter of the franchise dealer system, both in Washington and in his previous positions as a member of the Maryland House of Delegates and as the state's Lieutenant Governor for eight years under Gov. Martin O'Malley (D).



WANADA leadership attended a fundraiser for Congressman Anthony Brown earlier this month in Greenbelt. L to R: John O'Donnell, WANADA; Geoff Pohanka, Pohanka Automotive; U.S. Rep. Anthony Brown; Jamie Darvish, DARCARS; Joe Koch, WANADA

At the fundraiser at the Crowne Plaza Greenbelt, WANADA leadership and Rep. Brown discussed the need for federal infrastructure funding, including the need to ensure that electric vehicles that are marketed as being environmentally-friendly actually are, which requires increased investment in green-energy power sources for cars to recharge off of.

WANADA also talked to Rep. Brown about the importance of holding firm against a vehicle-miles-driven tax, which has been mentioned as a possible source of revenue in a bipartisan infrastructure bill. Rep. Brown seemed receptive to the insight that this kind of tax would disincentivize people to buy electric vehicles, since they'd be getting taxed on consumption even if they use less gas than a traditional combustible-engine vehicle.

Washington National Opera Honors Jack Pohanka

The world-renowned Opera House at the John F. Kennedy Center for the Performing Arts was the Washington venue last weekend for the 2019 Washington National Opera Gala at which John J. Pohanka of Pohanka Automotive Group was recognized and honored for his longstanding and steadfast support of WNO and opera as an art form.



Jack Pohanka

Co-chairs of the WNO Gala, Jacqueline Mars and Camille Biros, praised Jack Pohanka for his invaluable leadership and countless contributions to WNO and the world of opera over his nearly 30 years as a WNO trustee, which included chairing the WNO Board. Spotlighted were his roles as a pivotal player in negotiating WNO's artistic affiliation with the Kennedy Center in 2011 and as a founder of the DC Richard Wagner Society. He was further recognized for launching the Talking Opera Series that brings exciting commentary about the rich history and performance of the opera in America and the world.

The full audience in the Kennedy Center Opera House last Saturday night was treated to a star-studded program hosted by Christine Ebersole, which highlighted a number of opera classics sung by world renowned performers on stage for the occasion, including Christine Goerke, Alan Held, Soloman Howard and Latonia Moore.

Jack Pohanka's highly regarded credentials as an auto industry leader were also spotlighted, starting with his being chairman of Pohanka Automotive Group founded in Washington in 1919 by his father, Frank Pohanka. He was also recognized as a former chairman of both NADA and WANADA; the founder of National Institute of Automotive Service Excellence (ASE), which to date has certified two million technicians; the founder of National Auto Technician Education Foundation; and founder of Capital Automotive REIT.

A native Washingtonian, Jack graduated from Sidwell Friends earned his college degree from Princeton University. Continuing the family tradition at Pohanka Automotive is Geoff Pohanka, who works in tandem with his Dad, Jack, in the organization; and his daughter-in-law, Anne Kline, who serves with him on the WNO Board of Trustees.

WANADA wishes Jack Pohanka all the best on last weekend's well deserved recognition, complementing his long and distinguished career!

Howard County Dealership Looking to Fill Administrative Position

A dealership in Howard County is looking to hire an Administrative File Clerk. If you, or someone you know, has or is looking to add administrative and clerical office experience to their repertoire, please email Joe Koch at jk@wanada.org.

Longtime WANADA Bulletin Writers Hand off the Job

All good things run their course and come to an end, and so it is with the writers of the WANADA Bulletin.

Joan Mooney, who has scribed the WANADA Bulletin since 2012, when she took on the task after leaving her career writer's position at NADA, worked in conjunction with Gerry Murphy, who contributed articles before and after he stepped down as WANADA's chief of staff. The WANADA Bulletin, and its forerunner the ATANCA Bulletin (when the organization was Automotive Trade Association National Capital Area), dates back to at least the 1950s.

"It was great continuing on with dealer association communications at WANADA after my years at NADA," said Ms. Mooney. "WANADA is such a multifaceted and engaged part of the auto industry and Washington area business community, which I was pleased to chronicle year in and year out with the Bulletin."

The WANADA Bulletin will continue to publish biweekly under the direction of Mike Bushnell, who oversees WANADA's in-house communications efforts. You can reach him at mb@wanada.org.

Familiar Faces at Jury Duty in Rockville



In a highly-transient region like the Washington area, it often feels like so many of the longtime residents know one another, and run into each other at the most random places around town, even at jury duty. Last week at the Montgomery County Courthouse in Rockville, WANADA President and CEO John O'Donnell and Board Member James Gramm ran into one another while serving their duty as good citizens of the county. While the two had a nice time catching up and posing for the glamorous picture on the left, neither was ultimately empaneled on a jury. Maybe next time!

Staying Ahead...

Nothing is black-and-white, except for winning and losing, and maybe that's why people gravitate to that so much. – Steve Nash, Basketball Hall of Famer

