

LOUISIANA USED MOTOR VEHICLE COMMISSION

STATE OF LOUISIANA

REGULAR MEETING

FEBRUARY 15, 2010

BEGINNING AT 9:04 A.M.

3132 VALLEY CREEK

BATON ROUGE, LOUISIANA

REPORTED BY:

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(225) 754-8609

1 APPEARANCES:
 2
 3 CHAIRMAN:
 4 MR. GLEN ROBINSON
 5
 6 VICE CHAIRMAN:
 7 MR. JOHN POTEET
 8
 9 COMMISSIONERS PRESENT:
 10
 11 MR. TONY CORMIER
 12 MR. RON DUPLESSIS
 13 MR. GEORGE FLOYD
 14 MR. KIRBY ROY
 15 MR. DOUGLAS TURNER
 16
 17
 18 REPRESENTING THE LOUISIANA USED MOTOR
 VEHICLE COMMISSION:
 19
 20 ROBERT W. HALLACK, ESQUIRE
 HALLACK LAW OFFICE
 13007 JUSTICE AVENUE
 21 BATON ROUGE, LOUISIANA 70816
 22 SHERI MORRIS, ESQUIRE
 ROEDEL, PARSONS, KOCH, BLACHE,
 23 BALHOFF & McCOLLISTER
 8440 JEFFERSON HIGHWAY, SUITE 301
 24 BATON ROUGE, LOUISIANA 70809
 25

1 MR. ROBINSON:
 2 Would you lead us in the
 3 Pledge of Allegiance, Mr. Poteet?
 4 (PLEDGE OF ALLEGIANCE)
 5 MR. ROBINSON:
 6 Good morning to everybody and
 7 welcome to everybody on this not state
 8 holiday.
 9 Ms. Kim, if you would call
 10 roll, please.
 11 MS. BARON:
 12 Glen Robinson?
 13 MR. ROBINSON:
 14 Present.
 15 MS. BARON:
 16 George Brewer?
 17 MR. BREWER:
 18 (No response.)
 19 MS. BARON:
 20 Rhett Bourgeois?
 21 MR. BOURGEOIS:
 22 (No response.)
 23 MS. BARON:
 24 Tony Cormier?
 25

1 ALSO PRESENT:
 2
 3 MS. KIM BARON
 4 MR. DEREK PARNELL
 5 MR. BUTCH WRIGHT
 6 MR. ROY HEBERT
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 25

1 MR. CORMIER:
 2 Present.
 3 MS. BARON:
 4 Ron Duplessis?
 5 MR. DUPLESSIS:
 6 Here.
 7 MS. BARON:
 8 George Floyd?
 9 MR. FLOYD:
 10 Here.
 11 MS. BARON:
 12 John Poteet?
 13 MR. POTEET:
 14 Here.
 15 MS. BARON:
 16 Kirby Roy?
 17 MR. ROY:
 18 Here.
 19 MS. BARON:
 20 Darty Smith?
 21 MR. SMITH:
 22 (No response.)
 23 MS. BARON:
 24 Douglas Turner?
 25

1 MR. TURNER:
 2 Here.
 3 MS. BARON:
 4 Mr. Chairman, we have a
 5 quorum.
 6 MR. ROBINSON:
 7 Thank you.
 8 I believe there is no one
 9 here for public comments.
 10 MS. BARON:
 11 No, sir.
 12 MR. ROBINSON:
 13 So we will move on to the
 14 Agenda items for discussion, some things we
 15 need to vote on.
 16 If you reviewed the minutes
 17 from last month, any comments or discussions
 18 about those minutes?
 19 (No response.)
 20 MR. ROBINSON:
 21 Does anyone want to make a
 22 motion we approve the minutes?
 23 MR. POTEET:
 24 I make a motion we approve
 25 the minutes from the previous meeting.

1 date expenditures are \$646,167.66 which
 2 means we have only spent 59 percent of our
 3 expenditures for the year. Page 3 is our
 4 monthly comparison where we are comparing
 5 January of 2009 to January of 2010. Total
 6 revenues were \$83,544.36 compared to January
 7 of 2009, they were \$102,606.23. This is a
 8 \$19,000 difference in revenue comparison
 9 between the two years. Page 4, it shows our
 10 expenses for the comparison of January of
 11 2009 and January of 2010, for the month of
 12 January 2010, \$86,495.32 versus January of
 13 2009 which was \$137,766.16. This is a
 14 \$51,000 difference in expenses. Page 5 is a
 15 three month comparison. We are comparing
 16 November of 2009 to January of 2010. The
 17 revenues taken in for November were
 18 \$189,931.50. December is \$193,298.48, and
 19 January it was \$83,519.61. Page 6, the
 20 operating expenses for the three month
 21 period, November our total expenditures
 22 \$63,714.73. December, we are at \$60,213.24,
 23 and January of 2010, \$86,495.32. There was
 24 a jump in expenditures in January because
 25 there was an extra pay period in that

1 MR. ROBINSON:
 2 Second?
 3 MR. CORMIER:
 4 Second.
 5 MR. ROBINSON:
 6 I have a first and a second.
 7 All in favor?
 8 (All "Aye" responses.)
 9 MR. ROBINSON:
 10 Anyone opposed?
 11 (No response.)
 12 MR. ROBINSON:
 13 None.
 14 Financial matters, Ms.
 15 Heather is out today. So Mr. Derek Parnell
 16 will run us through these financials.
 17 MR. PARNELL:
 18 If you would turn with me to
 19 Page 1, budget balance, we budgeted
 20 \$1,120,508 for the year. Our year to date
 21 balance is \$788,421.27. We have taken in
 22 71.4 percent of our revenues that we have
 23 budgeted for. Turn with me to Page 2. It
 24 lists our expenditures. We budgeted
 25 \$1,094,887.12 for the year. Our year to

1 particular month. On Page 7, our total
 2 assets are \$1,274,571.02. On Page 8 is our
 3 CD summary. It is unchanged for December.
 4 The next CD maturity is on April 28 of 2010.
 5 Page 9 is the accounts receivable. The only
 6 changes that were made were the fines for
 7 the payment -- I'm sorry, in January for
 8 first year salvage of \$1,000. Page 10,
 9 salaries, regular salaries are \$16,301.62
 10 more than the previous month due to three
 11 payrolls in January. Overtime was \$3,362.36
 12 of overtime for the last -- from January --
 13 I'm sorry, from December through January
 14 because of the renewal process. Related
 15 benefits were higher previous months due to
 16 extra January payroll. Per diem paid for
 17 attendance for the of December and January
 18 meetings in January. Travel, no
 19 administrative travel for December.
 20 In-state, one expense account paid for
 21 August through December. In-state Board
 22 members paid for Commissioners' January
 23 travel expenses. Out of state conferences,
 24 no money paid for conferences.
 25 Under our operating services,

1 printing, no printing expenses for January.
 2 Under insurance, yearly insurance premium
 3 was paid in September. Auto maintenance,
 4 paid \$417.90 more than previous months due
 5 to regular maintenance. Other maintenance,
 6 stop payment and reissued two checks for
 7 maintenance. Rental, rental pay for copier
 8 for January. Dues and subscriptions, no
 9 dues or subscriptions paid in November.
 10 Postage, refill of postage payment.
 11 Telephone consistent with previous month.
 12 Utilities, charges were \$389.81 more than
 13 previous month. Miscellaneous, paid for
 14 direct deposit fees, bank service charges
 15 and criminal record checks. Supplies for
 16 office, regular office supplies paid in
 17 January. Auto, paid January invoice for
 18 December charges. Professional services,
 19 auditing, no money paid for auditing.
 20 Legal, paid for December invoice. Other,
 21 paid the court reporter, CPA and IT services
 22 for December invoices. Computer -- other
 23 charges, computer system consistent with
 24 monthly uses charges. Capital outlay, major
 25 repairs, no major repairs needed for the

1 is significantly less than it was. So it is
 2 something that we are keeping our eye on.
 3 We do have to amend the budget which is a
 4 process -- not the budget, but the actual
 5 financials and it is something that we will
 6 do in another month or two, but it is
 7 something that we are watching. But it is
 8 down from the beginning of this current
 9 period.
 10 MR. TURNER:
 11 Okay.
 12 MR. ROBINSON:
 13 Any other questions on the
 14 financials?
 15 (No response.)
 16 MR. ROBINSON:
 17 Motion to approve these
 18 financials?
 19 MR. TURNER:
 20 I make a motion to approve
 21 the financials.
 22 MR. ROY:
 23 Second.
 24 MR. ROBINSON:
 25 Second from Mr. Kirby Roy.

1 month of December.
 2 MR. ROBINSON:
 3 I know this -- you know, we
 4 got this kind of late. I don't know if
 5 y'all had a chance to review it prior to the
 6 meeting today, but does anyone have any
 7 questions? The big difference in January is
 8 -- I guess it is twice a year you have those
 9 third -- three payrolls instead of two.
 10 Does anyone have any
 11 questions on the financials?
 12 MR. TURNER:
 13 The expenditures, the
 14 salaries, we had budgeted \$687,000 -- my
 15 eyes aren't too good. To prorate that out
 16 through the rest of the year, it looks like
 17 we are going to come in over \$700,000 in
 18 salaries.
 19 MR. ROBINSON:
 20 Well, you know, we are more
 21 than halfway through this budget --
 22 MR. TURNER:
 23 Seven months.
 24 MR. ROBINSON:
 25 -- and the salary level today

1 Any other discussion?
 2 (No response.)
 3 MR. ROBINSON:
 4 All in favor?
 5 (All "Aye" responses.)
 6 MR. ROBINSON:
 7 Anyone opposed?
 8 (No response.)
 9 MR. ROBINSON:
 10 None.
 11 Let me ask you this. Down
 12 towards the bottom of the Agenda we talk
 13 about the fee increase and projection on
 14 revenues if we are able to pass the fee
 15 increase. Do you want to deal with that now
 16 or just wait until later in the meeting,
 17 does the matter to you?
 18 MR. HEBERT:
 19 No, sir.
 20 MR. ROBINSON:
 21 We will just leave it where
 22 it's at then.
 23 MR. ROBINSON:
 24 Legal matters, that would be
 25 -- this part will be Mr. Hallack.

1 MR. HALLACK:
2 The Atchafalaya RV versus
3 Double Tree RV, that has been appealed by
4 the manufacturer to the First Circuit Court
5 of Appeals. The only thing that we are
6 going to have to do is write a brief to the
7 Court of Appeals and that will be probably a
8 few months off. We will get a briefing
9 schedule after the record has been lodged by
10 the Clerk of Court, but our only job will be
11 to write a brief in support of the judge's
12 decision.

13 The last thing on the
14 Commission's case against New York Marine,
15 the claims against the bond, we will be
16 receiving checks this week. I spoke to the
17 vice-president this morning, Bill Haddings
18 (phonetic), and he said that he was out sick
19 all last week and could not respond to me,
20 but they are just waiting for the checks to
21 go through processing, but he said we will
22 have checks this week.

23 MR. ROBINSON:
24 And so you had told him we
25 were ready to set a trial date?

1 are going to make a tremendous dent in that.
2 What about Westside
3 Wholesale, they never re-applied and they
4 are not going to pay or does anybody -- he
5 just decided to go out of business? What
6 about filing a claim on that bond?

7 MS. BARON:

8 We can do that.

9 MR. ROBINSON:

10 Let's regress for just a
11 minute and go back to that page in your
12 financials. It says accounts -- it is the
13 second to last page, accounts receivable on
14 hearings. Again, a tremendous amount of
15 this is going to be paid now, but we have
16 got AAA Used Auto Sales and Westside
17 Wholesale, Inc.

18 What is -- does anybody know
19 the current status? That would include you,
20 Mr. Hallack, on AAA Used Auto Sales.

21 MR. HALLACK:

22 No, sir. I sure don't.

23 MR. ROBINSON:

24 Anyone?

25 MS. BARON:

1 MR. HALLACK:
2 Yes, sir.
3 MR. ROBINSON:
4 So by next month this one
5 will be resolved?

6 MR. HALLACK:

7 Yes, sir.

8 MR. ROBINSON:

9 Thank you, Mr. Hallack.

10 MR. TURNER:

11 What is the amount that we
12 are going to get, do you know?

13 MR. HALLACK:

14 \$26,000 something, \$26,000
15 and some change.

16 MR. TURNER:

17 Okay.

18 MR. ROBINSON:

19 It will go a long way to --
20 you know, back in your financial packet, it
21 will go a long way to clearing out a lot of
22 that money owed stuff that we have been
23 having on the books for a long, long time.
24 I mean, we have got \$38,000 in accounts
25 receivable from hearings. So obviously we

1 I think we had filed a claim
2 against this bond, but I will check on that
3 to be sure.

4 MR. ROBINSON:

5 All right. And then let's
6 get a claim filed on Westside Wholesale.
7 But, you know, we need to get these resolved
8 and quit taking two or three years. So file
9 a claim, call the bonding company, whatever
10 we have to do, but, you know, we need to
11 prioritize collecting this money.

12 And Paul Roy, he owes one
13 final payment he didn't pay; is that
14 correct?

15 MR. PARNELL:

16 According to this, yes.

17 MR. ROBINSON:

18 Well, let's get our money or
19 I suspect if it wasn't paid, it meant revoke
20 or suspension of his license. Go back and
21 look at the ruling of the prior Commission
22 and see and let's get our money.

23 MR. POTEET:

24 I'm sure that's what it was.

25 If he paid, that he would, you know, be off

1 the hook and if he didn't pay that we could
2 revoke his license or we would revoke his
3 license.

4 MR. ROBINSON:

5 Did we reissue his license
6 and this money was still owed?

7 MS. BARON:

8 He doesn't have a UD license
9 this year, but he is a salesman at another
10 UD, but he doesn't have his own anymore.

11 MR. ROBINSON:

12 So we issued a sales license
13 and he hasn't paid.

14 Can we revoke his sales
15 license?

16 MR. HALLACK:

17 After a hearing, yes, sir.

18 MR. ROBINSON:

19 Let's get in contact with
20 him.

21 MR. HALLACK:

22 Once you issue a license, you
23 do have to go through the hearing process.

24 MS. MORRIS:

25 We should have flagged it in

1 MR. DUPLESSIS:

2 Well, it is 350, but --

3 MR. HALLACK:

4 No. It ought to be more than
5 that.

6 MR. DUPLESSIS:

7 -- it should be in the
8 thousands.

9 MR. HALLACK:

10 Sundance Boats should be on
11 here, too.

12 MR. DUPLESSIS:

13 Did we pass that on to the
14 New Car Commission?

15 MR. HALLACK:

16 No.

17 MR. DUPLESSIS:

18 But they were fined under our
19 Commission.

20 MR. HALLACK:

21 No. We received a letter
22 from the New Car Commission saying that they
23 thought we had jurisdiction and authority
24 over it.

25 MR. DUPLESSIS:

1 the computer if anybody owes you any money
2 that the license wouldn't be issued until it
3 is paid.

4 MR. ROBINSON:

5 These other items, I know
6 some of this is under appeal, but those
7 three, you know, we need -- that we just
8 talked about, AAA, Westside and Paul Roy
9 Auto Sales, we need to get those resolved.

10 MR. POTEET:

11 I think on Westside at one of
12 our meetings a while back, George Brewer
13 discussed Westside, because he is over there
14 near him, and I think Westside actually owes
15 George some money. He owes me some money.
16 He is not ever going to pay. So we might as
17 well get on that bond right away.

18 MR. DUPLESSIS:

19 Robert, whatever happened to
20 our marine dealers that ran up such a big
21 tab on the fines?

22 MR. HALLACK:

23 They should probably be on
24 here. You know, that would be -- Crownline
25 is on here.

1 Got it. I mean, that's --

2 that is a pile of money. That's probably
3 50, 75, plus. Well, I think it's \$2,000 a
4 day or something like -- something just
5 bizarre.

6 MR. HALLACK:

7 Correct. We are making
8 efforts to collect that.

9 MR. DUPLESSIS:

10 Well, it is not listed on the
11 accounts receivable. So we are not working
12 that account.

13 MR. ROBINSON:

14 What are doing to do to
15 collect that?

16 MR. HALLACK:

17 It is on appeal right now to
18 the First Circuit. As you may recall, the
19 judge over in Covington ruled that we didn't
20 have jurisdiction and authority over it.

21 MS. BARON:

22 On Sundance?

23 MR. HALLACK:

24 On Sundance, that's right.

25 MR. ROBINSON:

1 So we need to see why it is
2 not on this list of receivables.
3 MR. HALLACK:
4 Correct.
5 MR. ROBINSON:
6 All right. Moving forward,
7 Item D under policy and procedure,
8 discussion of roving auctions. There is
9 something in your packet on that.

10 MR. PARNELL:
11 Yes. It should be Policy and
12 Procedure #92. If you look with me, a used
13 motor vehicle auction shall obtain a license
14 for at least one permanent location, not
15 normally being its principal place of
16 business, and one additional location
17 licensed if it intends to host or operate
18 auctions from any location other than his
19 permanent location. Only one additional
20 location license, otherwise referred as to a
21 roving license, shall be required regardless
22 of the number of locations in which the
23 auction was held. That actually should be
24 changed, in my opinion. Each additional
25 location must meet all requirements of the

1 additional location. In my opinion, we have
2 been getting into a big situation with a lot
3 of auctions that are actually using the
4 roving license as a way of actually getting
5 one license -- one additional location
6 license and just going any and everywhere
7 they want to go within the state. I believe
8 that it should be -- it should state that
9 each additional location must meet all
10 requirements of the additional location.

11 Robert, can you --
12 MR. ROBINSON:
13 So it actually wouldn't be a
14 roving license.

15 MR. PARNELL:
16 Right. Do away with the
17 roving license and every location and each
18 location must meet the requirements of the
19 second location.

20 MR. DUPLESSIS:
21 That includes a fee -- a
22 licensing fee?

23 MR. PARNELL:
24 Yes. It is \$100 per
25 location.

1 MR. POTEET:
2 Have you talked to the
3 Louisiana Auction Licensing Board? I mean,
4 we do have a State Licensing Board that
5 licenses all auctions.

6 MR. PARNELL:
7 Right.

8 MR. POTEET:
9 I'm not sure what their --
10 you know, what their feeling is about this,
11 but I'm -- obviously, I'm licensed under
12 that Board as well as this Commission and I
13 think that you are not allowed to do that
14 under the LALB. You are not allowed to just
15 roam around the state. You have to have
16 specific locations if you are an auction
17 house, per se. If you are just an
18 auctioneer, then you have to be, you know,
19 employed by some sort of an auction. If you
20 are going to do like real state auctions,
21 those have to be -- you know, those things
22 move around to where the real estate is, but
23 they have got some pretty specific laws
24 regarding this.

25 MR. PARNELL:

1 Even in our statute, it
2 doesn't say anything about being -- having
3 the ability to rove around the state. It
4 speaks specifically about having an
5 established place of business and that's
6 what I'm leading to there. It means that
7 this policy and procedure was created to
8 allow the roving around the state. I think
9 that should be taken off of the books
10 because it is not in the statute anywhere.

11 MR. POTEET:
12 I mean, in my business, in
13 the car auction, we don't have too much
14 problem with this.

15 MR. PARNELL:
16 Right.

17 MR. POTEET:
18 In Texas where we -- my
19 partners and I have a business, we have a
20 lot of problems with this. You know, we
21 have done a lot over there to stop that.
22 But the problem you have, of course, is from
23 the customer's standpoint, the car dealers,
24 where the guy does an auction, and then
25 something goes wrong and where is it? He

1 can't find the auction because they don't
2 have an established place of business.
3 MR. PARNELL:
4 What has been happening is
5 that the -- specific to the RVs, the FEMA
6 trailers that are out there, what has been
7 going on, they go from one area for three
8 days, have a huge sale, then they leave.
9 Then, people try to go back and get in touch
10 with them and they are not able do so to a
11 large extent. And I really believe that
12 this policy and procedure should be changed
13 to not allow them to be able to rove around
14 the state. Now, if that should be a
15 resolution, I'm not sure.

16 MR. POTEET:
17 I think so, too, because
18 certainly it allows for, if you will excuse
19 the term, carpet bagging. I mean, people
20 can just come in and set up an auction on a
21 street corner and do it, and then the next
22 thing you know, they are gone, you can't
23 figure out who did what or --

24 MR. ROBINSON:
25 So what we have is a licensed

1 anyway. We wouldn't have to exempt them.
2 MR. DUPLESSIS:
3 Right. We will just -- yes,
4 sir.

5 MR. WRIGHT:
6 The state auctions, you know,
7 people have a state and the auctioneers
8 travel to them. They have vehicles and
9 whatever, fleet services, things like that,
10 you know.

11 MR. DUPLESSIS:
12 We are going to have to look
13 into them all and we are going to have to
14 look into the licensing board because that
15 is correct and we have never paid much
16 attention.

17 MR. POTEET:
18 Yes. I think you need to
19 contact them and see how --
20 MR. ROBINSON:
21 So what you are asking for
22 now would be a vote of the Commission to
23 suspend this?

24 MR. HALLACK:
25 Repeal it.

1 UD dealer who is jumping out somewhere --
2 MR. PARNELL:
3 They have a licensed UD and
4 auction. They have the auction license and
5 a UD license with us, but it is only at one
6 established place of business and what they
7 were doing was, they would go have auctions
8 at various places in the state but using
9 that license from their primary location
10 versus where they are going to have these
11 auctions.

12 MR. DUPLESSIS:
13 You know, the only thing I
14 would agree with you, and we are going to
15 start -- we are going to write -- we are
16 going to have to write this pretty quick
17 because I think it is legitimate. The only
18 thing I would say is you would want to
19 probably exempt municipalities because they
20 are pretty we well put. But, you know, when
21 they do their car and police and other fleet
22 auctions, they probably don't want to tote
23 them all out there. So we exempt them.

24 MR. ROBINSON:
25 They are not regulated by us

1 MR. PARNELL:
2 Or repeal the roving license.
3 MR. DUPLESSIS:
4 We can write -- you know, if
5 we can do it as kind of a clean up thing --
6 MR. PARNELL:

7 That's more what this is
8 because it is not in the statute anywhere
9 about a roving license. This is just a
10 policy and procedure.

11 MR. ROBINSON:
12 Yes, which is why we can deal
13 with it.

14 MR. PARNELL:
15 Sure.

16 MR. ROY:
17 Is this a regulation dealing
18 with the auction or is it dealing with the
19 FEMA trailers? I'm not sure.

20 MR. PARNELL:
21 Well, it is dealing with
22 second locations. All of that is all
23 encompassing.

24 MR. ROY:
25 The auction itself?

1 MR. PARNELL:

2 We have primary location,
3 yes. Primary location, you have your
4 guidelines and requirements for having that
5 location. Second location should be the
6 same as the primary location with a \$100
7 fee. It should not be that you can move
8 around the state where you want and set up
9 and sell for a weekend and then leave.

10 MR. HALLACK:

11 If I might explain legally,
12 if you repeal this policy, what you are in
13 effect doing is saying every location that
14 you operate a business from, you must meet
15 all of the licensing requirements for that
16 location. You have to have a permanent
17 business there. You have to have a sign
18 there. You have to have a land phone there.
19 So we had a practice years ago that we would
20 allow certain auctions to rove around the
21 state and all they would have to do is get a
22 rider on their insurance.

23 MS. BARON:

24 He did it. He did an actual
25 address change. He would get the bond to

1 would be reasonable for them to say they
2 could secure a second license under their
3 master license for a period of maybe three
4 days or something like that.

5 MR. ROBINSON:

6 But that's not something that
7 we regulate.

8 MR. PARNELL:

9 Yes. I don't think --

10 MR. ROBINSON:

11 We only regulate UD dealers
12 and auction houses. If a company wants to
13 sell fleet vehicles --

14 MR. PARNELL:

15 On their property.

16 MR. ROBINSON:

17 -- we would have no
18 jurisdiction in that type of sale --

19 MR. HALLACK:

20 They are exempt.

21 MR. ROBINSON:

22 -- unless they take them to
23 an auction house. Then, we would have
24 jurisdiction because they are in control of
25 the auction.

1 send in an endorsement changing his address
2 for those few days and the insurance would
3 change his address for those few days
4 wherever he was going to be.

5 MR. HALLACK:

6 So by repealing this
7 provision, he has to meet all of the
8 licensing requirements for each location.

9 MS. BARON:

10 And he did not have a phone
11 because he would -- you know, it was a
12 permanent thing. He was just allowed to
13 sell from there.

14 MR. ROBINSON:

15 So we can do that by a simple
16 motion, a second and a majority vote if
17 that's what we choose to do.

18 MR. DUPLESSIS:

19 Well, you know, let me say
20 this. How is -- I would probably offer a
21 compromise from a free enterprise
22 standpoint. If you have a company like, I
23 don't know, Coca-Cola or a larger fleet, and
24 they wanted to hold an auction on their lot,
25 they probably could secure -- I think it

1 MR. DUPLESSIS:

2 That would be correct. Then,
3 what would be the difference in the FEMA
4 trailers from a public standpoint? It was
5 public surplus being sold, it was my
6 understanding.

7 MR. HALLACK:

8 No.

9 MR. DUPLESSIS:

10 No?

11 MR. ROBINSON:

12 We have many -- they are
13 showing up everywhere and we have UD dealers
14 that are buying them in the hundreds at a
15 time.

16 MR. DUPLESSIS:

17 Really.

18 MR. HALLACK:

19 For instance, Henderson
20 Auctions, they bought 21,000 FEMA trailers
21 from GSA, the government. They are bringing
22 them to Louisiana and selling them at
23 auctions here.

24 MR. ROBINSON:

25 What we are trying to do is

1 get our hands -- look, we have a small
2 dealer up in north Louisiana. We are
3 talking about a parish with a population of
4 25,000 just bought 500 of them. I mean,
5 these things are going to be bountiful and
6 we are going to -- it's going to be an
7 ongoing problem. So what Derek is trying to
8 do is take out a loophole to where at least
9 if somebody wants to sell these, they are
10 going to have to meet the requirements that
11 all -- that everyone else has to meet and
12 they just can't blow into town on a weekend
13 and sell 40 or 50 of them. Then, roll out
14 and nobody knows how to contact them.

15 MR. DUPLESSIS:

16 That's not a problem.

17 MR. ROBINSON:

18 So, again, we can do this at
19 the will of the Commission if somebody wants
20 to make a motion.

21 MR. DUPLESSIS:

22 I will so move.

23 MR. ROBINSON:

24 To repeal this --

25 MR. DUPLESSIS:

1 In packages of how many
2 hundreds of trailers?

3 MR. PARNELL:

4 A hundred thousand, a
5 hundred, three thousand they were selling
6 them.

7 MR. ROBINSON:

8 You could just by a hundred
9 thousand of them.

10 MR. DUPLESSIS:

11 A hundred thousand trailers?

12 MR. PARNELL:

13 Travel trailers. The
14 manufacturer, they were selling them like in
15 huge lots and people were bidding on them.
16 Some of them had like 14 people bidding on
17 them. So my -- I'm thinking that may be a
18 couple -- some people are going in together
19 and just buying them up and are just going
20 to sell them, which is killing the RV
21 market, but that's just free enterprise.

22 MR. ROBINSON:

23 But at least now as far as
24 the folks that we regulate, you know, they
25 will have to deal with it in terms of

1 To repeal the roving
2 provision in the law.

3 MR. POTEET:

4 I second that.

5 MR. ROBINSON:

6 First and a second.

7 Any other discussion, any
8 questions?

9 (No response.)

10 MR. ROBINSON:

11 All in favor?

12 (All "Aye" responses.)

13 MR. ROBINSON:

14 Anyone opposed?

15 (No response.)

16 MR. ROBINSON:

17 The motion passes.

18 Actually, Derek and I had
19 talked about this because of some problems
20 that were jumping out and some of the -- you
21 found it online somewhere where the
22 government is selling them online?

23 MR. PARNELL:

24 Yes, GSA auctions.

25 MR. ROBINSON:

1 everybody else. They just can't try to dump
2 them somewhere in a quick two or three day
3 sale.

4 All right. Item #5 Executive
5 Director's report.

6 MR. PARNELL:

7 I just wanted to give you
8 guys an update of what has been going on for
9 the past month. One of the main things that
10 has been going on, the FEMA trailer
11 auctions. Ever since the federal government
12 has put those trailers out in the market, we
13 have been getting a lot of phone calls and a
14 lot of e-mails, not happy with them. A lot
15 of people are not happy with what is going
16 on. It is mainly coming from the RV dealers
17 because it is kind of -- it is really
18 hurting their market. It is hurting their
19 income, but we really don't regulate that.

20 One -- Robert Hallack and I,
21 we went and met with the Louisiana
22 Manufactured Housing Association, which is
23 right up the way, and they were just voicing
24 a lot of their concerns. Especially, they
25 were voicing concerns about the safety

1 issues of them because in their thoughts
2 that originally when GSA, the government,
3 put them out there, they were actually only
4 for salvage. People are not wanting to live
5 in them. They are not livable. They are
6 uninhabitable, but there's -- a lot of
7 individuals were buying to do just that,
8 live in them and/or have camps for hunting
9 purposes.

10 Another situation that arose
11 was the titles. I have spoken with some
12 representatives from the Office of Motor
13 Vehicles and they explained to me that if
14 the title is an SF-97 title from the
15 government, if it is stated that it was
16 uninhabitable with a salvage title, that
17 they would not title it. The person that I
18 spoke with, she basically stated that she
19 hasn't seen any of those titles lately.
20 Initially when they first went out in the
21 market, there was a lot of those. Now,
22 everything that is coming out, all of the
23 titles are clean and they are putting titles
24 on those actual vehicles.

25 Additional location and

1 are a pretty large international -- well, a
2 national company and there had to be
3 something that they were doing out there in
4 the market that would actually help us out a
5 lot and what we found out, there is this new
6 program that they have come out with that is
7 called net -- dot-net, and they actually did
8 a walk-through with us. We actually got a
9 chance to sit down and log in with them and
10 they brought us through the entire process
11 of online renewals, which will help out the
12 Commission's office a great deal moving into
13 the next year's renewal process, because it
14 is my goal not to be in the same situation
15 which we were last year. Personally, our
16 renewal process is that you can only pay
17 online. You still have to submit all of
18 your proper documentation here as hard
19 copies and just going through the process,
20 looking at a lot of legal ramifications and
21 we find that a lot what we are requiring is
22 not actually in the statute. It is not
23 actually what we need to actually move
24 forward with doing an actual legitimate
25 online process. So right now we are just

1 roving license, we just discussed that.

2 Another situation that has
3 been going on, at the last meeting we talked
4 about CAVU. We want to have some meetings
5 with CAVU representatives just to find out
6 exactly in that system what we need. I
7 wanted to voice some concerns that I had
8 that it is not performing what we need it to
9 do. So we met with them on -- over a phone
10 conference. We actually had two phone
11 conferences. The first one, we voiced a lot
12 of concerns about what is going with it, why
13 aren't we having our updates as we should,
14 because we are a year and four months behind
15 on updates, and that stems from in the past
16 a lack of communication. What I set up now,
17 we have meetings every month, so we can
18 discuss our concerns to find out exactly
19 what procedures that we are doing in a
20 different way that they may be able to help
21 us out to curtail some of our issues, the
22 problems that we were having.

23 During that first phone call,
24 we set up a time where we wanted to look at
25 some of the online renewal processes. They

1 viewing many of those processes. We have
2 another call set up. Is it next week or
3 this week? This week where we are going to
4 look more into how it relates, how it
5 affects our accounting department. We are
6 just kind of trying to compile the
7 information right now to understand exactly
8 what CAVU is not doing for us that we are
9 paying for.

10 The next item is about the
11 fleet cars out --

12 MR. ROBINSON:

13 That's the first part of the
14 IT evaluation --

15 MR. PARNELL:

16 Yes.

17 MR. ROBINSON:

18 -- that we had decided to not
19 try to work on until after the renewal
20 process. So this is the infancy of that.

21 MR. PARNELL:

22 I think it was a very
23 productive call. We really addressed a lot
24 of issues and concerns that I had coming
25 into it.

1 MR. ROBINSON:
 2 So they do offer online
 3 renewals?
 4 MR. PARNELL:
 5 Yes.
 6 MR. ROBINSON:
 7 And I guess they do it for
 8 other state agencies?
 9 MR. PARNELL:
 10 A large amount of large state
 11 agencies doing -- of course, this system is
 12 actually using their online process as well.
 13 MR. ROBINSON:
 14 My concern, Ron, I think you
 15 and I talked about it, is that probably
 16 there is a lot to this system that we don't
 17 know anything about. So, you know, we want
 18 to go down that avenue first, because it
 19 would certainly be a lot cheaper than having
 20 to buy new software.
 21 MR. DUPLESSIS:
 22 Well, my concern was dealing
 23 with -- and I think Keith Horton, our IT
 24 provider, especially when we were trying to
 25 get everything to Mr. Hebert in the

1 the paperwork ready to actually move forward
 2 with property assistance. So I will try to
 3 set up something either at the end of this
 4 week or early next week for them to come
 5 pick them up, the ones that we can't drive.
 6 The removal of vacant
 7 positions, as we stated last meeting, we had
 8 29 vacant positions on our books and we have
 9 gone through with Civil Service and we
 10 submitted all of the proper documentation to
 11 them and they have actually told us that it
 12 is done at our next meeting, in our next
 13 report, that we are going to receive, that
 14 we won't have all of those positions out
 15 there.
 16 So that concludes the report.
 17 MR. ROBINSON:
 18 Any questions?
 19 MR. TURNER:
 20 What are we doing with these
 21 fleet cars, are they going to be get picked
 22 up and taken away?
 23 MR. PARNELL:
 24 Louisiana Property
 25 Assistance, they are going to pick them up.

1 transition because he didn't seem to have a
 2 connection with us, and I think Derek has
 3 talked to him and assures me that he is the
 4 qualified guy for the job, that may be our
 5 communication process has been exceedingly
 6 poor, but CAVU is capable and Keith Horton
 7 is probably capable with the right
 8 leadership and direction.
 9 MR. ROBINSON:
 10 But we have got to start
 11 pushing online renewals.
 12 MR. PARNELL:
 13 The next item is the status
 14 of the fleet cars. My goal is to have all
 15 of the fleet cars gone. There were eight
 16 out front and six of them I wanted to be
 17 gone because we don't need them sitting out
 18 there. They have been sitting there since
 19 July of '09 and I have tried to start them.
 20 I tried to jump them. It is only two of
 21 them I was able to get started. The rest of
 22 them just -- the tires are flat, but we need
 23 to get them off the property. There is no
 24 need for them to just sit there and continue
 25 to decay. I have gone through and have all

1 Well, they are going to auction them off and
 2 we should be able to get something.
 3 MR. TURNER:
 4 Like a government auction?
 5 MR. ROBINSON:
 6 That's how we have to dispose
 7 of them. That's the way we have to do it.
 8 MR. TURNER:
 9 Are we going to get someone
 10 to get them running before we do that?
 11 MR. ROBINSON:
 12 We probably need to. I will
 13 get -- we will get together on that because
 14 they won't do anything. They will just sell
 15 them as a unit. They won't start --
 16 MR. TURNER:
 17 They are probably not running
 18 because they haven't been started in so
 19 long.
 20 MR. DUPLESSIS:
 21 Correct.
 22 MR. ROBINSON:
 23 Well, there is only one way
 24 we can dispose of them and that's the way.
 25 Any other questions or

1 comments from anyone on any of those issues?
 2 (No response.)
 3 MR. ROBINSON:
 4 All right. Committee
 5 reports, Legislative Committee.
 6 MR. DUPLESSIS:
 7 I think we are pretty much
 8 ready to go to print with our proposal with
 9 the exception of Mr. Butch Wright submitted
 10 a nice looking drafted on curbstoning, which
 11 I think needs a little refining and review.
 12 We did pull our insurance requirement
 13 omitting the words "garage liability". I
 14 got a call from Fred Burkette, the head of
 15 the towing and recovery bureau, and he said
 16 that they were filing suit just because of
 17 an incident -- several instances of
 18 companies selling unspecified insurance and
 19 not including the proper insurances. So we
 20 are going to pull that. But I think
 21 otherwise we are ready to, I think, go to
 22 press. We do have, I think, some
 23 justification we need to do on our fee
 24 increases. Do we have -- are we going to
 25 write -- we are going to write a case for

1 the fee increases over the next couple of
 2 years to submit to the --
 3 MR. ROBINSON:
 4 We have got a lot here on the
 5 fee increase when you finish.
 6 MR. DUPLESSIS:
 7 I think that pretty much
 8 concludes --
 9 MS. MORRIS:
 10 I have -- the one technical
 11 change that was discussed, Derek had asked
 12 me whether it was necessary to have the
 13 application -- licensees submit their
 14 application and a notarized statement and it
 15 does say in 791, which is in your packet,
 16 that it has got to be verified by oath or
 17 affirmation of applicant. That can be
 18 removed from the law because it is a
 19 violation to make a material
 20 misrepresentation on your application. So
 21 it would be easier for your licensees to not
 22 have to go before a notary and it might
 23 assist with your eventual online paperwork
 24 submission. We can add that to our clean up
 25 legislation.

1 MR. ROBINSON:
 2 When you finish that, prepare
 3 it, would you please get it mailed to every
 4 Commissioner and give them an opportunity to
 5 read it and see exactly what is in there, so
 6 they have a chance for their input and, I
 7 mean, we can have that to them and -- prior
 8 to next month's meeting, correct?
 9 MS. MORRIS:
 10 We should.
 11 MR. ROBINSON:
 12 And we will get it in
 13 everyone's hands, give them an opportunity
 14 to see exactly what it is.
 15 MR. DUPLESSIS:
 16 We do have to find authors
 17 for that -- for these bills. We have to
 18 find authors.
 19 MS. MORRIS:
 20 We will have, I think, two
 21 bills, one for the fee because it requires
 22 two-third passage, and then everything else
 23 in another bill unless anyone has a reason
 24 to split anything out of the other bill, but
 25 I think it would be wise for the Commission

1 to try to work with the committee chair and
 2 the committee staff to get at least the
 3 cleanup bill. Most of the agencies, you
 4 know, work with the committee staff that
 5 they are under that jurisdiction, and then
 6 you will get some more help from the staff
 7 and the staff will be more familiar with
 8 your legislation. So if we could try to
 9 submit the cleanup bill, at least through
 10 the committee process, I think that would be
 11 helpful to the Commission long run.
 12 The fee bill is a little bit
 13 different item because there are some
 14 Legislators that are not going to handle a
 15 fee bill. So we have to find somebody that
 16 is willing.
 17 MR. DUPLESSIS:
 18 Butch, would your guy be
 19 willing to handle the fee bill?
 20 MR. WRIGHT:
 21 I'm not sure, Ron. I would
 22 have to talk to him.
 23 MR. ROBINSON:
 24 The fee bill will start in
 25 the House or the Senate?

1 MS. MORRIS:
 2 It has to start in the House.
 3 MR. ROBINSON:
 4 Can we get Mert Smiley to
 5 handle it?
 6 MR. PARNELL:
 7 I spoke with Mert Smiley --
 8 MR. ROBINSON:
 9 Let's just skip discussions,
 10 I think, about individual --
 11 MR. DUPLESSIS:
 12 Okay.
 13 MR. ROBINSON:
 14 -- senators or
 15 representatives and we will just not finger
 16 anybody out exactly. We will go to work on
 17 finding sponsors of that.
 18 MS. MORRIS:
 19 It might be easier to find a
 20 sponsor once we have a written justification
 21 as to why we need this, too, because that
 22 will give them some ability to evaluate the
 23 bill.
 24 MR. ROBINSON:
 25 I will say this, I personally

1 as a matter of fact, because the session
 2 starts a week after we meet, I think.
 3 MS. MORRIS:
 4 Correct. And the pre-filing
 5 deadline is that same week.
 6 MR. ROBINSON:
 7 But the Commission has to
 8 first vote to approve that package, right?
 9 MS. MORRIS:
 10 Yes.
 11 MR. ROBINSON:
 12 So we will do that next
 13 month.
 14 MR. TURNER:
 15 In reading to the minutes
 16 from last month, because I wasn't here, I
 17 saw there was a lot of discussion about the
 18 bond and raising it and how to raise it and
 19 how to determine who pays what. Did we have
 20 an outcome on that, where are we at with
 21 that?
 22 MR. DUPLESSIS:
 23 I think the agreement in the
 24 meeting was \$35,000.
 25 MR. TURNER:

1 have already met with four elected officials
 2 in my area. What I took them was the
 3 handout we gave you last month that showed
 4 the -- was it -- I think it was for six
 5 months. It showed the drop in revenue and
 6 the drop in expenses and where the last 90
 7 days this Commission had cut expenses and
 8 averaged actually 46 -- 47 percent. I mean,
 9 average one month was 49, and all four that
 10 I met with agreed to support the fee
 11 increase because of what we have already
 12 done. And, you know, it is going to take
 13 involvement from the Commissioner's to some
 14 extent to get that type of information out
 15 there. You know, we have to show them we
 16 are not just spendthrifts and we need more
 17 money. We have to demonstrate that we have
 18 -- we have done a tremendous job in
 19 financial restraint, but yet this is still
 20 where we are at. So if you will get that
 21 out to everybody and, you know, again we are
 22 going to need help from everybody, but by
 23 next month we should be in a position
 24 hopefully to really move forward with the
 25 package which, you know, needs -- has to be,

1 But how do we determine that?
 2 Because it was talked about it was going to
 3 be small dealers shouldn't have to have that
 4 high a bond.
 5 MR. ROBINSON:
 6 Correct.
 7 MR. POTEET:
 8 We are going to have three
 9 tier --
 10 MR. ROBINSON:
 11 We did a two tier. It was
 12 125 sales.
 13 MS. BARON:
 14 I think it was 125.
 15 MR. TURNER:
 16 It was 125.
 17 It might make more sense to
 18 go by the dollar amount rather than the unit
 19 amount. Because where you get in trouble
 20 with the bonds, dealers that go bad and owe
 21 all the sales tax money, which is going to
 22 be a lot more on the higher priced cars.
 23 For instance, my dealership, \$350,000 to
 24 \$400,000 a month is my gross sales, probably
 25 one of the larger --

1 MR. ROBINSON:
 2 But, you would be in the
 3 higher class --
 4 MR. TURNER:
 5 Right.
 6 MR. ROBINSON:
 7 -- because of the amount of
 8 sales.
 9 MR. TURNER:
 10 Right.
 11 MR. ROBINSON:
 12 What we are trying to do is
 13 just keep the really mom and pop operator
 14 from having to step up to the bigger bond.
 15 That's when we came up with the 125. It
 16 would seem it would be harder to report --
 17 it would be easier to track the number of
 18 vehicles you sell, but we need to even watch
 19 the definition on that, retail sales,
 20 wholesale, you know, things that -- to me it
 21 is retail sales.
 22 MR. TURNER:
 23 I was just thinking if you
 24 went off like their last year's tax return,
 25 that is going to show their gross sales.

1 You could have a dollar amount there.
 2 MR. ROBINSON:
 3 Well, there could be a large
 4 discrepancy. You know, you could be a small
 5 dealer that maybe just sells pricey imports
 6 and only sell four or five cars a month,
 7 but, you know, do a tremendous amount of
 8 sales in terms of if you look at the sales
 9 price of it. What we were trying to do is
 10 -- again, the guy that is selling four, six,
 11 eight cars a month, you know, to give some
 12 protection to him that his licensing fee
 13 wouldn't go up and in addition to that his
 14 bonding fee go up.
 15 MR. TURNER:
 16 I understand that. I agree
 17 with that. I just was trying to see the
 18 right remedy and how to police it in order
 19 to set it up.
 20 MR. DUPLESSIS:
 21 The remedy would be on his
 22 tax log that he has to submit every month
 23 for retail sales, and then that's how our
 24 investigator could go out and check to see
 25 what he sold and be commensurate with the

1 sales, with the sales he reported, but he is
 2 going to have to be required on his
 3 application to report sales. So we might
 4 have to have a printing or a software change
 5 to accommodate that.
 6 MR. ROBINSON:
 7 I don't know if that
 8 necessarily is a better way or not. I mean,
 9 it is certainly a different way to look at
 10 it.
 11 MR. TURNER:
 12 Well, it is something we have
 13 to determine now or no?
 14 MR. DUPLESSIS:
 15 Pretty much.
 16 MR. ROBINSON:
 17 Yes. We need to determine
 18 because we -- what is going to be in that
 19 package in terms of the bond?
 20 MS. MORRIS:
 21 It would be the greater
 22 amount of the bond tied to the number of
 23 vehicles unless we come up with another
 24 method that's based upon the gross amount of
 25 money that you are taking in on retail

1 sales.
 2 MR. ROBINSON:
 3 What's your thought on that?
 4 MS. MORRIS:
 5 I guess I see the point --
 6 Mr. Turner's point that you can sell less
 7 vehicles but be in the same monetary
 8 category, and then the risk is really tied
 9 not to the number of vehicles but to the
 10 amount of sales tax that's owed or the
 11 amount of claims that could be against. You
 12 could sell two high priced vehicles and
 13 really have the same amount of claim against
 14 you as for lower priced vehicles. I think
 15 that is what Mr. Turner is saying. And
 16 that's true, we have to implement something
 17 that we can police and if we -- if it is as
 18 easy to get that information, I guess it
 19 wouldn't matter. It is a little bit more
 20 involved, I would think, for the
 21 investigators.
 22 MR. ROBINSON:
 23 To look at dollar value than
 24 just units?
 25 MS. MORRIS:

1 Right. Because to me the
2 units should almost be tied to your
3 temporary tags, too, went you have several
4 thinking that you can check to see --

5 MR. ROBINSON:

6 Yes. A lot of folks, they
7 don't even pay for a temporary tag. But, I
8 mean, most -- obviously, most do, but
9 especially this time of year, a lot of folks
10 won't spend the extra money to buy 60 day
11 tags.

12 The reason we looked at the
13 number of units is, again, the traditional
14 mom and pop guy is not selling \$30,000 to
15 \$40,000 cars. You know, they are selling
16 the \$4,000, \$8,000, \$9,000 car, by and
17 large. I guess where -- the number of units
18 is where that came from and that's not --
19 again, the smaller dealer is not the one
20 that's really caused a lot of anxiety in a
21 community when they go out of business. It
22 is the larger volume dealers that have left
23 so many consumers without sales tax paid or
24 trade in paid or what-have-you, paid off,
25 that is. So I don't -- I think, you know,

1 didn't work the cases quickly and timely
2 enough, that we let a number of non-paid and
3 COs and delivery of licenses, we let that
4 lapse. So that's how they built and I think
5 the negotiations went on afield. If we
6 could correct that here in the office, I
7 think that would limit our exposure as the
8 complaints come in, that people aren't
9 getting their tags and you have got to pay
10 the tax to get the tag. So I think that's
11 -- you know, that concern would probably be
12 addressed with proper administrative
13 procedures.

14 MR. ROBINSON:

15 So, I mean, what does the
16 Commission want to do? We can look at doing
17 it in some type of annual sales volume or
18 doing it with a number of units. I mean --

19 MR. POTEET:

20 I think that the
21 transactions, you are going to have more
22 exposure the more transactions you have.
23 That's the way I would look at it. I mean,
24 I agree with Doug's point that there could
25 be, you know, some dollar amount that makes

1 we went with the number of units and maybe
2 just stay with that.

3 MS. MORRIS:

4 You could have two options.
5 You could have the number of units or gross
6 sales exceeding a number.

7 MR. ROBINSON:

8 That wouldn't be my
9 preference. I would rather have gross sales
10 or number of units, but not both.

11 MR. DUPLESSIS:

12 I mean, we are only talking
13 about \$10 per \$10,000, isn't it, or \$10 per
14 \$1,000. So if you have a \$35,000 bond, it
15 with be \$350; is that correct?

16 MR. TURNER:

17 Did we verify that because we
18 had talked about that at the legislative
19 meeting?

20 MR. DUPLESSIS:

21 Yes. I think that's pretty
22 commensurate. I don't think that's
23 unreasonable. But, you know, the thing that
24 we have seen on the Commission is the reason
25 that we have had so many outstanding is we

1 a difference in some cases, but generally I
2 think that, you know, people are causing
3 problems or causing bigger problems, because
4 they are selling more and more cars, not
5 necessarily more expensive cars. So I would
6 prefer to see it on a number of transactions
7 as opposed to dollar amount.

8 MR. TURNER:

9 I think that's a fine way to
10 do it. I just wanted to bring up an
11 alternate, because we had talked about it
12 last month when I wasn't here.

13 MR. ROBINSON:

14 You guys are okay with
15 staying at 125 and -- it was 125, wasn't it,
16 or 120?

17 MS. MORRIS:

18 I think it was 120, 10 units
19 a month.

20 MR. ROBINSON:

21 120.

22 Anything else, Ron?

23 MR. DUPLESSIS:

24 Nothing.

25 MR. ROBINSON:

1 All right. Then, discussion
 2 on licensing requirements, which includes
 3 the fee increase, and I had asked our
 4 contract CPA to be here today. I had Derek
 5 send him some numbers and they have worked
 6 together and I wanted the Commission to have
 7 the ability to see what \$100 fee increase
 8 would actually mean to the Commission. So
 9 Roy is here today and he has prepared an
 10 elaborate report that is in your packet.

11 So we are going to turn the
 12 meeting over to you and kind of walk all --
 13 everyone through here and look at what \$100
 14 fee we -- to the best of his ability would
 15 mean to the Commission.

16 MR. HEBERT:

17 Good morning. I guess of the
 18 three pages, probably the last page is the
 19 one that's most critical, because any
 20 projections that we would make as to the
 21 impact of the fee is dependent upon what
 22 assumptions you make to apply to the
 23 increased fee, and then also we tried to
 24 ratchet up expenses to keep up with
 25 inflation and cost of living and that kind

1 of thing. So you have two sets of
 2 assumptions there, one that applies -- the
 3 numerical ones that apply to revenues, and
 4 then the alphabet ones that apply to
 5 expenditures. And when Derek and I first
 6 met on it, we queried the system as to how
 7 many dealers are currently licensed by the
 8 Commission and we came up 2,827. So that is
 9 the number I have used to start with.
 10 Neither he or I have enough experience with
 11 the Commission to know what a reasonable
 12 increase in the number of licensed dealers
 13 would be on a yearly basis. So we went kind
 14 of conservative and said, well, we will
 15 increase the number of licensed dealers by
 16 two percent a year for this time period,
 17 which is not a lot of dealers, but some of
 18 you, particularly the ones that are the
 19 dealers, might have a better feel for that
 20 than he or I and if we need to increase that
 21 percentage or decrease that percentage,
 22 increase in licensed dealers, we can do
 23 that. But, obviously, the big bump in
 24 revenues comes since the fee increase would
 25 be effective for our year end in June of

1 '11, would be in that first -- the second
 2 column on the spreadsheet, which is the
 3 7/1/10 to 6/30/11 column and it's -- you see
 4 our increase in dealer revenues or the
 5 license fees goes up to \$848,000 and that's
 6 based on 2,800.

7 MR. ROBINSON:

8 Why don't you take a minute
 9 and just walk us through this Page 3 what
 10 the assumptions are, and then we will go to
 11 the actual numbers. How about that?

12 MR. HEBERT:

13 All right.

14 MR. ROBINSON:

15 So let's just stay on Page 3
 16 and go through these assumptions.

17 MR. HEBERT:

18 We start out with 2,827
 19 dealers and we use a \$300 annual license
 20 fee. We are going to increase the 2,827
 21 dealers by two percent per year on out
 22 through 2020. The same process was used on
 23 the Numerical 2, which is the number of
 24 licensed salesmen. We currently have 6,001
 25 licensed salesmen at \$25 a license. There

1 is no increase there, so -- but we increased
 2 the number of licensed salesmen by two
 3 percent per year out to 2020.

4 The Numerical 3, which is the
 5 late penalties, address changes, all becomes
 6 miscellaneous fees that go along with the
 7 various licenses. It looks like on average
 8 it has been running about five percent of
 9 total revenues from dealer licenses and
 10 sales licenses. So that's what I used was
 11 five percent of those on out through each
 12 one of those years. There is no increase
 13 there, no decrease there.

14 Number four, which is the
 15 auction fees, they look like they are
 16 running ahead of budget, but we didn't want
 17 to get crazy with that number. So we
 18 increased that number two percent per year
 19 for each of the 10 years in projections.

20 Number five, which is in
 21 enforcement actions, Derek and I just picked
 22 a number. We have not done much lately in
 23 the way of enforcement actions. So we are
 24 basing it on current activities, which Derek
 25 says probably by the end of this year, the

1 end of 2011 would be about \$10,000. We
2 increased that 20 percent per year on out to
3 2020.

4 Number 6 which is the NSF, I
5 mean, it is nominal, \$500. I just rounded
6 it off to \$600. It is not a revenue item we
7 want to increase. So we are not going to
8 have an increase there.

9 Number 7 is the interest on
10 the certificates of deposit. If you notice,
11 where our interest rates are going. I used
12 two percent for 2011, three to four percent
13 for 2013. So that's just -- it should be
14 '12, and then '13 through 20, four percent.
15 I left them kind of low. The interest
16 earnings on the operating account, same
17 thing, it is .03 -- or .003 rather for 2011,
18 .004 for 2012, and then .005 for 2013 to
19 2020. I don't know if they will stay that
20 low, but at least the number is on the
21 conservative side. And then the copies and
22 miscellaneous revenues, I just rounded those
23 off and left them the same without any -- I
24 figured once we get more mechanized, we are
25 probably not going to be selling copies and

1 2009. So I applied that percentage increase
2 to our current numbers on out through 2020.

3 The majority of the other
4 numbers are based on the Consumer Price
5 Index, again compiled by the feds, Bureau of
6 Labor Statistics. That's the annual
7 increase for the period 1999 to 2009. It is
8 2.98 percent and that is what I used to
9 expand these costs that are tagged with the
10 letter C. Vehicle insurance, letter D, once
11 we clear the lot out front should decrease,
12 but I understand that decrease in our
13 vehicle insurance lags a year or two behind
14 the year in which we actually decrease the
15 number in our fleet because of our prior
16 claims. So Heather was -- based on her
17 conversations with Office of Risk
18 Management, thought the decrease would occur
19 in the year 2012. So I dropped it from
20 where it is now 41,000 to 40,000, then
21 increased it slightly each year thereafter.
22 The column -- line -- the accounting
23 services, professional services for the
24 accounting, we have a contract with our
25 auditor for the next two years at this

1 labels and that kind of thing anyway, no
2 significant revenue item.

3 On the expenditures side,
4 obviously our big costs are personnel costs,
5 salaries and compensation. The Department
6 of Labor -- US Department of Labor, Bureau
7 of Labor Statistics, published some
8 statistics that give us employment cost
9 index related to salaries, state and local
10 government, it sounded like us. So they
11 have compiled numbers only for 2001 through
12 2009. What I did was, I took that increase
13 that occurred in that time frame on an
14 annual basis and applied it to the budgeted
15 number for 2010 and increased salaries and
16 wages each year by that percentage, so
17 roughly 3.2 percent increase per year, which
18 is the average for the last nine years. The
19 retirement and group insurance costs, the
20 feds also publish a total benefits for state
21 and local government cost index. That, not
22 surprisingly, has increased a lot faster
23 than wages, roughly twice the rate, 6.24
24 percent. So I used -- and, again, it is
25 only compiled for the period 2001 through

1 price. So it should not change for those
2 two years, and then I applied a cost of
3 living increase starting in 2012 going out
4 through '20.

5 The acquisitions and major
6 repairs, you will notice there is nothing
7 there except in the current year budget.
8 The Commission needs to decide where and
9 when that is going to occur and how much
10 because that would include, you know, the
11 office equipment, computer upgrades,
12 software upgrade, buying additional
13 replacement vehicles and that kind of thing.
14 I thought it was more important that we
15 leave that out of the mix just yet, so you
16 can see what the bottom line looked like, so
17 you know how much money could devote to
18 those kind of efforts, and then the last one
19 was G, which was no change which is on the
20 FICA and Medicare taxes.

21 So that's sort of the
22 approach. Now, if any of those assumptions
23 are wrong, these numbers will also be
24 impacted. I know Mr. Turner said something
25 about payroll being -- looked like it was

1 going to project out higher than what the
2 budget is currently at set at for 2010. So
3 if my \$475,000 number here for salaries is
4 on the low side, then all of my other
5 numbers will also be on the low side, the
6 ones that are impacted by salaries like
7 retirement and group insurance. So those
8 would need to be changed. So this is meant
9 to be a discussion point to give you an idea
10 of what \$100 increase would look like and
11 what it would do to the bottom line with
12 basically no changes other than cost of
13 living to our current operating budget.

14 MR. ROY:

15 Mr. Roy --

16 MR. HEBERT:

17 Yes.

18 MR. ROY:

19 -- excuse me, what does that
20 represent?

21 MR. HEBERT:

22 That's the Consumer Price
23 Index, all urban customers. So it is the
24 cost of living increase -- average cost of
25 living increase for that -- it is just a

1 This is the selling point,
2 though, when you start talking to
3 representatives and senators and committee
4 members.

5 MR. ROBINSON:

6 Well -- so let's run through
7 the numbers then, which is -- go ahead and
8 run us through the numbers and what the
9 bottom line numbers are, just -- let's just
10 take -- well, you can do it. You know this
11 stuff a lot better than we do. Let's look
12 at the far left column and kind of run
13 through it, what the bottom line is. Then,
14 we can run through it -- you know, through
15 the years that you have laid out here.

16 MR. HEBERT:

17 Well, the far left column
18 would be your current adopted budget and
19 that's the base in which I started applying
20 percentages to with the exception of the
21 dealer revenue and sales revenue, but the
22 current year budget is constructed
23 apparently around 3,157 dealers and 6,200
24 sales folks. We don't currently have those
25 numbers. So I didn't use those numbers. I

1 bigger time period. They have been
2 compiling that number longer than the other
3 two numbers that deal with wages and
4 benefits. So that's a full 10 years worth
5 of numbers there. So this was meant to be a
6 discussion point, not a final.

7 And, Sheri, I mean, you have
8 done more legislation and have been involved
9 with more legislation. The fiscal note that
10 gets attached to a fee increase bill,
11 doesn't it just refer to revenue increases?

12 MS. MORRIS:

13 Yes.

14 MR. HEBERT:

15 It doesn't really ask you
16 what you plan on doing --

17 MS. MORRIS:

18 It is going to show increased
19 revenues for the next three fiscal years.

20 MR. HEBERT:

21 So this is more for the
22 Commission's information than --

23 MS. MORRIS:

24 Why you need that revenue.

25 MR. HEBERT:

1 used the numbers that Derek and I pulled off
2 the system last --

3 MR. ROBINSON:

4 It is built around how many
5 dealers?

6 MR. HEBERT:

7 The budget is built around
8 3,157 and 6,200 sales folks. We currently
9 have 2,827 dealers and 6,001 sales folks.

10 MR. ROBINSON:

11 Okay.

12 MR. HEBERT:

13 Now, that's -- Kim pulled
14 them up when I was here the week before
15 last. I mean, late licenses may be still
16 coming in and are being added to that
17 number. So my 2,827 could be low and my
18 6,001 sales folks could be low, depending on
19 what the final numbers come out to be. So
20 that first column represents the current
21 budget and where it was going to lead us and
22 that was a plus \$25,620, and then each
23 sub-column is -- the impact is a \$100
24 increase and the cost of living and/or other
25 indexes being applied to the various

1 numbers, all of which lead to a surplus each
2 year all the way through 2020 -- excuse me,
3 2020. That is starting out with \$208,965
4 going down to \$138,654. Again, it doesn't
5 include any kind of capital expenditures or
6 software enhancements or replacing
7 technology.

8 MR. ROBINSON:

9 Does anyone have any
10 questions about the chart? I know it is
11 your first time, you know, to look at it.
12 It is a lot of numbers that we do look at
13 here on a monthly basis. Again, the big
14 item is there is no money budgeted in here.
15 When we need a new roof for the building at
16 \$15,000 and we need -- and we are going to
17 have to update our fleet vehicles, I mean,
18 it's really getting to be pretty bad, you
19 know, when you are talking about \$18,000,
20 \$20,000 at a time to purchase a vehicle, but
21 those type of expenses are not in here, but
22 all of the other expenses are.

23 MR. DUPLESSIS:

24 So you are taking the whole
25 \$100 at one time is your assumption in this?

1 No. We have to place 100 cap
2 in the legislation but to set it by rule, so
3 we wouldn't have to go back to the
4 Legislature.

5 MR. ROBINSON:

6 Well, what would history tell
7 us about that, I mean, which way is the
8 Legislature more apt to approval it?

9 MS. MORRIS:

10 I have seen them do both.

11 MR. HEBERT:

12 Is one an easier sell than
13 the other?

14 MS. MORRIS:

15 I think that's what Mr.
16 Robinson is asking, which one is more apt to
17 pass. I don't know, but if you need the
18 whole hundred, I guess it would be best to
19 sell what you feel like you need. But if
20 you need the whole hundred, then we don't
21 need the language. The language was going
22 to have, you know, up to a maximum of 300.

23 MR. ROBINSON:

24 Well, again, I have taken the
25 time to call some dealers and -- maybe a

1 MR. HEBERT:

2 The assumption was that it
3 would be effective 1/1/11, which would be in
4 the first year, June 30, '11.

5 MR. DUPLESSIS:

6 And we -- I think we kind of
7 assumed it would be a phase in, but it
8 appears by the numbers we are going to need
9 the whole hundred right up front.

10 MR. HEBERT:

11 Well, I mean, I could do it
12 differently. I could project it
13 differently, Ron.

14 MR. DUPLESSIS:

15 No. Your projections, I
16 think, are on target. I think we have to
17 take the whole hundred up front. That's the
18 kind of change we sold the people at the
19 committee meeting.

20 MR. ROBINSON:

21 I think we are taking the
22 whole hundred up front.

23 MR. DUPLESSIS:

24 No.

25 MS. MORRIS:

1 half dozen and not a single one was opposed
2 to a fee increase. You know, one dealer
3 right off, the first thing he said, "\$8 a
4 month, if I can't afford \$8 a month, I need
5 to shut down." You know, to me the way to
6 write it, whatever way would be the easiest,
7 but I think the assumption is from the
8 legislators, when it is says \$100, you are
9 going to get \$100, but I don't think they
10 buy into the fact that you are going to go
11 up \$25 each year.

12 MS. MORRIS:

13 Well, if you have a maximum,
14 you have to adopt it by rule and the rule
15 goes through the process and it goes to the
16 Legislative Oversight and some agencies have
17 done it that way, that, you know, they
18 increase it \$25, and then another \$25 when
19 they deem necessary. So it has -- they
20 still do have oversight over the increase
21 even if you set the maximum because they
22 have to approve the rule.

23 MR. ROBINSON:

24 So then if the Legislature
25 graciously passed a fee increase bill, all

1 we would then have is a fee increase bill,
 2 but no additional revenue. So we would
 3 immediately then --
 4 MS. MORRIS:
 5 Have to do the rule.
 6 MR. ROBINSON:
 7 -- have to go to them and ask
 8 for an extra \$25 each year?
 9 MS. MORRIS:
 10 You would have to increase it
 11 by a rule. Say the language was up to \$100
 12 as what was in the proposal and you wanted
 13 to increase it \$50 starting in 2010, you
 14 really wouldn't be able to get it -- I mean,
 15 your license year goes to January. So you
 16 would have to immediately do a rule for the
 17 \$50 and that rule would stay in place until
 18 you determine that maybe you need another
 19 \$25. Then, you would go back and amend this
 20 rule.
 21 MR. ROBINSON:
 22 That's what I'm saying. So
 23 all we would have in place is something
 24 passed that we could have more money, but we
 25 wouldn't have any more money.

1 MS. MORRIS:
 2 Until you got the rule.
 3 MR. ROBINSON:
 4 We would immediately then
 5 have to go to the Legislative Committee and
 6 ask them for approval for another \$50 or \$30
 7 or whatever we decided on.
 8 MS. MORRIS:
 9 You would go through the rule
 10 making process, yes, to determine the exact
 11 amount.
 12 MR. DUPLESSIS:
 13 You can ask for the \$50 up
 14 front in the legislation, and then apply for
 15 the --
 16 MS. MORRIS:
 17 You get the \$100 increase
 18 once the bill is signed or it goes into
 19 effect without signature. You have the
 20 whole \$100. You don't have to go through
 21 the rule making process.
 22 MR. TURNER:
 23 Why wouldn't we just ask for
 24 the \$100 up front?
 25 MR. ROBINSON:

1 Well, I guess it's because if
 2 we are even relatively close on these
 3 numbers, you can see what the bottom line
 4 is. We are going to start to stockpile a
 5 lot of surplus.
 6 MR. TURNER:
 7 Well, is that something -- an
 8 assumption, you make no other acquisition of
 9 cars or --
 10 MR. TURNER:
 11 We know we need to buy cars.
 12 MR. DUPLESSIS:
 13 And we have to have some
 14 software and some maintenance on the
 15 building.
 16 MR. ROBINSON:
 17 I understand that. But you
 18 are looking at right out of the box \$200,000
 19 surplus annual.
 20 MR. HEBERT:
 21 It is a million 840 if you
 22 add them all together.
 23 MR. ROBINSON:
 24 By 2010, a million 840. It
 25 won't be a million 840. We all understand

1 that, but it will be based -- if we are
 2 relatively close, it is going to be
 3 \$700,000, \$750,000 surplus by 2010. We are
 4 sitting on -- we will have a surplus of over
 5 a million dollars.
 6 MR. POTEET:
 7 But the other side of that
 8 argument is, if you have a relatively
 9 conservative estimate of the expenditures,
 10 if you don't do anything, you are going to
 11 be in the hole and you haven't even
 12 considered making capital outlays.
 13 MR. DUPLESSIS:
 14 That's correct.
 15 MR. ROBINSON:
 16 Well, we won't be able to.
 17 The thing that -- the only
 18 thing here in the numbers that I have seen,
 19 and like all of you, I just got it right
 20 before the weekend, but it just seems like
 21 the starting salaries are too low. I don't
 22 know. Heather again is out. Actually, her
 23 daughter is in the hospital, I believe, but
 24 it seems like that \$475,000 number is kind
 25 of low to me, which would have some kind of

1 impact. Our legislation, though, was going
2 to go up to \$100, not \$100 immediate
3 increase.

4 MS. MORRIS:

5 Correct. That's what we
6 discussed, but I think in some of the
7 discussion, even at the committee meeting,
8 some people did not think that the \$100 was
9 too high, like you said.

10 MR. DUPLESSIS:

11 Right.

12 MS. MORRIS:

13 There wasn't a whole lot of
14 objection, I don't think, to the amount, but
15 the way we were presenting it was that, you
16 know, we would determine how much of the
17 \$100 we needed and we would increase it as
18 necessary. I'm working with another agency
19 that's going to have a fee bill and they
20 have similar concerns that when the fiscal
21 note comes out, it is going to show that
22 they would have a huge surplus and they do
23 have some surplus, but they have been
24 dipping into it every year. So they are
25 directing -- the board instructed the staff

1 to create a realistic budget to go along
2 with it because like yours, it has no
3 acquisitions or improvements or -- and they
4 really need to adjust their technology.
5 They have a building that may need repair.
6 So they created a budget. If we can get the
7 increase, this really what our budget is and
8 should look like, because we have taken out
9 things that we really shouldn't take out.

10 MR. POTEET:

11 Well, you can take these
12 excesses of revenue and you can go back in
13 and plug in different things and bring that
14 number down. You can plug in cars. You can
15 plug in --

16 MS. MORRIS:

17 That's what you need to put
18 in their documentation.

19 MR. POTEET:

20 Now that we know where we are
21 on this, we can go back and plug those
22 numbers in and go back and estimate, you
23 know, when is -- we are going to have -- buy
24 new cars every three years and do this, you
25 know, do that. Pretty soon that over is

1 going to be much closer to zero and probably
2 more realistic, too.

3 MR. ROBINSON:

4 So you were going to write
5 the legislation, though, up to \$100 --

6 MS. MORRIS:

7 That's the way --

8 MR. ROBINSON:

9 -- \$50 in the bill or just up
10 to \$100?

11 MS. MORRIS:

12 It was presented that -- up
13 to \$100, and then there was going to be some
14 determination before the session of how much
15 that initial increase would be and I think
16 this is the information we were waiting for,
17 but the cap was \$100 and it was presented
18 that we weren't going to use the cap
19 immediately, we would use what was needed.

20 MR. DUPLESSIS:

21 I have no problem with any
22 way y'all want. I do think that maybe a
23 little more extensive expenditure,
24 especially on CAVU and cars, would be -- and
25 then we check the salaries, because let's

1 face it, it's -- our expenses are on two
2 feet or four wheels or technology and the
3 maintenance of the building.

4 MR. ROBINSON:

5 We will work with you and get
6 you -- we definitely need to plug in some
7 more numbers. So Derek and I will get
8 together and get that forwarded to you and
9 --

10 MS. MORRIS:

11 The only thing on the
12 salaries, the only factor applied was three
13 point something. You know, the state
14 increase is really four percent. So you
15 might need to adjust that.

16 MR. ROBINSON:

17 Well, we are going to raise
18 all of those assumptions up, too, on the
19 expense side to make sure that we are
20 covered. But I think we need to address the
21 larger question, is how we want this
22 written. Are we going to in this bill ask
23 for up \$100 starting with \$50 or do we --
24 are we going to ask just for \$100 increase?
25 We might need to have some discussion with

1 some elected officials.
 2 MS. MORRIS:
 3 I was going to say maybe we
 4 draft it for \$100, but then maybe that's
 5 something that the author may want to
 6 address. They might say I'm not comfortable
 7 with \$100 right off the bat, but I'm
 8 comfortable with the increase of \$50 and
 9 giving you authority for an additional \$50.
 10 Maybe we can try to do it at \$100, but have
 11 some room to compromise.

12 MR. ROBINSON:
 13 Who actually would have --
 14 it's the House Committee that would have to
 15 approve an additional increase if we wrote
 16 it.

17 MS. MORRIS:
 18 Well, you go through the rule
 19 making process. The rules get submitted to
 20 the committee. They would have the
 21 jurisdiction of both bodies and they can
 22 either request an oversight hearing or they
 23 can just let it go and in most cases, they
 24 just let it go into a rule without an
 25 oversight hearing, but they do have that

1 Do you anticipate that we
 2 would have people at the courthouse in
 3 objection to the fee increase?
 4 MR. WRIGHT:
 5 That's hard to say dependent
 6 on how it is presented and, of course, you
 7 speak to dealers on our board, they are not
 8 mom and pop operations. So, you know, it
 9 depends on how it's put in. But, no, my
 10 board didn't have anything to say. In fact,
 11 they were kind of in favor of it.

12 MR. ROBINSON:
 13 I spoke to a couple of your
 14 board members or families of -- I don't
 15 necessarily know, but --

16 MR. WRIGHT:
 17 I'm aware of that.

18 MR. ROBINSON:
 19 Sir?

20 MR. WRIGHT:
 21 I'm aware of that.

22 MR. ROBINSON:
 23 I know they were in favor of
 24 it, but I think the one guy, and he is a
 25 small operator, but like he said, "If I

1 authority to trigger an oversight hearing
 2 and they have vetoed some rules along the
 3 process, but that's kind of rare.

4 MR. ROBINSON:
 5 Well, which committee --

6 MS. MORRIS:
 7 The Commerce Committee.

8 MR. ROBINSON:
 9 Commerce.

10 MS. MORRIS:
 11 That's kind of rare, but if
 12 you have a lot of people in your industry
 13 that were very much against it, they would
 14 make the calls to get the oversight hearing.

15 MR. ROBINSON:
 16 Have you heard any direct
 17 feedback from your board, would your agency
 18 be in support of this fee increase? You
 19 thought they might. Have you heard anything
 20 since the last time we met?

21 MR. WRIGHT:
 22 I told them what she said was
 23 discussed at the legislative meeting and
 24 they had no problem with that.

25 MR. ROBINSON:

1 can't afford \$8 a month, I need to shutdown"
 2 because it's been so many years since we
 3 have had a fee increase.

4 MR. WRIGHT:
 5 No, I had no negative
 6 feedback on it.

7 MR. ROBINSON:
 8 What's anybody's thought to
 9 go the other way where we might take \$50 up
 10 front? I mean, \$50, if we cut to revenue,
 11 Roy, just real quick.

12 MR. TURNER:
 13 You would increase it 100
 14 grand.

15 MR. ROBINSON:
 16 You would still have the
 17 surplus.

18 MR. POTEET:
 19 I would say we should present
 20 it to make sure -- to have the most
 21 opportunity to pass.

22 MR. TURNER:
 23 I agree with that.

24 MR. DUPLESSIS:
 25 And that's going to be the

1 \$50 up front, and then the \$100 to come.
 2 MR. POTEET:
 3 Well, we can go back in and
 4 Roy can re-calculate this. I mean, I think
 5 most of us can do this in our head. I mean,
 6 we are still going to have a surplus and we
 7 can still phase in our capital outlay, over
 8 time. I mean --

9 MR. HEBERT:
 10 Just \$50 for 2,827 licensees,
 11 plus 141, 350 out of the surplus of 208.

12 MR. DUPLESSIS:
 13 It pulls it out.

14 MR. HEBERT:
 15 It drops it down to \$67,000.
 16 It is not like other things come down when
 17 you reduce the --

18 MR. POTEET:
 19 We are just reducing our
 20 revenue.

21 MR. HEBERT:
 22 You are just taking it
 23 straight out of the bottom line. So that
 24 drops us down to 61 -- \$67,000 and change
 25 the first year.

1 We are going to be the Commission that --
 2 you know, that wants more money. They just
 3 can't get enough. That's government. They
 4 just can't get enough money. That's going
 5 to be the perception out there in the
 6 industry and I don't know any way you can
 7 get around that.

8 MR. WRIGHT:
 9 What about if you need \$100
 10 and you take \$50 and put a specific time on
 11 the second \$50?

12 MR. ROBINSON:
 13 It won't matter. You are
 14 still just raising it again. You know what
 15 the average dealer is going to say, "Another
 16 stinking increase, they are just waiting my
 17 money at that Commission", versus take the
 18 \$100 and, you know, never worry about it
 19 again. I mean, that's --

20 MS. MORRIS:
 21 One other consideration is
 22 every time you change your fee, you have
 23 programing changes and paperwork changes.
 24 So that has some incremental cost.

25 MR. ROBINSON:

1 MR. POTEET:
 2 But it is still a surplus and
 3 if we could phase it in over some number of
 4 years, I don't know how we would do that,
 5 but if we did, you know, \$50 the first year
 6 and \$50 the next year or something. I mean,
 7 by the time we get out to 2013, '14, we
 8 should have \$1,200 and also you are not
 9 going to run out and buy a new computer
 10 system in the next year or two. So there
 11 are things that are going to, you know,
 12 phase in over time, too.

13 MR. ROBINSON:
 14 The only other aspect in this
 15 to me is, if we start with a \$50 and two
 16 years we are back for more, then we are
 17 going to be the Commission that just keeps
 18 raising. If we do the \$100 and they don't
 19 hear from us for the next 15 years, they are
 20 all going to be real happy. If you do \$50
 21 and two or three years you are having to do
 22 more, that is when it is going to be
 23 unpleasant. You just raised it. The dealer
 24 is not going to understand that we asked for
 25 \$100 but we were nice and we only took \$50.

1 Here is what I would like to
 2 do, if everyone is in agreement. I would
 3 like to have some time to contact some
 4 legislators and see what they think and let
 5 Ron have some time to contact. And then, I
 6 mean, if y'all would kind of based on the
 7 impact and input we get back from them and
 8 all of you contact -- I know Rhett can do
 9 that, too. Why don't we ask, and then I
 10 will call you guys and we will see what the
 11 feedback is, and then we will tell you to
 12 write it that way if the Commission is in
 13 agreement to that. You are going to get to
 14 vote on this next month anyway. But, you
 15 know, we may call some elected officials and
 16 they may say, "Boy, if you don't do it this
 17 way, you are going to be in trouble."

18 MS. MORRIS:
 19 And some of it is going to
 20 have to do with what the office feels
 21 comfortable. So I think we need to kind of
 22 figure out who might be a willing sponsor
 23 and they have to be comfortable with the
 24 approach that we are taking as well.

25 MR. ROBINSON:

1 Would the Commissioners be
 2 okay if we just took some time and made some
 3 contacts, and then we will get with Ms.
 4 Morris and tell her, you know, the way we
 5 think it would be best, and then we give
 6 that to you and we will vote on it next
 7 month? And I would encourage all of you to
 8 contact your local -- a couple of your local
 9 folks and see how they feel about it, and I
 10 will call around and we will -- you know, I
 11 will take a little tally maybe in a week and
 12 a half or so, and then we will write it
 13 based on the feedback that we get. Is that
 14 everyone's --

15 MR. TURNER:

16 That sounds like a plan.

17 MR. DUPLESSIS:

18 I don't think anybody is
 19 going to have an objection to the \$100. I
 20 think the author is going to be the key on
 21 how to sell it to the other members of the
 22 committee. That's the main thing. So we
 23 will go ahead and make the contact there and
 24 we will make --

25 MR. ROBINSON:

1 July. If we -- you know, not the fee part
 2 but if the legislative packet goes through,
 3 if it is not signed by the Governor, it
 4 might not go into law until almost July. If
 5 it didn't get through --

6 MS. MORRIS:

7 Or August.

8 MR. ROBINSON:

9 Yes, as late as August. So I
 10 don't know if that's an option for this
 11 year.

12 MR. DUPLESSIS:

13 Well, we could write it with
 14 a later date and part of your fiscal note --

15 MR. ROBINSON:

16 We were just trying to take
 17 the pressure off for the renewal period come
 18 the end of the year, but I just really don't
 19 see how we are going to be able to do that.

20 MR. POTEET:

21 It sounds like what Derek was
 22 saying earlier, we might have some IT
 23 improvements that are going to help us a
 24 little bit relieve some of that pressure.

25 So maybe we could write it in for a later

1 And find a sponsor.

2 MR. DUPLESSIS:

3 We will find one.

4 MR. ROBINSON:

5 Yes, ma'am.

6 MS. MORRIS:

7 One more question about the
 8 fee bill. There was some discussion about
 9 changing the licensing year on some or all
 10 of the licenses and to me that kind of
 11 relates to the fee bill and how your fiscal
 12 note is going to come out and I don't think
 13 we ever really settled on whether we are
 14 going to change the license renewal date and
 15 that has to be in the legislation, too.

16 MR. ROBINSON:

17 That was my next note.

18 MS. MORRIS:

19 I'm sorry.

20 MR. ROBINSON:

21 If we are going to try do
 22 that and if we have time to do that. That's
 23 my bigger question. I went back and looked
 24 at a calendar and I don't see any way in the
 25 world we could implement this for June or

1 phase in, maybe in '11 or '12.

2 MR. DUPLESSIS:

3 That could be part of your
 4 fiscal notes, that you are going to get an
 5 IT upgrade with more timely service and
 6 become more efficient. That can always be
 7 part of your footnotes on your fiscal note.

8 MR. ROBINSON:

9 But as an agency we would be
 10 better off if we weren't in 100 percent
 11 renewals at the same time, regardless of
 12 what we are doing, regardless of the answer
 13 to the IT software. We need to get this
 14 thing divided up. So, I mean, the
 15 legislation could say -- that's not really
 16 in the legislation. It's not that specific,
 17 is it?

18 MS. MORRIS:

19 It says that licenses shall
 20 expire December 31. So you would have to
 21 remove that and just substitute an annual
 22 license. That would give you additional
 23 time to study it and come up with a system
 24 that works, but your legislation does say
 25 December 31.

1 MR. ROBINSON:
 2 So all you have to change is
 3 that they purchase an annual license?
 4 MR. POTEET:
 5 Then we could set up a rule
 6 as to how it is done, a procedure.
 7 MR. ROBINSON:
 8 Well, let's do that. It
 9 won't help you this year.
 10 MS. MORRIS:
 11 Sorry.
 12 MR. ROBINSON:
 13 We just can't get it done.
 14 MS. MORRIS:
 15 I was doing some work with
 16 the architecture board the other day and it
 17 had to pull their licenses and they have
 18 their firm licenses on a fiscal year and
 19 their individual licenses on a calendar
 20 year. So they have a spit as well.
 21 MR. DUPLESSIS:
 22 There you go.
 23 MS. MORRIS:
 24 You might be able to work
 25 with it.

1 any questions, anything they want to ask
 2 about, comment about?
 3 (No response.)
 4 MR. ROBINSON:
 5 Kind of a quick meeting
 6 today.
 7 MR. POTEET:
 8 I make a motion that we
 9 adjourn.
 10 MR. DUPLESSIS:
 11 I will second it.
 12 MR. ROBINSON:
 13 All in favor?
 14 (All "Aye" responses.)
 15 (Whereupon, the meeting ended at 10:33
 16 a.m.)
 17
 18
 19
 20
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 22
 23
 24
 25

1 MR. ROBINSON:
 2 The other thing, do we know
 3 if the state ever -- just on a follow up
 4 item, if the state ever got the contract for
 5 those GPS units?
 6 MR. PARNELL:
 7 No, they have not.
 8 MR. ROBINSON:
 9 There is still no --
 10 MR. PARNELL:
 11 I talked to the gentleman and
 12 he hasn't done anything on it.
 13 MR. ROBINSON:
 14 Do they anticipate doing
 15 anything?
 16 MR. PARNELL:
 17 He is going to give me a time
 18 frame. He said, yes, he is anticipating and
 19 I told him that we actually want to move
 20 forward actually installing them in all of
 21 the vehicles, but he said he hasn't gone
 22 forward with the contract as of yet.
 23 MR. ROBINSON:
 24 That answers that question.
 25 Does any Commissioner have

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 2
 3 I, BETTY D. GLISSMAN, Certified
 4 Court Reporter, Certificate No. 86150, in
 5 and for the State of Louisiana, do hereby
 6 certify that the Louisiana Used Motor
 7 Vehicle Commission February 15, 2010 meeting
 8 was reported by me in the stenotype
 9 reporting method, was prepared and
 10 transcribed by me or under my personal
 11 direction and supervision, and is a true and
 12 correct transcript to the best of my ability
 13 and understanding.
 14 This February 23, 2010, Baton
 15 Rouge, Louisiana.
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