

Minutes of the One Hundred First Unified Carrier Registration Plan Board of Directors Meeting

September 18th, 2015

Face to Face & Tele-conference

The One Hundred First (101st) Unified Carrier Registration (UCR) Plan Board of Directors (Board) meeting was called to order by Avelino Gutierrez, Chairman at 8:05 am MDT.

Attendance - Board of Directors:

Present – Avelino Gutierrez, Adam Anderson, Sandy Bowling, Angel Oliver, Mike Hoeme, Scott Morris, Elizabeth Leaman, Woody Chambers, Daphne Jefferson, Tina Thurman, Robert Pitcher and Monte Weiderhold.

Absent – Chris Burroughs and Rick Schweitzer.

Avelino Gutierrez conducted a roll call of the States with **self-introductions** of government and industry representatives made by those in attendance.

Scott Morris moved to accept the **meeting agenda**, which was seconded by Sandy Bowling. Agenda (Exhibit A) – Motion passed

Avelino Gutierrez established the **teleconference ground rules**.

Sandy Bowling moved to accept the **minutes of the August 20th, 2015 Board meeting**. Woody Chambers seconded the motion. (Exhibit B) – Motion passed.

UCR Legislative Update –

FMCSA Update – Daphne Jefferson – Should have a new implementation date for the URS in the next couple of weeks.

Procedures Subcommittee – Adam Anderson – Reviewed the Audit Procedure documents as very basic audit format but that a state did not have to follow it by exclusively. Also, some states had sent back an e-mail with interest in reviewing in a one on one basis. (Exhibit D)

Reviewed the proposed changes in the UCR Agreement as a result of the motions made by Scott Morris back in June. (Exhibit E)

Adam Anderson moved that the Board approve the changes to section 10 changing the registration period from August to October 1st and section 18 on from the 3 years to the 2 years of registrations. Seconded by Mike Hoeme. Motion passed.

Scott reiterated that the change in section 18 will make it so the registrations for a particular year will start and end at a specific time as shown below:

9/30/2015 - 2013 ends
10-1-2015 - 2016 begins
9-30-2016 - 2014 ends
10-1-2016 - 2017 begins
12-31-2016 - 2015 ends
10-1-2017 - 2018 begins
12-31-2017 - 2016 ends

Audit Subcommittee – Angel Oliver – Motioned that the Board accept the draft copy of the “Audit findings report for _____ state” as the example document for states to turn in their audit report no later than June 1st each year. Seconded by Adam Anderson. Motion passed. (Exhibit

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C)

Angel did say that this was only an example if a state had some other report that works for them then they can use that.

Angel said that the next topic the sub-committee will begin tackling is the per-review audit.

Depository Subcommittee - Scott Morris – Scott reviewed the states system report for each year's collections. As of the last end of August the cap for the states for 2015 had been reached and now the system will start generating administrative funds. (Exhibit F)

Reviewed the Bank balance report with the Bank of North Dakota. The 2008 savings account was renamed as the 2016 savings account. Instead of having to open a new account each year, an old account will be repurposed to the New Year. (Exhibit G)

Scott the reviewed the distribution report. A disbursement of \$122,969.00 was made to North Dakota. A review of the numbers by North Dakota found a discrepancy and it was discovered that they had been double reporting the amounts they had collected. It was also discovered that the programming in their 2015 excel had been extended out so they were under reporting their collections and that was corrected and has pushed up their total collects to the correct level.

Issue with Wisconsin's – in 2011 all their payments had been recorded, the payments had been recorded in the wrong year. Those numbers have been reviewed by Wisconsin to make sure that they are correct at this time. There was a distribution of \$20,000 dollars from the 2011 account to the 2009 account to make the final distribution. This left Wisconsin with a \$15,000 dollar shortage for 2011, but they had made all their payments. Scott requested guidance form the Board.

Scott Morris motioned that there be a final distribution to all the States for the 2011 registration year with funds that are there and then he will work on resolving the issue on the Wisconsin issue. Seconded by Sandy Bowling. Motion passed.

Scott then reviewed the operating funds report. The next report will show some transfers into the operating funds account that have been made since this report was done, \$5,000 to the compass account and transferred \$150,200 to the operating from the 2014 and will have another to do before September is over. (Exhibit H)

Scott gave an update on the Depository operating funds account.

Scott Morris motioned the Board increase the Depository Subcommittee budget authority for the remainder of the calendar year for the consultant be increased from \$27,000 to \$41,000. Seconded by Adam Anderson. Motion passed.

Avelino asked if the accountant felt they could finish the job with this amount and Scott affirmed that she did.

Scott Morris motioned that the Board grant unto the Depository Subcommittee a budget authority for the remainder of the calendar year for a part time administrative assistant at \$7,500. Seconded by Adam Anderson.

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The purpose of the administrative assistant is to help handle the reports and the invoicing.

Scott Morris reported that the Depository Module of the registration system has gone live. The system will now auto generate the monthly invoices for the 2015 registration year.

Scot reported that he has received the information about the logo from FMCSA and can move forward with the logo and that the Board will have to decide what uses of the Logo will be allowed.

Administrative Fee's Subcommittee – Elizabeth Leaman – reported that the Concur accounting program has been tested by Elizabeth and Scott Morris and is ready to roll forward. Invited everyone to meet together after lunch for a demonstration on how to use it.

Industry Advisory Subcommittee – Robert Pitcher – No Report

UCR System Subcommittee & Best Practices Best Subcommittee – Avelino Gutierrez motioned that the UCR Systems Subcommittee be abolished and roll its functions into the Registration System of the State of Indiana. Seconded by Elizabeth Leaman. Motion Passed.

Avelino Gutierrez motioned that the Registration System of the State of Indiana be renamed as the Indiana System Subcommittee. Seconded by Angel Oliver. Motion passed.

Avelino Gutierrez moved that the Best Practices Subcommittee be abolished and moved to the Procedures subcommittee. Seconded by Angel Oliver. Motion passed.

Revenue and Fees Subcommittee – Avelino Gutierrez motioned that Larry Herold be appointed to chair the Revenue and Fees Subcommittee. Seconded by Scott Morris. Motion passed.

Indiana System Subcommittee– Sandy Bowling – Reported that the system was taken down to do the planned upgrades that will make it possible to only have one login.

The new percentages are posted online. Please make sure that everyone has their outstanding issues resolved for the 2013 registration by September 30th.

Sandy Bowling is going to add a note on the postcard that would tell everyone to choose the base state they have used in previous years. Also, the return address will be back to Indiana so any that comeback with corrected addresses they can be updated in MCMIS.

Sandy Bowling motioned that the Board approve the language on the postcard as presented. Seconded by Elizabeth Leaman.

If states are receiving mailing back from brokers for their mailings send a spread sheet to Sandy with the current information and the new address or if they went out business and how you learned that information so she can send it to her contact at FMCSA.

Old/New Matters:

Avelino Gutierrez motioned to create the Dispute Resolution Subcommittee and to appoint Tina Thurman to chair the subcommittee. Seconded by Scott Morris.

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Scott Morris motioned that the Board authorize the Chairman to enter into an agreement with Iteris in accordance with their proposal for UCR Board support. Seconded by Avelino Gutierrez. (Exhibit I)

Robert Pitcher asked for an explanation as to what data is it that Iteris is doing.

Scott Morris reported that Iteris volunteered in the beginning to collect all the registration data from each of the state's systems and compile reports for the board in relation to amount collected etc.

Sandy Bowling asked why we need to have the Iteris reports when the Indiana system provides the same reports except the percentage report. As to the report for the money collected from each state we have not seen that.

Scott Morris it's not just the money collected. They also provide the retreat data and they have all the complete underlying data for each registration. The upload's from Safer does not have all the other information i.e vehicles reported, subtracted, etc.

One of the differences between the carrier lists in the Indiana system and the Iteris system is that the Iteris system only goes back looking for activity in the prior 15 months and Safer goes back 24 months. Also, the Iteris system also factors out the Private Passenger entities.

Question was asked if the UCRLink was going to be made available to all the states and some of those states are paying to upload their data to FMCSA. The question was that they would no longer have to do the upload to FMCSA and could go through Iteris.

Sandy Bowling asked about the information they send to Iteris was if they were the same from the FMCSA was the same. Chris Campbell reported that it is not. The information from the states includes the vehicle information.

Woody Chambers asked what the term of the contract would be. Avelino Gutierrez reported it would be for one year. That way the Board could bring it back for review next year. Also Iteris will help bring the states up to speed on using it after the contract was signed.

A request was made to see if Iteris could go with a two year contract since some states have already renewed their contracts for the UCRLink and won't expire till next year.

Avelino Gutierrez asked Scott Morris if he would consider it a friendly amendment to have the contract be in place for two years as long as the contract did not comeback more than double. Scott Morris approved.

Rick Wood pointed out on page 4 of the proposal that the UCR Board has the authority to enter an agreement with Iteris in behalf of the participating states. The Board would not have the authority to force that agreement upon the states.

Avelino Gutierrez agreed and said the wording would be changed the wording and remove the language in regards to the participating states and have it read The UCR Board has authority to contract with Iteris.

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Rick Wood also pointed out that there was an incomplete sentence in the cost proposal.

Roll call Vote: Adam Anderson –yes; Sandy Bowlong – No; Chris Burroughs – Absent; Woody Chambers – yes; Tina Thurman – yes; Daphne Jefferson – yes; Mike Hoeme – yes; Elizabeth Leaman – yes; Scott Morris – yes; Angel Oliver – yes; Bob Pitcher – yes; Rick Schweitzer – yes; Monte Wiederhold – yes; Avelino Gutierrez - yes. Motion passes - 11 yes; 1 no; 1 absent

Avelino Gutierrez began the discussion of hiring a director. In the last Board meeting the Board appointed a task force to enter into discussions with Dave Lazarides regarding this position. The discussion worked on the objectives and completion dates. (Exhibit J).

Scott Morris discussed how he came up with the pay. He took the information from Dave's current position that he had retired from as to his pay and benefits package. Then he obtained information from IRS for 990 as to information that has to be filed with IRS. Used IRP, IFTA and Naruc compensation information. The information relating to these were two years old so Scott added 2% each year to bring it forward. So that would bring the proposed compensation package of \$13,000 a month.

Avelino Gutierrez stated this amount was discussed with Dave Lazarides, which he accepted, and that all the appropriate taxes were included in this payment and that Dave Lazarides would be responsible to pay all appropriate taxes. Also any type of a retirement package was include in that monthly payment and that Dave would be responsible to have to contribute to a retirement package of his own and that the Board would not be paying into a separate retirement package. The term of the agreement was set at one year with the option to convert the contractor agreement to an at-will employment if the Board so decides.

Avelino Gutierrez moved that the Board would allow the Chair to execute an independent contractor agreement with Dave Lazarides containing, among other things, the following:

1. A term of 1 year with a 30 day right to terminate by either the Board or Mr. Lazarides;
2. A scope of work substantially containing the language contained in the handout distributed at this meeting; (OPPM – Exhibit J)
3. A compensation package of \$13,000 per month salary with Mr. Lazarides expected to perform the tasks of the outlined objectives, with Mr. Lazarides expected to pay all local, state, and federal taxes including self-employment and income taxes, and further includes any employee retirement contribution.
4. The discretion to add or change terms before finalizing the contract only with unanimous consent of the task force.
5. Allowing the Board to convert the independent contractor agreement to an at-will employment should the Board so decide.

Woody Chambers brought up the fact that this was going to be an expansion of the program and that it was not necessary. That the bulk of this expansion is to catch the bad guys. Proposed that the current procedures will continue to catch the bad guys. What is the bang for the buck?

Scott Morris reported that there are appropriate roles for the Board and management and that originally everyone was forced on the current operating functions because there was no funds appropriated to properly set it up and now that the Board is beginning to receive those funds it is time to professionalize the management of the program.

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Avelino Gutierrez reminded everyone that every Board member has taken on these functions as a second and even third job requirement to their positions.

The question was brought up about the authority in the law for the Board to do this and Rick Wood read it from the code that the Board has the authority to enter into agreements with someone to manage the program but cannot delegate their decision making responsibility.

Larry Herold reminded that the payment for the Director was just coming out of the Administrative funds.

Tina Thurman asked the question if we were to transition to a at-will position will there be an allowance for other applicants to be reviewed. Angel Oliver also brought up a concern about being transparent and that there may have been other former Board members that are just as capable.

Avelino Gutierrez responded that because of the immediate need to get someone on board there was not a national search made.

Roll Call Vote: Adam Anderson – yes; Sandy Bowling – yes; Chris Burroughs – Absent; Woody Chambers – no; Tina Thurman – yes; Daphne Jefferson – yes; Larry Herold – yes; Mike Hoeme – No; Elizabeth Leaman – yes; Scott Morris – yes; Angel Oliver – yes; Bob Pitcher – yes; Rick Schweitzer – absent; Monte Wiederhold – no; Avelino Gutierrez – yes. Motion passed – 10 yes, 3 no, 2 absent.

Scott Morris reviewed the two proposals from Bradley Arant & Boulton Cummings and Davis Wright Tremaine LLP to look at the process of Organization of a Nonprofit Entity. (Exhibit K)

Avelino Gutierrez moved that the Board consider entering into an agreement with Bradley Arant & Boulton Cummings for the three outlined objectives;

1. To incorporate as a nonprofit organization;
2. To obtain if possible tax exempt status from the IRS; and
3. Develop an operating agreement between the non-profit organization and the Board of Directors.

Seconded by Angel Oliver.

Scott Morris brought up the fact there was steps we needed to take in order to incorporate and the biggest one would be to decide in what state we would incorporate and that the actual process would not take long and that they would probably have an outline for us soon and that the whole process would take 4-6 months. Avelino Gutierrez asked Rick Wood if he would be involved in this process up to and including the operating agreement. Rick Wood restated how he was not certain or clear as to how the nonprofit organization would fit into the framework UCR code. There are a whole list of questions that need to be answered before we get to the how and what.

Scott Morris clarified that the nonprofit organization was not going to replace the Board in the UCR Plan but to be the means as to how it will be administered under the UCR Board's Directions.

Rick Wood said that it was a good explanation but that his recommendation was to table it and to think through all these questions.

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Avelino Gutierrez moved that we table the motion to enter into the agreement with Bradley Arant and Boulton Cummings and return to the Board in the next meeting. Motion passed with Woody Chambers abstaining.

Future Board Meetings:

October 15th, 2015 12:00 pm – 3:00 PM EDT

November 19th, 2015 12:00 pm to 3:00 PM EST

December 8th, 9th 2015 in San Diego Ca.

January 31st thru February 3rd, 2015 with a joint meeting with the NCSTS. The actual Board meetings will be February 1st and 2nd in Scottsdale Az.

June 4th – 9th in Rhode Island.

The Board adjourned at 1:40 pm EDT.

Minutes approved by the UCR Board on 10/15/2015 .

Adam Anderson, UCR Board Secretary

Exhibit A – Meeting Agenda

Exhibit B – Board Meeting Minutes

Exhibit C – Depository Report

Exhibit D – Registration Forms

Exhibit E – Indiana's Mailing Bid

Exhibit F – Dave Lazarides Resignation Letter

Exhibit G – New Board Member Appointment Letters

Exhibit H – Operating Funds Report

Exhibit I – Iteris Proposal

Exhibit J – OPPM

Exhibit K – Proposal's by Arrant/Cummings and David Wright Tremaine