

**SECOND QUARTER 2017
IFTA, INC. BOARD OF TRUSTEES MEETING
APRIL 25 – 26**

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:

Jason DeGraf	Information Services Director
Tom King	Webmaster
Amanda Koeller	Comptroller
Debora Meise	Senior Director
Tammy Trinker	Office and Events Administrator

Guests:

Robert Pitcher	American Trucking Association
Joshua Waitz	Chase Investments

1) Call to Order

Mr. Chuck Ulm (MD), IFTA, Inc. Board of Trustees (Board) President

- a) Mr. Ulm called the meeting to order;
- b) all Board members were in attendance and Ms. Lonette Turner, IFTA, Inc. CEO, was not available due to personal reasons;
- c) Mr. Robert Pitcher (American Trucking Associations), Industry Advisory Committee (IAC) Steering Committee member, attended this meeting; and
- d) Mr. Joshua Waitz, Chase Investments, was a special guest that provided an update on the organization's investments.

The following issues were raised and discussed during this two-day meeting.

2) Approval of the Minutes

a) *1Q17 Board Meeting*

Motion: Mr. Ulm moved to accept the First Quarter 2017 Board meeting minutes as amended. Mr. Trent Knoles (IL) seconded the motion. The motion passed and the minutes were approved as amended.

b) *Board Actions by Email – January through March 2017*

Motion: Mr. Stephen Nutter (VA) moved to accept the Board Actions by Email as written. Ms. Cindy Arnold (NV) seconded the motion. The motion passed and the minutes were approved as written.

3) Consent Agenda

The following committees submitted a written report for the Consent Agenda:

- a) Audit Committee (AC);
- b) Agreement Procedures Committee (APC);
- c) Attorneys' Section Steering Committee (ASSC);
- d) Clearinghouse Advisory Committee (CAC);
- e) Dispute Resolution Committee (DRC);
- f) Law Enforcement Committee (LEC);
- g) Program Compliance Review Committee (PCRC);
- h) Annual Report Working Group (ARWG); and
- i) Electronic Credential Working Group (ECWG).

There was no motion required to accept the consent agenda. The Board reviewed action items contained in the committee reports.

Motion: Mr. Stuart Zion (CO) moved to accept Douglas Glanert (IL) to fill the Midwest Region vacancy on the Law Enforcement Committee. Mr. Ulm seconded the motion. The motion passed.

Motion: Mr. Rick Taylor (KY) moved to accept Mr. Ronald Johnson, Jr. (GA) to fill the Southeast Region vacancy on the Dispute Resolution Committee. Mr. Nutter seconded this motion. The motion passed.

4) Clearinghouse

a) *IT Report, Mr. Jason DeGraf, Information Services Director*

- i) Oklahoma successfully completed data testing and is currently finalizing banking requirements to become a fully participating member of the IFTA, Inc. Clearinghouse;
- ii) IFTA, Inc. received requests from Nevada for additional web services;

- iii) IFTA, Inc. continues to work with the CAC to review data errors received with transmittal reports;
- iv) there are still seven jurisdictions transmitting with data errors;
- v) IFTA, Inc. continues to inform membership of any found data errors by daily email notifications; and
- vi) only one jurisdiction is not uploading daily demographic data.

b) Funds Netting Report, Ms. Amanda Koeller, Comptroller

- i) While Illinois issued paper checks for the last funds netting cycle, all members received their funds; and
- ii) as a result of the Bank of Canada recently changing when the daily rate exchange is published, Quebec drafted a new ballot proposal to address this issue.

c) Clearinghouse Advisory Committee Chair, Ms. Cindy Arnold (NV), Board Liaison

Motion: Ms. Arnold moved to extend Mr. Ron Hester's (ON) term as Chair for another two-year term to allow for the enactment of a succession plan as well. Mr. Stephen Nutter (VA) seconded the motion. The motion passed.

5) IFTA, Inc. Employee Announcement

Ms. Debora Meise, Senior Director

- a) Introduction of Ms. Maria Coronado who is assuming the responsibilities of the former Program Compliance Administrator as well as other duties; and
- b) Ms. Coronado's official title is Membership Services Officer and has been undergoing extensive training.

6) Website Report

Mr. Tom King, Webmaster

- a) Demonstrated the IFTA, Inc. website and reviewed the changes that have been made;
- b) the security certificate was renewed so that all the information on the website is encrypted and secured;
- c) tutorials are being drafted that will aid users to maneuver around the website as well as training manuals; and
- d) the Board recommended a section on the home web page that identifies a training area so users can more readily identify where such manuals and tutorials are located.

7) Comptroller's Report

Current Financials, Ms. Amanda Koeller, Comptroller

- a) IFTA, Inc. remains financially sound;
- b) commercial real estate is in a downswing and the contract with the realtor is subject for renewal June 1, 2017; and
- c) the Board was not in favor of reducing the price of the building at this time.

8) Committee Chairs Conference Call

The Board held a conference call with the IFTA committee chairs.

a) APC, Mr. Kerry de Verteuil (MS), Committee Representative

- i) The committee is sponsoring two ballot proposals for 2017;
- ii) the first is to clarify the requirement of full uploads to the Clearinghouse and the other addresses the Canadian banking issue regarding the exchange rate;
- iii) the APC is working with the LEC to co-sponsor a ballot requiring the serialization of decals;
- iv) the APC is also working on the presentations for the fall workshop; and
- v) the committee is looking to fill a vacancy in the Northeast Region.

b) AC, Ms. Helen Varcoe (MT), Committee Chair

- i) The committee is currently awaiting the compilation of the 2017 IFTA/IRP Audit Workshop survey before planning for the 2018 workshop;
- ii) currently the committee is fully staffed with the recent Board approvals of Ms. Betsy McCabe (NV) and Ms. Billie Pierson (ID); and
- iii) the AC has also forwarded the industry average chart to the ASSC for their comments and consideration of whether it should be included as an appendix to the Audit Committee Best Practices Guide.

c) CAC, Mr. Marc Walker (NB), Committee Chair

- i) The CAC created two sub committees to review the CAC Best Practices Guide;
- ii) one subcommittee will review the demographics while the other will review the transmittal manuals; and
- iii) the committee also continues to discern means of cross checking data.

d) DRC, Mr. Rick Taylor (KY), Board Liaison

- i) The DRC has not had any disputes or referrals at this time;
- ii) the main activity on the committee has been membership and leadership changes;
- iii) Ms. Dawn Lietz (NV) is the new vice-chair and the Board recently approved the appointment of Mr. Ronald Johnson Jr. (GA); and
- iv) the committee has one other vacancy to fill and they are also working with the IAC to identify an industry representative nomination to the committee.

e) IAC, Mr. Dennis Vanderslice (ARI Fleet), Committee Chair

- i) Ms. Connie Owen, J.J. Keller, was recently appointed as vice-chair;
- ii) the IAC created an electronic credentials subcommittee to review recording requirements and once the subcommittee has finalized its work it will be presented to the Board;
- iii) the committee is tracking unreceipted fuel and systems that do not have a means to mark this type of fuel; and
- iv) the IAC is drafting a succession plan for the committee.

f) IEC, Mr. David Bales (KS), Committee Chair

- i) The nomination of Mr. Douglas Glanert (IL) was approved to fill the Midwest Region vacancy;
- ii) the committee co-sponsored IFTA Full Track Preliminary Ballot Proposal (FTPBP) 2-2017 with the APC;
- iii) the intent of this ballot is to amend the IFTA Articles of Agreement to require that jurisdictions track and upload serialized decal numbers issued to carriers by adding “serialized decal numbers” to the licensee demographic data; and
- iv) referencing the March portion of the M&M Blitz it went very well and jurisdictions are preparing for the May session of the blitz event.

g) ASSC, Mr. Paul Nilsen (WI), Committee Chair

- i) The committee has two current vacancies. Ms. Sukanya Mukherjee (MD) and Mr. John Baylor (NE) have both resigned from the committee; and
- ii) the ASSC continues to meet monthly and will be working with the AC to organize the 2018 IFTA Attorneys’ Meeting audit presentation and secure an attorneys presentation during the IFTA/IRP Audit Workshop.

h) DFWG, Mr. Hugh Hughson (BC), Working Group Chair

- i) The working group drafted instructions on reporting methodology;
- ii) it was Mr. Hughson’s opinion that, once the instructions have been approved by the working group and distributed to membership, the DFWG should be disbanded as they will have completed the Board charge; and
- iii) the working group has been advised of a current issue regarding propane sales being sold in different units of measure; the DFWG believes this research could be presented to the APC and continue with the disbanding of the DFWG.

i) ECWG, Mr. Garry Hinkley (ME), Working Group Chair

- i) The working group continues to meet sporadically;
- ii) Mr. Paul Bernander (WI) was acknowledged for the creation of IFTA FTPBP 5-2017;
 - (1) The intent of this ballot is to amend the Agreement to allow licensees and base jurisdictions flexibility in issuing and presenting the license; and
 - (2) the ballot adds language clarifying that base jurisdictions may issue licenses in paper or as an electronic image. In addition, the ballot adds language requiring jurisdictions to accept a paper original, legible paper copy or legible electronic image of the license, at the option of the licensee, regardless of the method by which the license was initially issued by the base jurisdiction.
- iii) the Board will be reviewing whether or not the ECWG should remain intact or disbanded; and
- iv) concern was expressed that the working group was necessary for the law enforcement aspect.

j) PCWG and PCRC, Mr. John Szilagyi (CT), Committee Chair

- i) The results of a survey which was issued regarding the current and future status of the program compliance review process were staggering;
- ii) the working group and committee were charged with developing a new process using the IFTA Clearinghouse data to conduct and complete reviews;
- iii) it is the position of the committees that there is sufficient data maintained within the clearinghouse to conduct reviews on both the audit and administrative sides;
- iv) both the working group and committee met in Chandler, AZ in early April; and
- v) during the face-to-face meeting the members worked diligently to update the current process, and these changes were initiated following the adoption of IFTA Full Track Final Ballot Proposal (FTFBP) 3-2014 and will be forwarded to the AC for review prior to its release.

9) Program Compliance Review Report

Ms. Debora Meise, Senior Director

- a) IFTA, Inc. continues to work with the PCRC and the PCWG on finalizing the 2016 Canadian reviews; and
- b) Arizona's review has been completed and four other 2017 reviews in the Western Region are currently underway.

10) Program Compliance Review Committee and Working Group Meeting Report

Mr. Rick LaRose (CT), Board Liaison

- a) The purpose of the April meeting of the committee and working group was to review and update the Program Compliance Review Guide as a result of IFTA FTFBP 3-2014;
- b) it is the intention of the committees to participate on the regional Board conference calls to update membership on the changes to the guide prior to the Annual IFTA Business Meeting; and
- c) additionally, the PCRC will reach out to their jurisdictional contacts following the business meeting to ensure that all membership is updated and understanding of the changes to the process and guide.

11) IFTA Meeting Update

Ms. Tammy Trinker, Office & Events Administrator

- a) 214 persons attended the 2017 IFTA/IRP Audit Workshop;
- b) of this total, 130 members represented 45 different jurisdictions and 74 attendees represented 52 industry or general public affiliations;
- c) following the workshop, 46 surveys were received from the attendees with the majority indicating an excellent or good overall experience;
- d) two face-to-face committee meetings were held in Chandler, Arizona;
 - i) CAC met in early February; and
 - ii) PCRC and PCWG met in early April;

- e) IFTA, Inc. established the registration fees for the 2017 Annual IFTA Business Meeting at \$455 for non-voting jurisdiction members, \$515 for public and private sector attendees and \$800 for exhibitors;
- f) sponsorship continues to be permitted at the meeting and those companies interested must contact IFTA, Inc;
- g) on-line registration for the Annual IFTA Business Meeting will be available by May 19; and
- h) negotiations are underway for a local hotel to host the 2018 Attorneys' Meeting and IFTA/IRP Audit Workshop.
 - i) other local hotels will also be contacted regarding the hosting of the 2018 Annual IFTA Business Meeting;
 - ii) discussion was had regarding the 2018 quarterly Board meetings; and
 - iii) IFTA, Inc. will hold any negotiations until the Board has agreed upon the number of meetings and rotation for 2018.

12) 2017 Ballots for IFTA and IRP

Ms. Debora Meise, Senior Director

- a) IRP, Inc. has three ballots for 2017.
 - i) 2017.01 regarding uncollectable accounts;
 - ii) 2017.02 references an electronic image of cab cards; and
 - iii) 2017.03 addresses inadequate records and unreported jurisdictions' assessments.
- b) IFTA, Inc. has five full track ballots for 2017.
 - i) 01-2017 which addresses the display of decals for short-term motor vehicle rentals;
 - ii) 02-2017 requiring jurisdictions to record and upload serialized IFTA decals issued to carriers;
 - iii) 03-2017 references the conversion rate from Canadian to US dollars on transmittal reports;
 - iv) 04-2017 requires membership to upload full demographics data on a daily basis for each business day; and
 - v) 05-2017 requiring jurisdictions to accept electronic images of IFTA licenses and temporary decals in place of paper, at the option of the licensee.

13) Jurisdiction Board Liaison Conference Call Reports

- a) The Board reviewed the recent Regional Jurisdictional Board Liaison calls. It was opined that these calls were very important and highly attended; and
- b) these calls also aid in fostering better relations between the Board and membership.

14) 2017 Annual IFTA Business Meeting

- a) An in-depth review of the 2017 Annual IFTA Business Meeting preliminary agenda was conducted by the Board; and
- b) a pre-information packet is scheduled to be released to the IFTA, Inc. website in early May.

15) IFTA, Inc. Investment Portfolio

Mr. Josh Waitz, Chase Investments

- a) IFTA, Inc. has a diversified portfolio which continues to meet the requirements set by the Board; and
- b) Mr. Waitz observed that the portfolio is strong for the organization's goals and objectives

16) IFTA, Inc. Strategic Plan

- a) The Board reviewed the Strategic Plan; and
- b) in consideration of a Board Training Session, IFTA, Inc. was asked to research the possibility for this training during the 4Q17 Board meeting.

17) New Business

- a) Ms. Arnold approached the Board regarding the APC charter and adopting a second vice chair position;
- b) it was the decision of the Board that the Board Liaisons would reach out to the different committees and request that the charters be reviewed and, if necessary, amended to include a second vice chair; and
- c) while not all committees would need a second vice chair it was felt that the option to have such a position might be something that should be included in the committee charters.

Motion: Ms. Arnold moved to approve the amended Agreement Procedures Committee charter as submitted, permitting the position of a second vice chair and ex-officio. Mr. Taylor seconded the motion. The motion passed.

18) FYE 18 Proposed Budget

Ms. Amanda Koeller, Comptroller

- a) Reviewed the proposed budget for fiscal year end 2018 and reviewed the total operating revenue of the organization;
- b) with the proposed budget, IFTA, Inc. remains fiscally sound;
- c) the Board questioned the need for continued auto insurance and asked IFTA, Inc. to review the policy for possible amendments or cancellation;
- d) the Board also reviewed the current rental projections and was informed that the tenant in suite B-6 would have an option to renew or terminate their lease in July 2017;
- e) reviewing the travel policy and portfolio funds, it was clarified that the travel funds, including the "plus one" for jurisdictions to attend an IFTA event of their choice beginning in 2018, would be funded from the portfolio investments; and
- f) the investment portfolio remains financially sound.

19) Closed Session

The Board reviewed the fiscal year budget for 2017-2018.

Motion: Mr. Nutter moved to approve FY 17 budget of \$936,343 for FY 18 with an appropriation for employee payroll equivalent to the budgeted amount for FY 17. Ms. Arnold seconded the motion. The motion passed.

At the end of their discussions in closed session, the Second Quarter 2017 IFTA, Inc. Board of Trustees meeting was adjourned.

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