

**IRP, Inc. Board of Directors Meeting Minutes**  
**Louisville, Kentucky**  
**October 1, 2007**

The following board members were present:

Region I: John Goggin (NB), Kurt Myers (PA), Deborah Rogers (MD)

Region II: Anna Amos (SC), Jay Starling (AL)

Region III: Kirk Forbes (MI), Jim Poe (IN), Ruth Skluzacek (IA)

Region IV: Julie Knittle (WA), Kevin Park (UT)

AAMVA Representative: Glenn Turner (FL)

The following industry advisors were present:

Richard Harris, Penske Truck Leasing

Victor Parra, United Motorcoach Association

Oscar Cruz Ruiz, Mexico

Milt Schmidt, FMCSA

AAMVA/IRP, Inc. Staff:

Neil Schuster, Mary Pat Paris, Joelle Ward, Danelle Gee, Ken Carey, Paul Cooney

---

The meeting was opened by Chair Ruth Skluzacek, who welcomed the board members and guests to Louisville, Kentucky.

Election of Board Officers:

The following were elected officers to the IRP, Inc. Board of Directors for 2007/2008:

- Ruth Skluzacek, IA – Chair
- Anna Amos, SC – Vice Chair
- Kirk Forbes, MI – Secretary
- Jay Starling, AL – Treasurer

Consent Agenda

**Motion and second to approve the consent agenda, which included the May 7-8, 2007, Board of Directors meeting minutes. Motion carried.**

**Motion and second to keep Kurt Myers on the board as past chair. Motion carried.**

Treasurer's Report

*Review of Current Financial Statements*

Treasurer Kevin Park reported that total revenue for FY 2007 through July 31, 2007, was \$1,233,467, which was \$85,112 below the budgeted amount for July and is attributed to a lower than budgeted rebate from AAMVA. It was offset by reduced expenses. The total direct

expenses for FY 2007 through July 31, 2007, were \$612,337, or \$96,565 under budget. This was primarily due to savings in personnel (and overhead) costs and less travel than anticipated.

Mr. Park forecasted a net gain of \$53,800. This will be \$48,300 higher than budgeted, primarily due to savings in personnel (and overhead) costs and less travel than anticipated. When monthly financials through August 2007 are made available, the forecast will be updated for the board.

#### *FY 2008 Budget Review*

Mr. Park submitted the proposed FY 2008 budget for review by the board. Overall revenue is projected at \$1,533,900 for FY 2008. Expenses are projected at \$1,692,400, resulting in a deficit of \$158,500.

The \$287,100 cap on overhead charged by AAMVA will remain in place for FY 2008. A new administrative services contract will be negotiated for FY 2009. AAMVA projects overhead for IRP, Inc. to be \$454,600, which will result in a rebate of \$167,500.

AAMVA estimates that fringe benefits will be calculated at 50% as opposed to 46% in FY 2007, but because their budget is not final, this number may increase. Fringe benefits are projected to be \$176,000, up \$33,300 from the \$142,720 budgeted for FY 2007.

Mr. Park reported on the following new expenses for FY 2008:

- \$15,000          Crime Insurance (Bonding)
- \$27,900          International Committee

The following items are included in the budget but unlikely to be expensed:

- \$50,000          Crime Insurance Deductible
- \$25,000          Legal Deductible

The 2008 Annual Meeting will begin after the start of the next fiscal year, therefore expense and revenue figures related to that event do not appear in the FY 2008 budget, but they will be included in the FY 2009 budget. Assuming the 2009 Annual Meeting takes place prior to October 1, 2009, there will be two Annual Meetings (and related committee meetings) in the FY 2009 budget.

Clearinghouse revenue assumes California and Quebec will join the Clearinghouse in FY 2008 and pay fees for six months, with no additional jurisdictions joining.

The Board discussed the expected deficit with the FY 2008 budget, caused primarily by an increase in expenses for crime insurance and the new International Committee. In addition, revenues decreased by approximately \$6,000, and publications were reduced by approximately \$10,000.

Jim Poe reminded the board of the commitment by the AAMVA Industry Advisory Committee (IAC) of \$12,000 for IRP communications. The IAC requested a business plan by IRP, Inc. Mary Pat Paris indicated staff would work on this with the IAC.

Chair Skluzacek recommended staff pursue federal funding with NLETS to offset the peer review coordinator fees.

Kurt Myers suggested the board should formally recognized that this year's deficit should be covered by the IRP, Inc. investment account and suggested the board hold a discussion of the dues increase that will become effective October 1, 2008.

The board directed staff to develop a three-year budget projection.

The IRP, Inc. Executive Committee will continue working on the services agreement contract with AAMVA by the January 2008 board meeting.

### Audit Committee Report

Board Liaison Jay Starling reported that the committee was finalizing the agenda for the 2008 IFTA/IRP Audit Workshop, which will be held January 4-7, 2008, in Tempe, AZ. The committee will meet for their annual face-to-face meeting at the conclusion of the workshop.

Terry Hing, ON, joined the committee in the Region I position. Committee chair Allen Cummings is working with other standing committee chairs to make sure audit issues in the Plan rewrite are being addressed. The committee sponsored 11 proposed ballots that were presented at the IRP Open Meeting on September 29, 2007. The IRP/IFTA Joint Audit Subcommittee has been working to develop a system for increasing the number of audits of large carriers.

Kurt Myers discussed the Pennsylvania peer review that was on the agenda of the previous week's Dispute Resolution Committee and questioned the appropriateness of the process.

The board agreed that communications during the dispute resolution process need to be improved. The Dispute Resolution Committee is in the process of developing a firm set of guidelines for the entire dispute resolution process. The guidelines will include instructions for communications, timelines, expectations, etc.

Julie Knittle volunteered to work with staff on the process for improving these communications. The board directed staff to get input from all committees to develop structures, timelines, guidelines, and procedures.

### Clearinghouse Committee

Board Liaison Jim Poe reported that Illinois is hoping to join the Clearinghouse by December 2008. New Brunswick is also looking to integrate its system to accommodate the Clearinghouse. By 2009 almost all jurisdictions will be participating in the Clearinghouse. California has sent their letter of intent to join the Clearinghouse and anticipates going into full production by February 2008. Quebec has also sent a letter of intent to join the Clearinghouse and should go into full production by May 2008.

Read-only access to the Clearinghouse for non-participating jurisdictions is currently being tested by the IRP Clearinghouse IT staff. Danelle Gee is working with Clearinghouse IT staff to have the site up and running by January 2008.

Regarding the previous request from FMCSA to obtain data from the Clearinghouse to analyze carrier safety scores, the board discussed how the Clearinghouse data could not be shared without permission from Clearinghouse participants and that jurisdictions would need to know the specific data requested. If approved by that jurisdiction, permission would be granted to FMCSA for that specific Clearinghouse data.

Milt Schmidt, FMCSA, indicated that a second written request will be submitted to the board, which will identify the exact data FMCSA is asking for.

During the November 2006 netting Montana overpaid the Clearinghouse by \$200,000. Montana found that there was an error in the file sent to the Clearinghouse for the November netting. IRP Clearinghouse support presented Montana with options as to how to handle the issue. One of the options was for Montana to handle the issue on their own outside of the Clearinghouse, which Montana has chosen to do.

The Clearinghouse Committee examined the proposed EFT funding schedule for 2008, effective January 2008, which would provide jurisdictions two additional days to transmit funds to the Clearinghouse.

**Motion and second that the IRP Clearinghouse extend the date funds are due to the Clearinghouse by two days. Motion passed.**

The Clearinghouse agreement does not currently address Clearinghouse participants submitting electronic audit data through the Clearinghouse. Working with the Clearinghouse IT staff, Ms. Gee will identify methods for assisting jurisdictions in submitting their audit information with their monthly files.

#### Dispute Resolution Committee

Board liaison Kevin Park and committee chair Garry Hinkley reported on the Dispute Resolution Committee (DRC) meeting held September 28, 2007. Among the decisions made, the committee asked the board to approve a limited scope review on Georgia regarding their basing requirements.

**Motion and second that the Peer Review Committee perform a limited scope review of Georgia's basing requirements. Motion passed.**

Mr. Hinkley also updated the board on the new DRC procedures manual, which is expected to be finalized and presented to the board at their meeting in January 2008.

#### Peer Review Committee

Board liaison Deb Rogers reported on the 2007/2008 peer review schedule. A report was given on the activities of the committee as it related to amending the compliance guide to accommodate the changes in the Plan rewrite. It was recommended that if the committee has difficulty in determining how to update the compliance guide, the committee should seek assistance from the Plan Rewrite Working Group.

Because of the significant changes to the Plan based on the rewrite, the committee asked the board to extend the terms of the current committee members for one additional term to maintain the highest level of consistency and experience throughout the transition.

**Motion and second to extend the Peer Review Committee terms for one term. Motion passed.**

#### Plan Procedures and Education Committee

Board liaison Kirk Forbes and committee chair Matthew Poirier reported on the activities of the Plan Procedures and Education Committee. Mr. Poirier updated the board on the committee's meeting held September 27, 2007, which included a review of the Plan rewrite breakout sessions at the 2007 IRP Annual Meeting as well as a discussion of IRP, Inc.'s role in the planning of future IRP training opportunities.

The next IRP Managers/Supervisors Workshop will be held March 28-30, 2008, at the Sheraton Birmingham Hotel in Birmingham, Alabama.

#### IRP Inc. Report

##### *Administrative Services Agreement*

Ms. Paris reported that work is progressing with AAMVA on determining an appropriate administrative services agreement. A final report will be provided at the January 2008 board meeting.

##### *Articles of Incorporation*

Ms. Paris reported that the IRP, Inc. association members voted on September 30, 2007, to approve changes to the IRP, Inc. Articles of Incorporation. The next step in the process of amending the document was to get approval from the IRP, Inc. Board of Directors as well as AAMVA.

**Motion and second to approve the changes to the IRP, Inc. Articles of Incorporation. Motion passed.**

Paul Cooney reported that the changes will be presented at the next AAMVA Board of Directors meeting in January 2008. A formal vote from the AAMVA CEO will follow.

##### *Analysis of 3% Audit Requirement*

Ms. Paris reported that the list of vendors had been narrowed down to two firms, and negotiations are in progress and a final determination will be made soon. Ms. Paris explained that once an agreement has been reached with a firm, the Audit Committee will be included in identifying issues, problems, and solutions.

##### *Review of Trademark Decision*

Mr. Cooney reported that the decision made by the board in January 2007 was not reflected in the minutes, so he provided a summary of the discussion to include in the minutes. In January

2006 the board agreed to drop its trademark dispute against IRP, Inc, a registration agency in California. IRP, Inc. is affiliated with AAMVA as an associate member under the name “Trainor Bookkeeping.” A correction was made to IRP, Inc.’s web site that removed any affiliation to AAMVA or International Registration Plan, Inc. Research discovered no confusion about IRP, Inc. the agency and IRP, Inc. the repository. The board agreed in January that given that the error of misrepresentation was corrected, and in the absence of confusion, it would not pursue any further action.

The board unanimously confirmed into the minutes that no further action was to be taken on the trademark issue.

#### *Quebec Request on Canadian Exchange Rate*

Ms. Paris summarized a request by Quebec to receive compensation for an error made by IRP, Inc. in December 2005 regarding the Canadian exchange rate.

After discussion of how the other jurisdictions handled the error, the board made the decision to respond back to Quebec that it would not offer compensation to Quebec since all IRP jurisdictions used the same rate. The board directed staff to provide clarification on the IRP, Inc. Web site on this issue. Ms. Paris reported that more stringent procedures are being incorporated to ensure that the Canadian exchange rates provided are accurate.

**Motion and second that since this error affects all member jurisdictions, and the full impact of this error is not known, the board has decided not to take any action at this time. Motion and second withdrawn.**

**Motion and second that since this error affects all member jurisdictions and that the posted rate was used by all jurisdictions and funds transmitted by all jurisdictions, the board has decided to deny Quebec’s request for reimbursement. Motion and second withdrawn.**

The board directed staff to conduct a full analysis of the impact on all jurisdictions.

#### *SAS70 Audit*

Ms. Paris provided the board with a final copy of the 2006 SAS70 and reported that there were no findings to address. The auditors have started work on the 2007 audit, with a preliminary report due to the board in January 2008.

Ms. Paris confirmed that controls are being monitored on a regular basis and that the board will be informed immediately if any problems arise.

#### *Membership Satisfaction Survey*

Ms. Paris reported that Association Management and Marketing Resources (AMMR) was selected to develop a membership satisfaction survey for IRP, Inc. AMMR is currently interviewing select stakeholders and will issue the survey in time for a full report to be given to the board in January 2008.

## *2008 Meeting Schedule*

Joelle Ward updated the board on 2008 meetings. Plans for the 2008 IRP Annual Meeting were still in progress.

## *Policy Manual*

Ms. Paris reported that no action had been taken on the development of the policy manual but that a draft should be available to the board in January 2008.

## *Board Meeting Tasks*

Ms. Paris reviewed the current board meeting task list with the board. The task list will be updated after every board meeting. Another strategic planning meeting will be held at the January 2008 board meeting.

The board had previously agreed to move cash over \$50,000 nightly into IRP, Inc.'s interest-bearing account. Ms. Paris reported that all funds can be swept every night and the funds can be withdrawn at any time without incurring any penalties.

The board agreed to remove "Advertising on the Web Site" as a priority item on the task list.

Ms. Paris will conduct requirements/needs gathering to identify the changes necessary to improve communications.

## International Task Force:

Board Liaison Jim Poe submitted for approval the charter to form the new International Committee. The committee will consist of 12 volunteers – 1 jurisdiction member from each of the four AAMVA regions, two Canadian jurisdiction members, five members of the motor carrier industry, and one Mexican government representative.

**Motion and second to approve the charter for the new International Committee. Motion passed.**

A list of committee members will be ready by January 2008. Staff will send out a "call for volunteers" to the IRP membership.

The board agreed that a full study of IRP, Inc.'s committee structures should be conducted. Julie Knittle volunteered to work with staff on this project.

## IAC Report

Bob Pitcher provided a summary of the IAC meeting held September 27, 2007. The committee reviewed 13 proposed ballots and discussed PRISM, IFTA matters, HVUT, and the transition of SSRS to UCR. The IAC was asked to support a move to allow the IAC to sponsor proposed ballots. No action was taken on this issue.

Mr. Pitcher reported that Jackie Kemmer-Beal won the 2007 Richard L. Reeves IRP Leadership Award.

### AAMVA Report

AAMVA Chair Glenn Turner introduced Neil Schuster, CEO of AAMVA. Mr. Schuster reported on AAMVA activities, including CDLS and migrating private-sector customers to a new platform in 2009, security and safety issues, the AAMVA strategic plan, and the recent AAMVA environmental scan.

Mr. Schuster discussed the positive relationship between AAMVA and IRP, Inc. and the need to update the administrative services agreement.

### FMCSA Report

Milt Schmidt, FMCSA, updated the board on the cross-border demonstration project. To date, five Mexican carriers (with approximately 15 trucks) were authorized to operate in the United States, and at least three U.S. carriers were issued authority to travel in Mexico. Mexico is conducting audits of its carriers to ensure all safety criteria are met. 39 Mexican carriers have already been issued authority to register, pending insurance filing and the publication of the pre-authorization audit.

Mr. Schmidt reported that there is legislative action taking place to oppose the demonstration project, but FMCSA will continue moving forward with the project despite this uncertainty.

Oscar Cruz Ruiz thanked the IRP, Inc. Board of Directors for their willingness to participate in the cross-border demonstration project.

### Approval of 2008 Budget

Before approving the FY 2008 budget, the board discussed the deficit and the need for enhancements and administrative efficiencies. The board further discussed granting the executive director discretionary authority to use reserve funds on an as-needed basis.

**Motion and second to give Mary Pat Paris discretionary authority to spend up to \$250,000, to be used specifically for technology enhancements and/or administrative efficiencies, with the approval of the IRP, Inc. Executive Committee. Motion failed.**

It was recommended that the amount allowable be reduced to \$50,000 with approval of the executive committee.

The board directed staff to determine what funding is required for enhancements to the Clearinghouse and the development of Web training seminars and report back to the board in January 2008.

**Motion and second to approve the Fiscal Year 2008 budget. Motion passed.**

## New Business

### *IRP Repository Information*

Jay Starling requested that the staff be directed to do a comprehensive review of the IRP, Inc. Web site to allow jurisdictions the ability to update their information on the web. Staff will report back in January 2008.

### *Dues Structure*

Kurt Myers discussed the new dues structure that becomes effective October 1, 2008. Staff was asked to review details of the ballot and report back to the board.

### *Utah Peer Review*

Kevin Park appealed the recent DRC decision regarding the Utah peer review. In their meeting on September 28 the DRC approved a motion that required Utah to come into compliance with APM Section 803 by November 1 or risk losing its voting privilege. Mr. Park asked the board to remove the penalty of losing its voting privilege.

The board went into executive session to discuss the Utah peer review.

**Motion and second to move into executive session, without the attendance of the Utah board representative. Motion passed.**

**Motion and second that the IRP, Inc. Board of Directors has been informed by Utah that Utah has come into compliance. Accordingly, the Board has determined that the dispute is moot and will not modify the decision of the Dispute Resolution Committee. Utah is welcome to approach the Dispute Resolution Committee to ask that the issue be reconsidered. Motion passed.**

### *Proposed Ballots*

Deborah Rogers asked for the board's approval to offer legal review of all proposed ballots before being distributed to the IRP membership.

The board agreed to offer a review of all proposed ballots by Paul Cooney, AAMVA/IRP legal counsel, before they go out for comment.

Meeting adjourned.