

1Q 2020 Notes from the Board of Trustees

On February 10 and 14, the IFTA, Inc. Board of Trustees (Board) met in San Diego, CA, for the First Quarter 2020 Board meeting. All nine Board members were present and members from the IFTA Team, including Mr. Carmen Martorana, Executive Director, Ms. Monica Halstead, Business Supervisor, Ms. Debora Meise, Communications and Training Director, and Ms. Tammy Trinker, Events Administrator, were also in attendance. Guest speakers included Mr. Tim Adams, IRP, Inc. CEO, Mr. Jeff Hood (IN), IRP Board of Directors Chair, Mr. Robert Pitcher, American Trucking Association Consultant, and Mr. Dennis Vanderslice (ARI), Industry Advisory Committee (IAC) Chair were also present. Additional guests that attended portions of the two-day meeting included Mr. Rick LaRose and Mr. Gary Markham, ProMiles, Mr. Kevin Davis (ID), Ms. Renee Kyser (AL), Ms. Heidi Crawford (NE), and Ms. Marsha Douglas-Roy (QC).

During a closed session, the Board elected the 2020 Executive Committee and identified Ms. Helen Varcoe (MT) as Second Vice President, Ms. Antoinette Tannous (QC) as First Vice President, and Mr. Scott Bryer (NH) as President.

The Board approved the minutes from the Fourth Quarter 2019 Board meeting as well as the Board Actions via Email and Conference Call. The Board also acknowledged the Consent Agenda which included committee reports from the Audit Committee (AC), Clearinghouse Advisory Committee (CAC), Law Enforcement Committee (LEC), and the Program Compliance Review Committee (PCRC).

Appointments of Board Liaisons to the committees and jurisdictions were reviewed and appointed by the Board. These appointments can be located on the IFTA, Inc. website by clicking on the Board of Trustees tab and clicking on the provided links on the web page.

The Board reviewed and approved the IFTA, Inc. Organizational Chart, Whistleblower Policy and an updated Travel Policy. An IFTA Employee Handbook was also updated and approved by the Board but was subject to the new associations attorney's review. A review of the IFTA Policy memorandums, created to strengthen the internal IFTA, Inc. controls, was also completed. A new logo for the organization was also unveiled and approved by the Board. IFTA, Inc. will research and obtain copyrighting, registering, or trademarking this new logo.

The financial policy had also been significantly changed from its previous version and further updated by the Board during the meeting. A final copy of the policy will be redistributed to the Board for consideration and vote following the meeting. Additionally, an IFTA, Inc. Board of Trustees – Meetings Policy was reviewed by the Board. This policy will also be posted to the Board's message board following the meeting for their review and commentary and subsequent vote.

The IFTA, Inc. Quarterly Financial Statements and budget were also presented to the Board and reviewed in depth. In reviewing the Clearinghouse funds, it was noted that one late receipt was received in both November 2019 and January 2020. Dividends from the liquidity investments were also reviewed as of January 31, 2020. As outlined by the financial statements, the total operating revenues are in good standing based upon the approved projected budget. IFTA, Inc. remains financially sound with a net surplus of the budget.

IFTA, Inc. presented a request to move the LAN servers to a cloud-based server. The Board approved this request with a limit of \$7,500 for expenses. Finances for this expense was approved to be pulled

from both the investment accounts as well as the operational expenses as outlined by the Board. A deadline of March 31, 2020 was requested for this move.

Reviewing the website survey issued by IFTA, Inc., it was identified that the top four reasons people access the IFTA, Inc. website is for manuals, events, tax rates, and ballot information. IFTA, Inc. anticipates implementing the new website by the 2020 IFTA Annual Business Meeting.

Mr. Martorana reviewed the priority actions of the IFTA, Inc. Strategic Plan. Ms. Halstead presented the combined and updated Board Member Guide and explained that this guide is accessible through the IFTA, Inc. website.

Mr. Vanderslice presented an IAC update to the Board. Issues that the committee are currently addressing include, but are not limited to, ongoing refusals to allow multiple IFTA accounts, requirements that applicants for licenses be incorporated in state, and states that require an in-state address to match the address for EINs. Further, it was observed that there were communication concerns between industry and membership that need to be addressed, including multiple IFTA accounts and un-receipted fuel.

Mr. Adams announced the officer elections for the IRP, Inc. Board of Directors. Ms. Davis was elected as Treasurer, Ms. Tammi Popp (PA) was elected as Vice Chair, and Mr. Hood was elected as Chair. IRP, Inc. continues to develop a strategic path and address ways to enhance motor carrier service community engagement and volunteerism. IRP, Inc. is also researching applying for grants for federal funding to assist in completing some of their strategic goals and major initiatives. A Request for Proposal is being drafted by the IRP Clearinghouse Working Group and it is anticipated to have a vendor selected by July 2020.

The Board discussed the Consensus Board Interpretation (CBI) for the reporting of un-receipted and untaxed fuel. This language was clarified by the Board and will be presented to membership at the 2020 IFTA Annual Business Meeting. The Board agreed upon the following resolution:

- The Board has determined that the Articles of Agreement and Procedures Manual require that all fuel placed in the fuel tanks of qualified vehicles, whether receipted or not, and whether taxed or not, must be reported to calculate the MPG and appropriate fuel taxes.
- Jurisdictions are required to provide tax returns that allow for the calculation of the correct MPG/KPL and appropriate fuel taxes. Per the language of the Articles of Agreement and the Procedures Manual, licensees are required to report all taxable gallons or liters. In order to accomplish this, jurisdictions must provide the ability for the licensee to report all fuel placed in qualified motor vehicles.

In reviewing the Clearinghouse, Ms. Halstead informed the Board that a 6% increase in transmittal records have been posted over a three-year period, from 2017 to 2019. There has also been significant increase regarding the demographic data as well. The Board also reviewed a CAC charge and will finalize this charge following the conclusion of the Board meeting.

The Board charged the IFTA Team with reviewing and editing the Bylaws following the meeting. Once this review was complete the Bylaws would be posted to the Board's message board for review and

commentary and then a voting period. The final Bylaws, approved by the Board, would then be presented to membership at the 2020 IFTA Annual Business Meeting.

The Board also moved that the IFTA, Inc. Board of Trustees Executive Committee meet with the IRP Board of Directors Executive Committee to review agenda items discussed by the Boards and look for resolutions that benefit both communities.

Committee charges were reviewed by the Board. A charge to the APC was approved as presented. The Board amended a charge to the DRC as well as the CAC. A joint charge to the LEC and CAC was also approved as directed by the Board.

Revenue raisers have also been researched by IFTA, Inc. and included a Subscriber Fee as well as revised Sponsorship Levels. The Board approved the revenue raisers as outlined by IFTA, Inc. During a review of the Plus One Person (POP) funding and IFTA Travel Policy, the Board approved the policy and funded traveler memorandum as presented.

A discussion regarding learning management systems (LMS) was had. IFTA, Inc. has reviewed various systems, implementations, and fees associated with LMS. The Board determined that it could not appropriate funds until a more definite direction was established for the system.

The Board reviewed and approved the auditing firm, Ball & McGraw, P.C., to conduct the annual financial audits for 2018, 2019, and 2020. Upon completion of these audits, the Board could review the commitment with Ball & McGraw, P.C. for future audits.

The Board also discussed IFTA, Inc.'s research for a new attorney for the organization. The Board approved the law group, Caritas Law Firm, to be the association's new attorney. It was a request of the Board that the attorney be available for introductions to the Board during the Second Quarter 2020 Board meeting.

It was the decision of the Board that IFTA, Inc. issue a letter of cancellation immediately to JCM Farming, Inc., care of Inverness LLC, regarding the termination of the lease relative to suite B-6. In anticipation of terminating the lease, IFTA, Inc. has been researching co-location workplaces. The Board approved The Forum as the co-location workspace for IFTA, Inc. as of March 1, 2020.

The Board discussed several topics for the 2020 IFTA Annual Business Meeting. The theme for the meeting will be the Evolution of IFTA, Inc.

The 2020 Election Committee was established by the Board. It was clarified that Mr. Nicholson, Mr. Romeo, Ms. Tannous, and Ms. Varcoe were eligible for re-election. The Election Committee will include Mr. Bryer, Ms. Chewning, Mr. Couillard, Mr. Richard, and Mr. Wagner. Mr. Richard was nominated as Election Committee Chair.

Addressing the committee reports, members of the Alternative Fuels Working Group, which was developed during the 4Q 2019 Board meeting, were reviewed. The Board charge to this group was also discussed. The working group will provide a report to the Board during the 2Q 2020 Board meeting. The GPS Standardization Working Group held a conference call in mid-January and are currently reviewing survey responses. The working group has requested to meet in conjunction with the IRP

Annual Meeting in early May. The Board approved to fund two representatives to attend the GPS Standardization Working Group meeting.

IFTA, Inc. presented an updated Clearinghouse Access Agreement for Board approval. This new agreement requires a 120-day process for signing and returning to IFTA, Inc. The Board approved the updated agreement for immediate release to all IFTA Commissioners.

A PCRC Reviewer Training meeting was held in Chandler, AZ in January. During this two-day meeting, the reviewers were able to successfully complete the Iowa Program Compliance Review and began the Illinois review. IFTA, Inc. remains active and involved in these reviews and issue weekly statuses regarding all on-going reviews.

Regional Board calls were scheduled by the Board. The following schedule has been committed:

- Northeast – March 5th
- Southeast – March 19th
- Midwest – March 11th
- Western – March 9th
- Canada – March 12th

Organizational events for the future were reviewed. IFTA, Inc. continues to research locations for the 2021 IFTA/IRP Audit Workshop. The Board authorized the request from the AC to identify a keynote speaker and that the total cost should not exceed \$7,500.

IFTA, Inc. will work with the LEC to research a request for a reception during the 2020 IRP/IFTA Managers' and Law Enforcement Workshop that would focus on the Charles M. Mills Award of Excellence presentation.

The Board discussed arranging conference calls between both the IFTA and IRP Executive Committees to investigate hosting of joint organizational events. The Board also approved the amended Joint Working Group Process. This process will be effective on a trial basis for one year and will be evaluated in February 2021.

Following the conclusion of the open discussions, the Board then went into a closed session. Following the conclusion of the closed session, the First Quarter 2020 IFTA, Inc. Board of Trustees meeting was adjourned.