

## IFTA AUDIT COMMITTEE TELECONFERENCE MINUTES

March 24, 2015 at 11:30 EST

### **Jurisdiction Representatives:**

Dave Nicholson, Chair, OK  
Jeff Hood, Ex-Officio, IN  
Bob Gattinella, RI  
Diana Kay, FL  
Jimmy Tompkins, AL

Helen Varcoe, MT  
Maxime Dubuc, QC  
Stacey Hammock, WY  
Don Williams, ID  
Kristie Zanis, NH

### **Board Liaisons:**

Steve Nutter VA  
Joy Prenger MO

### **IFTA Inc. Advisors:**

Debbie Meise  
Lonette Turner

**Roll Call:** Don Williams and Joy Prenger absent

### **Review Minutes**

Helen Varcoe made a motion to accept the minutes from the February meeting.  
Diana Kay seconded the motion.  
The February minutes were approved.

### **Old business: Ballot #3**

Ballot #3 was discussed in detail. The requirements will be left in the Procedures Manual and the word “audit” will be placed in front of evidence. Jeff, Dawn and Dave felt that this change may change the meaning. The word evidence is in the current language twice but will be removed from the ballot language. They are working with Steve Nutter to provide the changes to the attorney’s section.

Steve Nutter talked with Stuart and Chuck from the attorney’s section and they have a meeting this Thursday. He is trying to bridge the gap by getting the ASSC involved so they can make a formal recommendation regarding their previous concerns. The dates and timelines were discussed and we are coming down to crunch time.

Debbie Meise - April 20<sup>th</sup> is the deadline and voting will begin after April 20<sup>th</sup>.

Dave - We have three options regarding this ballot: move to vote, make changes and move to vote or withdraw the ballot. The 2015 ballots must be submitted to Debbie by April 10<sup>th</sup>. We would have to withdrawal this ballot and submit a new one by April 10<sup>th</sup>. That isn’t much time.

Steve – If changes are made and we can’t get the ASSC to comment before that date, it goes to vote and it doesn’t pass, do we have to sit out a whole year?

Debbie – Yes or we could bring it in as a short track ballot.

Dave – If the document can be reviewed, it should satisfy the ASSC’s concerns.

Steve – We need to think about our strategy too. How do we communicate to the voting commissioner's that the ASSC looks at this ballot differently?

Dave – If the ASSC could comment by next Monday on evidence and we moved the requirements back to the PM that covers two of their main concerns. We are attempting four webinars for the four regions by April 1<sup>st</sup> to discuss the changes. After a short presentation we would have an open discussion. This will help communicate to the voting commissioners we responded to comments provided and made changes.

#### **New business: Webinars**

Debbie will send an e-mail March 25<sup>th</sup> to announce the webinars and needs a paragraph on what everyone can expect for the e-mail. Dates and times were discussed.

Jeff – Maybe the presentation could be 15-30 minutes and 30 minutes for discussion.

Debbie – We could have a ½ hour in between in case one runs a little over.

Dave, Jeff & Dawn all agreed on the length and the half hour for any overlap. Debbie will get back to Dave on the time zone times. One could be really early in the morning.

Jeff – A key component is the ASSC getting back to us on our changes. If we have the webinars and they comment later, the webinars could be ineffective.

Dave – We will still be able to get our point across to the commissioners that we have made changes.

Steve wants to get another member of ASSC involved other than the one at the workshop. He asked if we could push back the webinars a week because he is concerned the ASSC will not have enough time to review the document and send their comments.

Jeff thought the 8<sup>th</sup> may be wise and the feedback could result in minor changes and we could still make the 20<sup>th</sup> deadline. We are still taking a risk by letting it fail and getting nothing or withdraw it and creating a new ballot.

Diana asked if the commissioners would know if it was a new ballot.

Jeff – The requirements as a stand-alone ballot would have a high rate of passage. Ballots are difficult to get passed in IFTA. Not enough people vote and if they don't vote it's counted as a "no" vote.

Diana asked about piecing out the changes in separate ballots.

Jeff – That is an option.

Dave – We could pull out sampling language and provide that as a separate ballot. Some jurisdictions still do monthly samples and project based on only one month. Anything is possible but it would be difficult to separate all the changes into separate ballots. We have already voted to make changes and put forward for vote to the commissioners but we could have another vote.

Bob asked if we go forward and it fails, what are the pros and cons of presenting it as a 2016 ballot?

Dave – We would lose momentum and it would be delayed even further. Part of the reason for the ballot was to mirror IRP. We haven't had much push back on the requirements, just where they are located in the documents.

Diana – The work has been done. It wouldn't be that difficult to break it into pieces would it?

Dave – The requirements tie into the Agreement and PM.

Jeff – We could reference the components but the references would be incorrect.

Diana asked how the webinars would work.

Dave – The webinars would discuss the two or three main changes and concerns. A previous e-mail addresses the changes to A360.

Diana asked if the webinar would be well attended. Based on all the work that has been done, she hates to withdraw it.

Dave hopes the webinar will be well attended. It will show we listened and made changes. We hope they vote on the merits of the ballot itself.

Jeff – We need to read the charter of the Audit Committee. We are responsible for going through the governing documents. Other jurisdictions legal counsel may not agree with the ASSC comments. We have to stay with what we have. A high probability would be to win on the distance record requirements. The risk is to go with it and get nothing or have a single document that is not as good as it could be.

Dave – We have three proposals:

- Make requirements and other changes based on the comments and move to vote.
- Make changes, move sampling language to the AM and send to vote.
- Withdraw this ballot and break it into smaller ballots for 2015 that would be due by April 10<sup>th</sup>.

The smaller ballots could be broken up into distance requirements, the audit manual changes, sampling and addressing should, shall and must. One of these could pass and the others fail. We could have a big mess and they would be rushed to reach the April 10<sup>th</sup> deadline.

Diana – We don't necessarily have to have four ballots by April 10<sup>th</sup>. We have gone this far, we should see if through.

It was unanimously decided to make the necessary changes and move it forward for vote to the commissioners. Dave asked if we should remove the sampling language.

Jeff – If we pull out the sampling language, Indiana will sponsor a ballot and have it submitted by the April 10<sup>th</sup> deadline.

Stacey – We may have a better chance of the ballot passing if we take out the sampling changes.

Dave – We have a better chance of it passing but some jurisdictions have an issue with monthly sampling.

Dave asked for a vote – all in favor of not changing the sampling, none opposed. We will move forward with the changes and not changing the sampling language. We will leave the sampling language as it is in the current language. He has asked for comments from the ASSC be given by March 30<sup>th</sup> and he sent the changes to Steve yesterday. Steve wasn't sure that was a reasonable timeframe.

Debbie is looking at the schedules for dates for the webinars. April 1<sup>st</sup> and 2<sup>nd</sup> are wide open. April 15<sup>th</sup> and 16<sup>th</sup> are the next available dates but there might not be enough time to have comments back if we push it back that far. She can make some changes and make April 8<sup>th</sup> and 9<sup>th</sup> work.

Bob announced his jurisdiction's attorney has left the state.

Jeff commented that there will be another planning committee call on April 9<sup>th</sup>.

Dave and several others agreed having the webinars on the 8<sup>th</sup> and 9<sup>th</sup> will help the process.

Debbie will e-mail Dave on the webinar dates.

#### **Ballot 4 failed.**

Bob asked how this ballot was overlooked.

Dave explained that if a jurisdiction doesn't vote it is counted as a "no" vote in IFTA. The concerns were that jurisdictions would have the ability to count an audit of less than four quarters towards their count for peer reviews. We will revisit this issue.

Bob – These shorter period audits would be for cause.

Stacey – We could add something to that fact in the language.

#### **Recap:**

Vote completed

Webinars on ballot 3 will be April 8<sup>th</sup> and 9<sup>th</sup> with two regions each day

Sampling language will be left as is

We will have all the changes to Debbie by April 20<sup>th</sup>

The next AC call will be April 14<sup>th</sup>. We will review the changes made and may or may not need a final vote. Dave appreciates everyone discussion and input and asked if there were any other questions.

Helen asked which committee members will attend and if there is a backup plan for those that missed the webinars.

Dave – All members that are available will attend and we will follow up with a white paper.

Jeff mentioned the webinar will be recorded.

Helen asked what we are going to do about ballot 4.

Dave – We talked a little bit about it and we would have to have another ballot ready and submitted by April 10<sup>th</sup> unless we wanted it to go out as a short track ballot. If we did that we could submit it anytime as long as it is submitted 30 days prior to the Annual Business meeting.

Debbie mentioned the ballot needs only minor tweaking to help it pass and it could be ready by the April 10<sup>th</sup> deadline.

Dave asked for three volunteers to work on this new language for ballot 4. Helen, Jimmy and Stacey volunteered. He asked if we could have something to him by next week. We will have the 1<sup>st</sup> and 2<sup>nd</sup> comment periods and could send to vote via e-mail. Jeff and Dawn will also be included.

Jeff asked when New Jersey will be able to vote again. Debbie explained that will not happen until 2016, 2018 or when they are in compliance.

Debbie apologized for not getting to the expense vouchers sooner but she is working on them and hopes to have them approved today.

Stacey Hammock motioned the meeting be adjourned. Bob Gattinella seconded.