



# LVAA Update

# LVAA Process



- ▶ ATA and MMDA advocate for our member shops, but do not have signing authority for LVAA
- ▶ Associations have met with MPI executive 4 times in person to discuss compensation and trade priorities
- ▶ Discussions have been positive, but reached a stop on April 28
- ▶ ATA and MMDA issued response to MPI on May 2 indicating that the associations could not endorse the MPI offer, but would take it to our members for feedback

# Basis of LVAA Discussion



- ▶ MPI, ATA and MMDA agreed on a 2 year proposal for compensation
- ▶ Focus has been on labor and materials rate with consideration for admin burden and ADAS compensation
- ▶ During this 2 year agreement, a joint study of the collision repair industry to be completed by a third party
- ▶ MPI, ATA and MMDA will collaborate on study and share costs
- ▶ Findings of study will be basis for further discussions

# MPI Position



- ▶ MPI position has moved from \$20 Million total value to \$26.8 Million over 2 years
- ▶ MPI initial position
  - ▶ Year 1 – \$6.7MM (1.70%)
  - ▶ Year 2 - \$6.7MM (1.67%)
  - ▶ Compounded value over 2 years - \$20MM (2.54%)
- ▶ MPI Current Position
  - ▶ Year 1 - \$8.8MM (2.22%)
  - ▶ Year 2 - \$9.2MM (2.28%)
  - ▶ Compounded value over 2 years - \$26.8MM (3.38%)

# ATA / MMDA Position



- ▶ ATA / MMDA position has moved from \$58.1 Million total value to \$35.1 Million over 2 years
- ▶ ATA / MMDA initial position
  - ▶ Year 1 – \$23.4MM (5.9%)
  - ▶ Year 2 - \$11.2MM (2.7%)
  - ▶ Compounded value over 2 years - \$58.1MM (7.35%)
- ▶ ATA / MMDA Current Position
  - ▶ Year 1 - \$13.2MM (3.4%)
  - ▶ Year 2 - \$8.7MM (2.1%)
  - ▶ Compounded value over 2 years - \$35.1MM (4.5%)



# Breakdown of Compensation Increase

## – ATA / MMDA

- ▶ Labor (All labor rates will increase)

- ▶ Year 1 – 3% to \$91.08
- ▶ Year 2 – 3% to \$93.82

- ▶ Materials

|               | Paint         | Body & Tempered Glass | Glass        |
|---------------|---------------|-----------------------|--------------|
| <b>Year 1</b> | 5% to \$59.50 | 5% to \$7.59          | 5% to \$4.31 |
| <b>Year 2</b> | 5% to 62.48   | 5% to \$7.97          | 5% to \$4.52 |

- ▶ Other Operations

- ▶ ADAS from \$165 to \$225
- ▶ Admin Fee PD - \$50
- ▶ Admin Fee Glass - \$10

# Breakdown of Compensation Increase

## - MPI

- ▶ Labor (All labor rates will increase)
  - ▶ Year 1 – 2.75% to \$90.86
  - ▶ Year 2 – 3% to \$93.59
- ▶ Materials

|               | Paint         | Body & Tempered Glass | Glass           |
|---------------|---------------|-----------------------|-----------------|
| <b>Year 1</b> | 5% to \$59.50 | 2.75% to \$7.43       | 2.75% to \$4.21 |
| <b>Year 2</b> | 7% to 63.67   | 3% to \$7.65          | 3% to \$4.34    |

- ▶ ADAS from \$165 to \$225
- ▶ No increase to Admin Fee on PD or Glass





# Removed from LVAA Discussion

- ▶ The following are being addressed outside of LVAA discussions

| Procedure           | Rate   | Year |
|---------------------|--------|------|
| Mobilization        | 100.00 | 2019 |
| ADAS Calibration    | 165.00 | 2019 |
| Glass Tint          | 80.25  | 1998 |
| Hazardous Waste     | 4.97   | 2008 |
| AC Service          | 26.00  |      |
| AC Condenser Repair | 100.00 |      |
| Small Foam          | 54.00  | 2023 |
| Large Foam          | 101.00 | 2023 |
| Small Adhesive      | 67.00  | 2023 |
| Large Adhesive      | 127.00 | 2023 |

| Procedure               | Rate  | Year |
|-------------------------|-------|------|
| Admin Fee               | 15.00 | 2019 |
| Tire Nitrogen           | 5.00  | 2019 |
| TPMS Install            | 7.50  | 2019 |
| TPMS Test               | 5.00  | 2019 |
| Tire Mount and Balance  | 22.00 | 2019 |
| Glass Urethane          | 33.60 | 2023 |
| Coolant                 | 20.00 |      |
| Windshield Repair       | 80.00 | 2012 |
| Windshield Repair Extra | 20.00 | 2012 |
| Key Coding              | 50.00 |      |



# New Rate Card – MPI Offer



| Southern Manitoba Labour Rates |           |           |           |
|--------------------------------|-----------|-----------|-----------|
| Labour Type                    | 2024      | 2025      | 2026      |
| Body/ Ref/ Glass               | \$ 88.43  | \$ 90.86  | \$ 93.59  |
| Frame                          | \$ 97.06  | \$ 99.73  | \$ 102.72 |
| Mechanical                     | \$ 103.50 | \$ 106.35 | \$ 109.54 |
| Mechanical Specialty           | \$ 130.43 | \$ 134.02 | \$ 138.04 |
| Aluminum/ Carbon Fibre         | \$ 97.06  | \$ 99.73  | \$ 102.72 |
| Glass Only -Wshield            | \$ 66.32  | \$ 68.14  | \$ 70.19  |
| Glass only -tempered           | \$ 80.85  | \$ 83.07  | \$ 85.57  |
| <b>Materials</b>               |           |           |           |
| Paint                          | \$ 56.67  | \$ 59.50  | \$ 63.67  |
| Body                           | \$ 7.23   | \$ 7.43   | \$ 7.65   |
| Glass                          | \$ 4.10   | \$ 4.21   | \$ 4.34   |

# New Rate Card – MPI Offer



| Northern Manitoba Labour Rates |           |           |           |
|--------------------------------|-----------|-----------|-----------|
| Labour Type                    | 2024      | 2025      | 2026      |
| Body/ Ref/ Glass               | \$ 109.65 | \$ 112.67 | \$ 116.05 |
| Frame                          | \$ 120.36 | \$ 123.67 | \$ 127.38 |
| Mechanical                     | \$ 128.34 | \$ 131.87 | \$ 135.83 |
| Mechanical Specialty           | \$ 156.52 | \$ 160.82 | \$ 165.65 |
| Aluminum/ Carbon Fibre         | \$ 120.36 | \$ 123.67 | \$ 127.38 |
| Glass Only -Wshield            | \$ 82.24  | \$ 84.50  | \$ 87.04  |
| Glass only -tempered           | \$ 100.26 | \$ 103.02 | \$ 106.11 |
| <b>Materials</b>               |           |           |           |
| Paint                          | \$ 68.00  | \$ 71.40  | \$ 76.40  |
| Body                           | \$ 10.16  | \$ 10.44  | \$ 10.75  |
| Glass                          | \$ 4.92   | \$ 5.06   | \$ 5.21   |

# MPI Offer Impact



| Average Shop of \$3.5 MM Revenue |                    |                    |                    |
|----------------------------------|--------------------|--------------------|--------------------|
|                                  | 2024               | 2025               | 2026               |
| Labor Sales                      | \$1,400,000        | \$1,438,500        | \$1,481,655        |
| Paint Material                   | \$280,000          | \$294,000          | \$314,580          |
| Body Material                    | \$70,000           | \$71,925           | \$74,083           |
| <b>Total</b>                     | <b>\$1,750,000</b> | <b>\$1,804,425</b> | <b>\$1,858,558</b> |
|                                  |                    |                    |                    |
| ** Parts Sales Excluded          |                    |                    |                    |
| ADAS Increase                    |                    | \$7,500.00         | \$7,500.00         |

# Options on MPI Offer



- ▶ MPI states current offer is final offer
- ▶ ATA / MMDA can move money within the offer to address trade priorities
  - ▶ Example – Reduce ADAS compensation or labor increase and move \$ to Admin Fee
- ▶ \$225 ADAS Fee is worth \$1.7 MM over 2 years
  - ▶ A \$50 Admin Fee for PD is worth \$6 MM over 2 years
  - ▶ A \$10 Admin for Glass is worth \$1.2 MM over 2 years
  - ▶ Total Labor increase is worth \$17.6 MM over 2 years
  - ▶ Total Materials increase is worth \$7.5 MM over 2 years

# ATA / MMDA Response to MPI



- ▶ Expressed appreciation for transparency
- ▶ Current proposal falls short of inflation
- ▶ Current proposal calls for shops to subsidize MPI operations
- ▶ ATA / MMDA will not endorse current proposal but, will take it to members for feedback

# Next Steps



- ▶ Both associations will gather feedback from members
- ▶ Each shop has autonomy to do what is right for their business
- ▶ MMDA and ATA will survey members and provide feedback to MPI from the trade



Questions / Feedback?