

**MOTOR VEHICLE DEALER BOARD
MINUTES
May 7, 2014**

The meeting of the Dealer Board was held at the Department of Revenue offices, Lakewood, Colorado.
(Note: The Board appeared telephonically)

The following persons were present:

BOARD MEMBERS:

Chris Hefty
Stan Martin
Beau Smith
Deborah Thompson
Levi Yoder

MEMBERS ABSENT:

Joe Gebhardt
Jason Wagner
Sheriff Fred Wegener

**SENIOR DIRECTOR OF
ENFORCEMENT:**

Ron Kammerzell *(appeared telephonically)*

EXECUTIVE SECRETARY:

Bruce Zulauf

LEGAL ASSISTANT:

**DEPT OF REVENUE,
AID, ENFORCEMENT
DIVISION STAFF:**

Margaret Jungmann
Arleen Criddell-Tapanen

ATTORNEY GENERAL'S OFFICE:

Y.E. Scott

BUDGET OFFICE:

Jill Vaughn
Curtis Tremble

VISITORS:

Dorinda Floyd, CFO – CDOR
Heather Copp, Deputy Executive Director –
CDOR *(appeared telephonically)*

President, Beau Smith, opened the meeting of May 7, 2014, at 3:06 p.m. Mr. Smith turned the floor over to Jill Vaughn and Curtis Tremble of the Budget Office.

FEE SETTING

Ms. Vaughn presented an updated cash flow analysis based on new data received. The April revenue came in higher than what was initially projected and shared with the Board at the April 21, 2014 meeting. Ms. Vaughn and Mr. Tremble updated the documents based on the 3% variance that they thought would occur at the time; namely, the 3% decrease in fees. Along with that adjustment, they adjusted the month of June and the out-year to reflect what they anticipate based on that fee decrease. At that time, Ms. Vaughn and Mr. Tremble received additional information regarding April revenue and the adjustments for April, May and June came back at approximately \$100,000.00 more than what they had previously shared. The analysis now appears to indicate that a 7% fee decrease is more in order based on the current cash balance and projected year-end fund balance.

Mr. Hefty asked if the updated recommendation would change any of next year's projections with regards to increase or decrease of renewals or new licensing fees.

Ms. Vaughn advised that taking into consideration historical data in the Division and licensing trends over the past few years, a 2% increase in licensing activity is likely for next year. Mr. Zulauf reminded the Board that the projected spending authority is \$175,000 more this year because of the MYLO project and it will not appear in next year's spending authority. He further stated that the update will reflect fee adjustments being rounded to the nearest \$1 increment versus the previous \$5 increment.

Mr. Smith asked if licenses remained flat and there is no variance, would the Board be better positioned to put an increase in place for next year.

Ms. Vaughn advised that the updated recommendation is appropriate and she does not anticipate problems proposing an increase for next year should the Division experience a downturn based on the current cash balance and projections.

Mr. Hefty stated that he felt the proposal is fair based on financial information provided. He further stated that he feels the recommendation is being forced upon the Board based on guidelines set forth through the Governor's office and he feels the proposal does not take public safety into consideration.

- Ms. Thompson made a motion to accept the proposed 7% reduction in fees for FY15 based on 2% licensing variance – approved (4-1, Hefty opposed – Mr. Smith as Chairperson voted).

New Business – There was no new business.

Public Comment – There was no public comment.

The meeting of the Motor Vehicle Dealer Board was adjourned at 3:16 p.m.

(Note: The Minutes of the Motor Vehicle Dealer Board summarize the contents of the meeting. They are not verbatim transcripts and are based principally upon the digital recording of the meeting and upon the later collaboration of staff attendees to ensure that the summary faithfully captures the matters before the Board and the actions the Board took. The digital recording of the meeting is a permanent record of the Board, retained in the electronic filing system of the Auto Industry Division, and is available as a resource for review, as needed.)

Bruce Zulauf
Executive Secretary