

**Travel Information Council
Finance Committees
Telephonic Meeting
Friday, May 9, 2014**

Members Participating:

Gwenn Baldwin
Bob Russell

Mike Drennan, Member-at-Large

OTE Staff Participating:

Kyle Walker, CEO

Tim Pickett, COO

Chair Drennan called the meeting to order at 9:00 am.

Chair Drennan walked through the April statements with committee members noting the cash balance that is current available.

Council Chair Baldwin stated that the upcoming ruling on PERS may or may not have a permanent or temporary impact on the budget – it is something we need to keep an eye on given the 3 lawsuits now before the courts.

Council Chair Baldwin asked COO Tim Pickett about the rise in personnel costs at rest areas. Pickett noted that this was due to Suncrest and Deadman Pass which were not included in the original budget – despite that we will be below budget for personnel costs year to date.

The committee discussed the value of the current ratio target (relative agency cash health) of 1.25 to 1. It was discussed that this may fluctuate during the year due to the timing of funds transferred from ODOT. The committee agreed to take another look at this performance measure including splitting out into one ratio for Other Funds and one for Rest Areas.

The committee discussed increasing Rest Area reserves to \$750,000 and took action to establish an Other Funds Operating Reserve (by the end of biennium) the goal for this reserve is \$750,000. There would continue to be \$250,000 in free cash maintained in the Other Funds checking account making an aggregate Other Funds cash balance target of \$1 million.

Chair Drennan inquired how funds flow into Heritage Programs. Pickett referenced that they are offset by dedicated funds to support sign crew services who maintain and repair interpretative signs and from grants dedicated to specific markers. Salaries and overhead are not charged to this line item. CEO Walker suggested that Chair Drennan refer back to the 2013 - 2015 Adopted Budget which has a section explaining program funding in more detail.

The question was asked why the number of FTE is different than previous reports–Pickett explained this is due to allocation of temporary hires for each rest area.

Chair Drennan member inquired regarding Fixed Asset Funds - specifically where are offices at rest areas shown. Tim explained they are leased at \$165.00 per unit. These are considered an ODOT asset but OTE owns the decks.

Bob Russell inquired about the status of sign depreciation. Tim noted that this is a target for the end of 2014 pending accounting system upgrades on SAP and the ability to move fixed asset records.

Chair Drennan member asked about the definition of Accrued Leave – this represents vacation only, no sick.

Adjournment: Meeting was adjourned at 9:45 am.