

**FIRST QUARTER 2017
IFTA, INC. BOARD OF TRUSTEES MEETING
JANUARY 18 - 19**

Board Members:

Cindy Arnold	Nevada Department of Motor Vehicles
Trent Knoles	Illinois Department of Revenue
Richard LaRose	Connecticut Department of Revenue Services
Stephen Nutter	Virginia Department of Motor Vehicles
Joy Prenger	Missouri Motor Carrier Services
Antoinette Tannous	Quebec Revenue
Rick Taylor	Kentucky Transportation Cabinet
Chuck Ulm	Comptroller of Maryland
Stuart Zion	Colorado Department of Revenue

IFTA, Inc. Personnel:

Lonette Turner	CEO
Jason DeGraf	Information Services Director
Tom King	Webmaster
Amanda Koeller	Comptroller
Debora Meise	Senior Director

Guests:

Robert Pitcher	American Trucking Associations, Inc.
Sandy Johnson	North Star Fleet Solutions, Inc.
Lisa Lumbard	Lumbard & Associates
Jennifer Brown	Help, Inc.
Sharon Sutton	Office Team, a Robert Half Company

Call to Order

Mr. Chuck Ulm (MD), IFTA, Inc. Board of Trustees (Board) President, called the meeting to order. All Board members were in attendance. The Board formally welcomed the newest Board members, Mr. Rick LaRose (CT), Mrs. Antoinette Tannous (QC), and Mr. Rick Taylor (KY). Mr. Taylor is the newest Board member recently elected by membership to complete the term of Mr. David Helton (FL) following his retirement.

Mr. Robert Pitcher, American Trucking Associations, Inc. (ATA) and Ms. Sandy Johnson, North Star Fleet Solutions, Inc. and chair of the Industry Advisory Committee (IAC), and Jennifer Brown (HELP, Inc.) were also present. Additionally, Ms. Sharon Sutton, Office Team, a Robert Half Company, attended the meeting for the purpose of taking the official minutes.

Closed Session

The Board then went into a closed session for the purpose of electing officers of the Association.

Motion: Mr. Stuart Zion (CO) moved to elect Mr. Ulm (MD) as President. Mrs. Tannous seconded the motion. The motion was approved.

Motion: Mr. Ulm moved to elect Mr. Stephen Nutter (VA) as First Vice President. Mr. LaRose seconded the motion. The motion was approved.

Motion: Mr. Nutter moved to elect Ms. Joy Prenger (MO) as Second Vice President. Mrs. Tannous seconded the motion. The motion was approved.

1) FYE16 Audit Results

Ms. Lisa Lumbard, Lumbard & Associates, presented the FYE16 audit results to the Board and reviewed the audited financial statements. In reviewing the Statement of Financial Position from June 30, 2016, it was noted that the assets have increased and that the organization is in a good position and that most of the expenses are operational.

The Service Auditor's Report was reviewed. It was noted that this report focuses on controls for the primary clearinghouse and funds netting services provided by the organization. An in-depth description of the funds netting process was provided and tested by Lumbard & Associates. A larger sample size was utilized for the testing and no exceptions were discovered. Ms. Lumbard informed the Board that IFTA, Inc. has a healthy set of controls and procedures set in place.

Motion: Mr. Nutter moved to accept the FYE16 audited financial statements as presented by Lumbard & Associates. Ms. Prenger seconded the motion. The motion was approved.

2) Not for Profit Governance Orientation Overview

Ms. Lumbard reviewed her own background and the different boards that she had served on and offered a presentation explaining a Board's role in a not-for-profit organization. She cited quotes from Robert's Rules of Order which explained how to do the process, but Ms. Lumbard explained that the rules do not necessarily cover everything.

It was explained that an organization's bylaws are supposed to be quite broad and mission driven while an organization's policies should be specific in nature. An organization's Board can change these documents. Currently, IFTA, Inc. does not have Board policies and procedures and the company's Bylaws were written several years ago. Ms. Lumbard explained that if the Board desired to review the Bylaws, it could be broken down into sections. The Board can establish smaller groups within itself to scrutinize the different sections, propose updates or amendments to these sections, and then present their recommendations to the rest of the Board for consideration. Any final bylaw changes would need to be presented to membership for ratification.

IFTA, Inc. has been in contact with one person that offers Board governance training. IFTA, Inc. continues to research this issue and intends to provide three different bids to the Board for consideration. The Board is providing to IFTA, Inc. training objectives to provide to potential trainers.

3) Committee and Jurisdiction Assignments

The Board reviewed the Committee and Jurisdiction Liaison assignments. Below is the current listing for these assignments.

2017 IFTA Committee Board Liaisons		
Agreement Procedures Committee	Audit Committee	Clearinghouse Advisory Committee
Cindy Arnold (NV), Lead	Steve Nutter (VA), Lead	Rick Taylor (KY) - Lead
Trent Knoles (IL)	Joy Prenger (MO)	Cindy Arnold (NV)
	Rick LaRose (CT)	
Dispute Resolution Committee	Industry Advisory Committee	Law Enforcement
Rick Taylor (KY) - Lead	Antoinette Tannous (QC) - Lead	Stuart Zion (CO), Lead
Steve Nutter (VA)	Chuck Ulm (MD)	Chuck Ulm (MD)
		Trent Knoles (IL)
Program Compliance Review	Attorneys Section Steering Committee	
Rick LaRose (CT) - Lead	Stuart Zion (CO), Lead	
Joy Prenger (MO)	Chuck Ulm (MD)	
Trent Knoles (IL)	Antoinette Tannous (QC)	
Electronic Credentials Working Group	IFTA/IRP Board Subcommittee	
Trent Knoles (IL)	Chuck Ulm (MD)	
	Steve Nutter (VA)	

Jurisdiction Board Liaisons								
J. Prenger	R. Taylor	R. LaRose	A. Tannous	T. Knoles	S. Nutter	S. Zion	C. Arnold	C. Ulm
IA	KY	CT	AB	IL	AR	AZ	ID	DE
IN	AL	ME	BC	KS	NC	CA	MT	MD
MO	GA	MA	MB	MI	SC	CO	OR	NJ
NE	FL	NH	NB	MN	TN	NM	UT	OH
ND	LA	NY	NL	OK	VA	TX	NV	PA
SD	MS	RI	NS	WI	WV	WY	WA	
		VT	ON					
			PE					
			QC					
			SK					

4) Approval of Minutes

a) *Fourth Quarter 2016 IFTA, Inc. Board of Trustees Meeting*

The Board reviewed the minutes and amendments were made. Following discussion, Mr. Ulm asked for a motion to accept the minutes as amended.

Motion: Mr. Zion moved to accept the amended minutes from the Fourth Quarter 2016 IFTA, Inc. Board of Trustees meeting. Mr. Nutter seconded the motion. The motion was approved.

b) *Board Actions by E-mail*

The Board reviewed the minutes. The actions included committee vacancies and positions as well as funding travel to the 2016 IFTA Attorneys Meeting. These actions occurred during October 1 through December 31, 2016.

Motion: Mr. Ulm moved to approve the minutes of the Board Actions by E-mail as amended. Ms. Arnold (NV) seconded the motion. The motion was approved.

5) Committee Action Items

a) *Dispute Resolution Committee (DRC)*

In a report from the DRC, Mr. Taylor, former chair, requested a term extension for Mr. Scott Bryer (NH). Mr. Bryer is the current vice chair of the DRC. His and Ms. Donna Burch's (Ryder) terms expired on December 31, 2016. In his report, Mr. Taylor asked the Board to extend Mr. Bryer's term. Mr. Taylor will contact Mr. Bryer to clarify if he is interested in assuming the role of committee chair.

Motion: Mr. Taylor moved to extend the term for Mr. Bryer by two years on the DRC, to conclude December 31, 2018. Ms. Arnold seconded the motion. The motion was approved.

b) *Electronic Credentials Working Group (ECWG)*

The Board referenced the written report by the ECWG chair, Mr. Garry Hinkley (ME). The report explained that, as charged by the Board, the ECWG has completed its tasks. Mr. Hinkley cited concern for having two working groups tasked with similar objectives (electronic credentials). These groups were identified as the ECWG, including the Midwest Motor Carrier Credentials Pilot Project, which was initiated by Wisconsin, and the IRP Electronic Credentials Task Force. It was observed that this may be confusing to membership if both working groups continued simultaneously.

Concern was expressed that the International Registration Plan (IRP, Inc.) does not have a law enforcement section like IFTA, Inc. does. As a result, the Board was not in favor of disbanding the ECWG and opted to keep it ongoing at this time.

c) *Attorneys' Section Steering Committee (ASSC)*

The ASSC submitted a request for the Board to approve the travel and registration expenses for both an Audit Committee and Law Enforcement Committee representative to present at future Attorneys Meetings. It was the position of the ASSC that agenda topics for committee guest speakers could not be coordinated unless the approval of the travel expenses was authorized by the Board in advance.

Further discussions considered that the 2018 Attorneys Meeting could be aligned with the 2018 IFTA/IRP Audit Workshop; therefore, an Audit Committee member would already be available as a presenter without having to take on additional travel or meeting expenses. It was the position of the Board that a blanket proposal to approve travel expenses without viewing a preliminary agenda could not be provided. Rather, the Board would be willing to review the committee's request(s) on a case by case basis pending the drafting of a preliminary agenda outlining the topics to be discussed.

6) **Committee chairs Conference Call**

The Board held a conference call with the committee chairs. Those participating in the call included Ms. Marie Stark (MT), Agreement Procedures Committee (APC), Mr. David Nicholson (OK), Audit Committee (AC), Mr. Ron Hester (ON), Clearinghouse Advisory Committee (CAC) and Annual Report Working Group (ARWG), Mr. Taylor, DRC, Ms. Johnson, IAC, Mr. Richard Wagner (NV), Program Compliance Review Committee (PCRC), Mr. Paul Nilsen (WI), ASSC), Mr. Hugh Hughson (BC), Dual Fuel Working Group (DFWG), Mr. Hinkley (ME), ECWG, and Mr. John Szilagyi (CT), Program Compliance Working Group (PCWG). Mr. Ulm introduced the new Board members to all of the participating committee chairs on the call and announced the new Executive Committee.

a) *APC*

Ms. Stark announced that the APC has no vacancies at this time. Currently the committee is working on the planning of the 2017 IFTA/IRP Managers' and Law Enforcement Workshop alongside the IRP Education Committee and IFTA Law Enforcement Committee. The APC does not have any current ballot language being proposed for 2017 but they are continuing to review issues that may be brought forth at a later date for consideration as ballot proposals for this year.

b) *ARWG*

Mr. Hester reported that the working group has held a number of conference calls pertaining to the recent Board charge. The ARWG was charged with researching, discussing, and making recommendations for any necessary changes to the Annual Report. The working group is finalizing a survey that will be distributed to membership following the Board meeting. This survey questions membership about the Annual Report data level of use and means of reporting.

c) *AC*

Mr. Nicholson offered this report. The committee is finalizing the 2017 IFTA/IRP Audit Workshop agenda. Currently the committee has no vacancies but will have to replace Mr. Nicholson as chair following the workshop due to term limits. It is anticipated that Ms. Helen Varcoe (MT) will assume this position, leaving an opening for the vice chair seat. Additionally, Ms. Stacey Hammock (WY) will also be rolling off the committee following the workshop.

The Audit Committee continues to move forward with establishing the criteria for the Don Stroncheck award that will commemorate the years of dedication and service Mr. Stroncheck provided to IFTA. Once this criteria has been established by the committee it will be forwarded to the Board for review and consideration.

d) *CAC*

Mr. Hester presented this report and announced that the committee has no vacancies at this time. The CAC is preparing for their upcoming face-to-face meeting in Chandler, AZ, in early February. The committee has also established a Best Practices subcommittee with the intent to produce a guide that will assist membership in understanding how to best utilize the clearinghouse and promote uniformity in data reporting and processing. In addition, the CAC has created a Quality Control Group subcommittee. The focus of this subcommittee is to ensure the accuracy and integrity of the reported jurisdictional data within the clearinghouse. The committee also continues to monitor the funds netting process to ensure that it is smoothly and accurately handled.

e) *IAC*

Ms. Johnson offered this report. The biggest concern within industry remains the Electronic Logging Devices (ELD) and utilizing this collected data for IFTA purposes. Concern was expressed with the collection and use of electronic data for the purposes of

IFTA reporting. The IAC created a subcommittee to review ELD data and create a public service announcement relative to both IFTA and IRP concerning the use of ELD reporting. Ms. Johnson also noted that she would be rolling off the committee as chair and expressed her appreciation to the Board and IFTA, Inc. for their cooperation and assistance over the years.

f) *PCRC*

Mr. Wagner reported that the PCRC has a vacancy in the Canadian region for an administrative representative. The committee distributed a letter to membership informing the jurisdictions the PCRC would review 2017 Audit Reports for compliance with changes found in the Audit Manual effective January 1, 2017. As a result of the Annual IFTA Business Meeting and issues and concerns raised by membership, the PCRC initiated a working group to discuss the Review Guide and ways to improve the review process. Additionally, the committee has submitted a formal request to the Board for a face-to-face meeting of the working group in the spring of 2017 to further the Board charge regarding the review process. In conclusion, Mr. Wagner informed the Board that his term would be expiring March 31, 2017.

g) *PCWG*

Mr. Szilagyi reported having eight people on the committee and having had two conference calls so far. The committee is working on ballot language and on getting a survey out to test the waters with membership to see what their feelings are. They are hoping to get that out after the February call. While there is a lot of work to do, they want to put out a webinar in the summer so that they we can get a presentation together for the Annual Business Meeting.

h) *DRC*

Mr. Ulm asked Mr. Taylor to say some words about the DRC. Mr. Taylor stated that there are no disputes or referrals to report. In addition, Mr. Taylor stated that some vacancies need to be filled and that a new chair needs to be appointed. The Board extended Mr. Bryer's term he will be asked if he would be interested in serving as chair.

i) *ASSC*

Mr. Nilsen reported that the ASSC had a successful meeting; therefore, they will not meet in 2017, but instead will be moving to 2018 to have their meeting in conjunction with the Audit Workshop.

j) *DFWG*

Mr. Hughson stated that there is one additional task to complete, and then he will want the working group dissolved.

k) *Law Enforcement Committee (LEC)*

Mr. Ulm, board liaison reported having full representation on the committee. Some projects they are working on include: the planning committee for the 2017 workshop, M&M Blitz, Electronic Credential Working Group, Webinar sub-committee and Ballot sub-committee.

l) *ECWG*

Mr. Hinkley continues to have periodic calls. He acknowledged the WI pilot project, which seems to be a successful pilot thus far.

There is more need for timely demographic information. Data quality issues are extremely important. A smart phone app is now available. More jurisdictions will release the demographic information as it is a useful tool for law enforcement.

Mr. Ulm mentioned that the Board decided to leave that working group in place for the short term and play it by ear as things merge together in the future. Mr. Ulm also thanks everyone very much for their time and for reporting committee activities. Their next call will be on April 25th.

7) IT Update

a) *Jason DeGraf (IFTA, Inc.) - Clearinghouse*

Aside from year-end stuff, the number of hits made, and how many errors were posted, Mr. DeGraf reported that he's still working with outstanding demographic data errors, which he posts daily. Effective July, he will start rejecting the whole file with bad data. The whole file will be rejected with as little as one mistake and the error will be listed.

Mr. DeGraf is also requesting that full baseline demographics be sent nightly, effective July. 40 out of 50 have completed this so far. So, we'll be doing the full file upload and rejecting of data both by July 1st.

In the notes from ABM it was asked that Industry could submit tax return data electronically in one format. Multiple forms to multiple jurisdictions have to currently be submitted. Mr. DeGraf has developed a page for data entry, but all jurisdictions would have to agree that it will be used.

The IFTA app was released. We have WI and NV sharing data through the IFTA app. If you want your data out in the app let Mr. DeGraf know. We do not have a Blackberry app for Canadian jurisdictions. Mr. DeGraf suggested that he create a webpage that replicates the app for those without Android. The same data used in the app could be made available on a secure webpage. Anything shared on the app would be on this webpage. It would be just as secure as everything else.

b) *Tom King (IFTA, Inc.) – Website*

Mr. King is working on the new website; there have been several suggestions for fixes. There were some bugs here and there. A button will be available for Latest Updates. Mr. King stated he is working on the manuals; all updated manuals are available.

Renewed decal specs and Ballot Proposals are a work in progress. Mr. LaRose suggested that you have level 5 security, you can make changes to the user info.

8) Real Estate Listing, CPI Realty - Tyson Breinholt

Mr. Breinholt felt it was time to recap. There is some momentum, and he thinks this is the year that we'll finally get the building sold. Mr. Breinholt reviewed sale and lease comps in the area. There is an option for IFTA to move into a smaller square footage space for lease in the general area of current location; he provided 12 options. Ms. Turner and other staff members will tour them when the time comes.

The sale price is \$1,125,000. It is CPI's recommendation that we lower the price to just under \$1,100,000. It will get it back out there with a new price, allow for a new market campaign and will show a motivated seller. A suggested new price is \$1,099,000 (a \$26,000 reduction).

Discussions were held by the Board members and staff regarding the pros and cons of reducing the price, and the possibility of remote work from home and a data center, compared to leasing a smaller office space for meetings, etc.

Mr. Taylor inquired about the planned use of the funds from the sale or any reserves; are we going to reduce dues, use for travel, etc. Ms. Koeller reported that in April they will have their Investment Advisor come in and talk about the options.

9) Strategic Planning – Update on Action Items

a) *Maintaining 912 W. Chandler Blvd.*

Over the past three years, there has been a substantial outlay of money for both the office of IFTA, Inc. and the tenants. Our flat roof is something that has to be resealed and constantly maintained. That expense will be \$12,000 - \$15,000. Nine air conditioning units were purchased at \$6,000 each. Future replacements will cost more due to new federal regulations.

b) *Rent vs. Remote*

The costs are \$55,000 - \$64,000 projected per year. Mr. DeGraf received quotes on data center hubs to house the servers. One is in Tempe for \$600 per month. There would be a walk-through. There would also be a meeting space available. About \$2,000 per meeting/two per year for \$4,000 is the cost for using conference space.

10) Comptroller's Report

a) *Financial Policy*

Ms. Koeller reported that over the last couple of years, the Board and staff have been working on the financial policies. There have been things that have come up sporadically. She believes she's made the changes that were discussed over the last couple years. Ms. Koeller asked that they be approved or that corrections are made, if necessary.

Mr. Ulm questioned policy #6. Ms. Koeller gave an example of things that occur, like purchasing a new laptop, etc. Ms. Turner suggested increasing the travel budget from \$1,500. Ms. Joy Prenger said she would be comfortable with \$3,000.00.

Mr. Zion questioned the credit card policy; is that one credit card that each employee uses? Ms. Turner reported that each employee has a card. The only other thing that changed was that all employees are required to scan and upload receipts.

Mr. Nutter questioned #16 Capitalization; wondering if the amount was too low. Ms. Koeller reported that that was a recommendation from the auditors. There really aren't a lot of things that are capitalized at IFTA, Inc., except the servers.

The biggest change is the addition of the approved vendor List.

Motion: Ms. Joy Prenger made a motion to approve the financial policies. Ms. Arnold (NV) seconded the motion. The motion was approved.

b) *Funds Netting Compliance Report*

Ms. Koeller reported that the Illinois issue is now resolved.

Funds netting is going really well. The funds netting calendar is working well. Quebec and Oklahoma working toward clearinghouse implementation. This is purely informational and should not be considered as any kind of formal announcement.

c) *Financial Report*

Mr. Koeller reviewed the income statement and balance sheet. The income statement indicates the budget that was approved for FYE2017, year to date and what remains. She reported being on target within 5% on each line item. There are a few items that are off that are paid at the beginning or the end of the year. Ms. Koeller drew attention to the Commissioner and committee chair travel to the Annual Business Meeting. This year, we budgeted too much at \$88,000. On the rental projections, we're also doing really well. We haven't heard anything on renters, so we're over on what was budgeted and our lessee re-signed for another year.

Our cash is approximately \$600,000. This includes our money market account, operations account and rental account. IFTA, Inc. is in sound financial condition. We have our extra funds in Chase Investments. Joshua Waitz will be at the 2Q17 Board meeting to review the IFTA, Inc. portfolio. Basically, as we receive dues, we move that into a money market so it can grow interest.

d) *2018 Projections*

Based on the decision to spend some of the extra funds on travel, we had talked about how many days the meetings would go and based on general numbers, we came up with numbers for 2, 3, 4 & 5 day meetings, airfare, hotel, transportation and per diem. The projection is \$221,000 for year 2018. Ms. Prenger commented that worst case scenario would be \$300,000 if we add the ABM.

11) Program Compliance Review Update

Mrs. Meise reported that things are going well. She has taken over the Review process. Five (5) Reviews for 2016 are in the process of being completed. Arizona, California, and Wyoming are the first Reviews for 2017.

12) Funding Request

Mr. Trent Knoles reported that the PCWG is developing a survey, program compliance cycles, etc. Mr. Knoles thinks that it's an aggressive agenda. Mrs. Meise reported that she didn't think that the 2.5 days were going to be enough. She suggested going to a 3 or 3.5 day time frame. The Board reviewed the proposed travel budget for a face-to-face meeting, assuming 19 people attending.

Mr. Zion asked what their strategy is, based on the fact that it wasn't very well received last time. Ms. Joy Prenger reported that there are strategies in place, and if you put the right person on the right project you will get somewhere. Ms. Prenger reported that the AC is going to provide assistance. Mrs. Meise reported that the working group chair, Mr. Szilagy, has a few survey questions that will be ready to send to membership shortly.

Motion: Mr. Knoles moved to approve the face-to-face meeting of the PCRC and the PCWG, with a budget not to exceed \$30,000. Ms. Arnold (NV) seconded the motion. The motion passed.

13) IFTA Meeting Update

a) *2018 Meeting Calendar*

Mrs. Koeller reported that in early December, she and Ms. Turner, Mrs. Tammy Trinker and Mrs. Meise brainstormed about meetings for the purpose of putting together a schedule that makes the most sense for travel, location possibilities, and staff preparation for the meeting. She reported that IFTA, Inc. is anticipating a bit more planning work with the additional jurisdiction person added to the meetings. Meeting calendars for other organizations were reviewed so that there is no overlap (FTA, IRP, and AAMVA). Ms. Koeller mentioned that they'd like to add one day to the ABM for a Board meeting to give membership an opportunity to stay for the meeting. This will save the corporation money. The total estimated cost for 2018 is \$10,000. They would propose to have the following Board meeting dates (Spring ABM and Fall Board Meeting):

- Spring Board meeting during the week of March 19th, 2018
- ABM and Board meeting during the week of June 5th, 2018
- Fall Board Meeting during the week of October 15th, 2018

Ms. Turner asked if anyone is attending the FTA meeting, that they please ask them to check the IFTA Board meeting dates before they schedule their meetings so they don't overlap. Mr. Chuck Ulm mentioned that he has a standing ASTM meeting the first week

of June and the first week of December. He asked if we could look at a different week for the ABM in June. Ms. Turner suggested that we reach out to AAMVA to see if they are already making plans for 2018. She also remarked that we could try it in 2018 and if it doesn't work, we can change it back. The Board members agreed. Ms. Turner thanked everyone for giving it a try.

b) *2017 CAC Meeting*

Ms. Koeller reported that the planning is coming along very nicely. Mr. Hester has been in touch often and they're planning a possible breakout session again at this year's ABM.

c) *2017 IFTA/IRP Audit Workshop*

Ms. Turner reported having 167 registered. She talked to the hotel and got the rooming list which includes 167 hotel rooms. We've been having a bit of a problem with standard rooms not being available. She did get the information for the set ups for the breakouts and she knows that Mrs. Meise met with the planning committee yesterday. They are in the final stages of everything. The agenda looks good. There are going to be four GPS providers in a breakout, and they will show how GPS works and what kinds of reports are available.

Mrs. Meise reported that they have an Event Sponsor, Legatus, for two meetings (Audit Workshop and ABM).

d) *2017 Annual IFTA Business Meeting*

Mrs. Meise reported on the Sheraton at Wild Horse Pass. Mr. Zion asked if there would be places to eat that you could walk to that would be within their per diem. Mrs. Meise reported that there is a shuttle available or you could Taxi or Uber.

e) *2017 IFTA/IRP Managers/Law Enforcement Workshop*

Ms. Arnold reported that the committees are working on agenda topics but that they had not made a final decision. They're working on sending out a survey to the committees to determine what the best topics are. It is on track if they can determine their topics. Mr. Zion reported that it seems they have a lot of good ideas and they are going to make sure that they have enough time for each presentation rather than cut someone off like they did last year. There was also discussion about the temperature of the room being very cold.

Mr. Ulm reported on the process of tobacco trade and efforts to deter smuggling. Smugglers are just getting smarter. They go to Costco and pay a low price for cartons (in States like Virginia). The drivers go to New York and sell them for more money. Drivers are getting thousands of dollars to do the runs. The money is going to fund organized crime.

f) *Additional Travel for 2018 Meetings*

Mr. Ulm reported that this was the time to entertain adding the ABM to the meetings to which a jurisdiction could send one person in 2018. From what he remembers, everyone thought this would be a good idea because it would be in the hands of the jurisdiction to elect to do so.

Motion: Mr. Ulm moved to allow the jurisdiction to determine which of the 2018 events they would like to choose to send their jurisdictional representative to, including the ABM. Ms. Arnold seconded the motion. The motion was approved.

Mr. Ulm also suggested that the Board members add this to the upcoming calls with the regions.

14) Industry Advisory Committee Report

Ms. Sandy Johnson reported that Mr. Dennis Vanderslice will be the new chair. The IAC thinks he's a good choice and will install him as chair. Ms. Johnson is not going to be at the Audit Workshop. She thanked everyone for everything, being a pleasure to work with and for being inclusive.

15) 2016 Ballots for IFTA and IRP

Ms. Turner reported that the IFTA ballots are out for vote (deadline Feb. 9).

16) 2017 Ballots for IFTA and IRP

Ms. Turner reported that AL, ME & VA are sponsoring a ballot that the intent of which is to amend the IFTA Articles of Agreement to allow carriers using a qualified motor vehicle under a short-term motor vehicle rental of 29 days or less whereby the lessee has assumed responsibility for reporting and paying the fuel use tax pursuant to Section R510 of the IFTA Articles of Agreement to temporarily display the IFTA decals rather than permanently affix them to the vehicle.

The proposed change would provide carriers using rental equipment greater flexibility and in some cases lower costs in managing the requirement to display IFTA decals on qualifying motor vehicles. The change could also reduce the number of circumstances in which a lessee fails to remove its IFTA decals from rental equipment upon termination of the rental, potentially jeopardizing law enforcement efforts.

There will also possibly be a ballot coming in for jurisdictions to accept photocopies and electronic images of IFTA licenses.

There are no IRP ballots out right now.

17) Jurisdiction/Board Liaison Conference Calls – Reports

a) Western Region call of 12/13/16

Ms. Arnold reported that they had the call and it was good. There were approximately 60 people on the call. They were inclusive with their invites and the call was well attended, which was surprising for December. There were no major issues. She asked if they wanted to continue the call, they agreed.

Mr. Zion asked about advising the western region that there would be an opening. Ms. Turner responded that for this year's 2017 meeting, we will need to elect a Canadian representative. Mr. Taylor will replace Mr. Helton.

b) Northeast Region call of 12/20/16

Mr. Ulm discussed some comments that he had received regarding the call, encouraging participation, NH changes in tax rate change, NY interest rate change, notification deadlines, etc. Mr. LaRose agreed that a lot of good comes out of these calls. They give an opportunity to discuss the unique issues. If the issues are of interest, they can be brought to the larger group, allowing other staff to be involved.

c) Midwest Region 12/21/16

Ms. Prenger reported that the Midwest call was not very productive this time around. Typically they have good participation, but December was not a good time. Mr. Knoles reported that there was a comment from participants that with the recent board elections it would have been nice to receive a bio of the candidates. There were only 35 votes.

There was no Southeast Region call due to scheduling conflicts. Ms. Turner asked Mrs. Tannous if she wanted IFTA, Inc. to schedule the Canadian Region calls. Mrs. Tannous responded yes, and she will send Ms. Turner some good date options for the calls.

18) Strategic Planning – Update on Action Items

Mr. Ulm noted an outstanding item from the discussion yesterday was the listing sale price of the building. He asked for feedback from everyone.

Mr. Zion doesn't think that knocking 1-2% off the sale price of \$1,125,000 would really be that big of an issue to him. It would not preclude him from making an offer if he really wanted a property. Ms. Koeller stated when you decrease the price, it signals to buyers that the seller is motivated. There are so many variables, even dropping it \$10,000-\$15,000 would be a good option. Ms. Arnold said it is a buyer's market right now and that in late spring it becomes a seller's market, so maybe we just need to wait a little more. Mr. LaRose questioned whether a \$20,000 reduction would really bring us that many more buyers. The other thing is that there is a major infrastructure change going on. Ms. Turner reported that it won't be completed for 2 years; a long-term project on both streets (Chandler & Alma School). Mr. LaRose wondered if that would drive the price/offer down even more?

Mr. Ulm mentioned that there is a marketing consideration by pricing it at \$1,099,000. It appears you are getting a better deal than at \$1,125,000. Also, the new marketing e-mail campaign would provide a refresh and show renewed activity. He feels that this is Mr. Breinholt's business. He's the guy in this market and if this is his advice, he's inclined to say 'you're the expert and I trust that you are looking out for our best interest'.

Ms. Turner discussed a \$1,000,000 offer that they had gotten and the reasons why it was rejected. Ms. Prenger is not opposed to dropping the price, and ultimately getting out of the landlord business. But a critical issue is the data housing. She would like to see more detailed information on visiting those housing sites, and determining what security audits are done, the maintenance, etc., because it will be a big discussion item. We need to be very diligent about this process. Ms. Turner reported that Mr. DeGraf will go and visit the sites and will get all of that information for us. Ms. Koeller reported that each of these data housing agencies do a SOCII audit. They are very highly technical and have very stringent security policies and procedures in place. We can provide any information that the Board would like. Mr. Taylor and Mr. Nutter agreed that we need to make sure that our mission and plan of going remote are clear. Mr. Zion questioned making this change to sell now then requiring meeting space at a later time, then what?

Mr. Zion suggested taking a straw vote. Mr. Ulm asked if there are any members who would be interested in lowering the list price. There were only 2 who indicated they would be interested. Mr. Ulm suggested that we put it as an agenda item to discuss at the next meeting. The thought was to see what happens given more time.

Mr. Zion asked if we can get more information on property management. Ms. Prenger agreed and said that 20% of staff time should not be devoted to landlord type duties.

Ms. Turner reported that she will have Jason go to the data housing sites and get all of the information needed (the SOCII Audit, etc.), so that the information is fully obtained in April. We can revisit lowering the price in April or at any time.

Mr. Nutter suggests that we send out to jurisdictions another request for input to see if there are any other items/projects (like travel) worthy of funding. The Board agreed.

Mr. Ulm has notes from the last meeting that there was some discussion relative to concerns about technology or system updates. Why aren't the updates done automatically, or why don't we have the latest version? Ms. Turner reported that they are on schedule for a second IT review and she will put on the calendar for regular reviews.

Mr. Nutter recalls the issue of needing succession planning for IT Services - how would they continue if you take staff in or out? He also remembered wanting to put together a group or committee to make sure we are up to date with the latest versions of the software, security audit, etc. Ms. Turner will update all of the action items on the Strategic Plan.

Mr. Nutter asked what the process is going to be going through the Strategic Plan – are we going to tackle all of the High priority items, and then move down to the Medium items, etc.? It would be his suggestion to do so; to give attention to the High priority items before we look at the Medium items. Mr. Zion and Ms. Prenger agreed noting the exception there may be Medium priority items that are related to High priority items so they have to be worked on simultaneously.

Ms. Prenger asked if the ITAC Committee could be renamed. Ms. Turner commented that we would need to look at what the mission is for the new group, look at the make-up of the old group, and reach out to the jurisdiction. Ms. Prenger will reach out to Mr. Hugh Hughson to make sure that his concerns are fully understood, as well as add any additional items.

Following this discussion the Board went into closed session with Ms. Turner and the Board members to discuss a few things and then immediately after, the Executive Committee would meet with Ms. Turner.

Concluding all discussions, the First Quarter 2017 IFTA, Inc. Board of Trustees meeting was adjourned.

Motion: Mr. Taylor moved to adjourn the First Quarter 2017 IFTA, Inc. Board of Trustees meeting. Mr. LaRose seconded. The motion passed.