



Newsletter - September 2021

## A Message from Jason Wilson, KADA President



Greetings Kentucky auto dealers,

It is hard to believe that summer is already over and we are entering fall! Yet here we are. It has been a whirlwind year here at KADA and a most unique year to date.

Inventory shortages continue to be an issue and other economic indicators show potential challenges ahead. That said, given all we have gone through, 2021 is so far so good.

While we continue to face headwinds in 2021, I have no doubt that our industry will continue to move forward.

In that spirit of moving forward, I want to update you all on our efforts to modernize the titling process in Kentucky. Last week, I went before the Modernization Task Force to discuss the need to move forward with e-titling. We were able to show a path forward on things that can be done in Kentucky as they are done in other states.

Over the summer we have been in discussion with the county clerks' leadership on the need to move forward. While these discussions are not new, what is new is KADA providing a roadmap as to how this can work for all of us.

As we study how other states handle e-titling, the state nearest to us that most replicates our structure is Ohio. They too have a clerk of courts system that handles titling. So, we enlisted the help of Dealertrack to assist our efforts in explaining how this is done.

Upon the completion of a demo to the clerks' leadership, a number of the clerks then took a field trip to Ohio to see how this is done in person. The trip

was a success in that the benefits of modernization were clear once they saw them in action.

Our next step in this process occurred last week when yours truly went before the Modernization Task Force. There, with the help of our friends at Dealertrack, we were able to explain this same process to legislators. They were very engaged and asked many great questions. All agreed upon the need to move forward in this process.

To be clear, these are the early steps in what will be a lengthy process. But, as someone once said, the longest journey begins with the first step. We have taken several.

I am optimistic in our direction and our mission. We will continue to work through this process with the goal of making your lives easier and creating a great customer experience as well.

What do we need from you? Your continued support in the way of membership and engaging with your respective legislators. Take the time and let them know how important this is to our industry. Attend KADA events like our upcoming district meetings and contribute to Kadet.

I will provide updates as we continue this process. Our next meeting with legislators will take place in October where we will continue this conversation and plan a path forward.

Onward!

## KADA News

### Subscribe your staff to our newsletter!

Make sure your staff stays up-to-date and involved by having them subscribed to our newsletter. It's important that the key members of your dealership, like General Managers, CFO's, Fixed Operations and Controllers, receive our communications.

Send an email to Melissa Peach at [mpeach@kyada.com](mailto:mpeach@kyada.com) with the names and emails of staff members you'd like to get subscribed.

## KADA Elections — Return your ballots!

Keep an eye out for the ballots for your **District Directors!**

Please **return your ballots** to the KADA office at 152 Consumer Ln, Frankfort, KY 40601, by **Friday, October 22nd.**

Your elected directors will serve on the Board for a three-year term.

We are informing you of this upcoming election per the by-laws of the association.

## Kentucky Horsepower Podcast



channel.

Don't forget to check out Kentucky Horsepower, the official podcast of KADA.

As always, you can subscribe to the podcast on **Apple Music**, **Spotify** or by simply clicking the link below. You can also watch the videos on our **YouTube**

Kentucky Horsepower Podcast

## Time is running out! Register today for our KADA District Meetings

You're invited to attend one of our upcoming **District Meetings**. Hosted by the KADA Board of Directors, the agenda will focus on 2022 legislative priorities, association activities and important industry updates.

Sign up now to participate or sponsor by clicking the link below. Hurry, the **deadline** to register is **October 5th.**

**Please find the meeting information below:**

October 12th  
Lexington Country Club  
2550 Paris Pike  
Lexington, KY 40511

October 13th  
Hurstbourne Country Club

9000 Hurstbourne Club Ln.  
Louisville, KY 40222

October 19th  
Country Club of Paducah  
6500 Turnberry Dr.  
Paducah, KY 42001

October 20th  
Holiday Inn University Plaza  
1021 Wilkinson Trace  
Bowling Green, KY 42103

Each meeting will start with a reception at 5:30 p.m., with dinner following at 6:00 p.m.

\*\*Please note that the meetings in Paducah and Bowling Green are Central Standard Time\*\*

### District Meeting Information & Registration



Your Support Drives  
Industry Forward

## KADET Contribution



Ensuring that legislators understand our industry and the impact that proposed legislation could have on **your business** – for good or bad – is a primary function of your KADA team.

Being successful on this front relies on the relationships that we have built and continue to build and nurture with senators and delegates from every locality on your behalf. And we need your help.

**If you haven't done so already, please contribute today.**

Below is a list of KADA's President, Senate and House Club members as of the distribution of this newsletter.

President's Club Level - \$2,000  
Tammy Coats

President's Club Level - \$1,000  
Bob Allen

Kevin Collins  
Shane Collins  
Nancy DeCastro  
Tom Gill  
Gary Haupt  
Kimberlee Huffman  
Dann T. Hughes  
Robert Marshall  
Mark Pogue  
Dan Renshaw  
Timothy Sparks  
Larry Stovesand  
Carl Swope  
Mike Tewell

President's Club Level - \$1,500

Lynn Alexander  
Ray Cottrell Jr.  
David Daunhauer  
Dick Heaton  
Tim Kanaly  
Dwain Taylor

Alton Blakley, Jr.  
Duke Brubaker  
Steve Bachman  
Larry Craig  
Joe Cross  
Joe Cummins  
Dan Glass  
Mark Gold  
Bob Hook, III  
David Jagers  
Jim Johnson  
Todd Justice  
Jack Kain  
David Moore  
Steve Pinkham  
Wilson Sisk  
Fred Tolsdorf  
John Zimmer

Senate Club Level- \$800

House Club Level- \$500

Travis Flaherty  
Patti Powell  
Michael Reid  
Richard Swope  
Larry Turpen

[Click here to donate today!](#)

## Industry News

### NADA Emergency Relief Fund



To help support dealership employees impacted by Hurricane Ida, KADA made a \$500 donation to the NADA Foundation's Emergency Relief Fund.

This year alone, the Foundation's Emergency Relief Fund has helped dealership families



impacted by hurricanes Florence and Michael, California wildfire, Texas floods and more. These employees have received funds to help them get back to their day-to-day lives before insurance money arrives, and sometimes before ATMs are up and running.

We were proud to make a donation on behalf of Kentucky dealers, using proceeds from our recent Golf Tournament. Just another reason to stay involved in KADA events!

[Read more about the Fund](#)

**Cox Automotive Industry Update**



**FOR IMMEDIATE RELEASE**

**Despite Continued Inventory Troubles, U.S. Automobile Dealer Sentiment Remains Positive, Spurred by Record-High Profits**

- Current market dealer sentiment retreats slightly from record highs in Q3 for both franchised and independent dealers but remains well above average.
- Profit index sets another record high, while the price pressure index increased modestly.
- For U.S. auto dealers, Limited Inventory remains the top factor holding back business in Q3.

**ATLANTA, Sept. 13, 2021** – As tight vehicle inventory continues to vex the auto industry, U.S. dealer sentiment in the third quarter softened but remains mostly positive and above levels recorded in Q3 2020 and Q3 2019.

The current market index reading of 62 in the most recent Cox Automotive Dealer Sentiment Index (CADSI) indicates that more dealers feel that the automotive market is strong compared to the number who feel that the market is weak.

The key drivers of sentiment saw varying shifts in Q3. The 3-month market outlook index saw a 3-point decrease from the prior quarter, meaning the outlook is waning, although, at 60, more dealers still see the future market as strong than see it as weak. The profits index saw a slight improvement compared to the prior quarter, hitting a record of 86 – the highest-ever index score across all measures. At the same time, the price pressure index increased modestly from Q2's record low – slightly more dealers are now feeling pressure to lower prices, although that group is still in the minority.

“Dealer sentiment has moderated from a record high in the spring,” said Cox Automotive Chief Economist Jonathan Smoke. “Dealers are still optimistic about the coming months, but the new-vehicle inventory situation is not improving, and sales are suffering.”

**Lack of Inventory Impacts Sales; Used Inventory Improves but Remains in Negative Territory**

Consistent with current market trends, the new-vehicle inventory index was unchanged from last quarter's record low of 13 and down by a notable 16-points compared to Q3 2020. Not only is inventory tight, but the mix is poor as well and getting worse. The new-vehicle inventory mix index fell to a historically low reading of 18 in Q3.

While new-vehicle inventory remains challenged, there are signs used-vehicle inventories are improving. The used-vehicle inventory index saw substantial growth from Q2 to Q3, increasing by 10 points to 31. The used-inventory mix index also improved, although only modestly. Both indices remain below the threshold of 50 and are seen by dealers as declining, not growing.

Tight inventory levels are now negatively impacting sales, according to dealer sentiment. The view of new-vehicle sales was down significantly from Q2 and compared to last year. The new-vehicle sales index fell to 51, the second-lowest reading on record. The used-vehicle sales index fell as well, although it remains historically high at 59, the second-best reading in the index's history and behind only the record set last quarter.



## Motor Vehicle Commission Corner

Dealer and Salesperson License Renewal starts October 1<sup>st</sup> and must be submitted online at: <https://mvc.ky.gov/Pages/Online-Renewal.aspx>. If you need assistance with the online renewal process you can email [Chrissy.paige@ky.gov](mailto:Chrissy.paige@ky.gov).

## Preferred Partner Spotlight: Reynolds & Reynolds



Document Services

Reynolds & Reynolds provides your dealership with a one-stop shop for all your form and printing needs.

KADA preferred partners are an integral part of our organization. Please support those who support your association.

For more information, contact:

Rose Pottkotter

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567-279-3573

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