



# Oregon Travel Information Council

1500 Liberty Street SE, Suite 150  
Salem, Oregon 97302

## MINUTES

### Finance Committee

Thursday, October 26, 2017

**Members Participating:** Mike Marsh; Ed Washington; Mike Drennan; Bob Garcia

**OTE Staff Participating:** Tim Pickett, Operations Director; Diane Welter, Accounting Manager; Nancy DeSouza, Executive Director; Jessica Carbone, Office Assistant

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The meeting was called to order by Marsh at 2:33 p.m., at the OTE offices in Salem.

**Roll Call:** Committee members Marsh, Washington, Garcia and Drennan, were present by phone. Staff was present in the office.

**Approval of the Minutes:** Marsh proposed amending “Washing” to “Washington”. DeSouza proposed amending various punctuation and spacing errors along with changing “enquired” to “inquired” and changing “new Executive Director” to “new Assistant Director”. Garcia moved to accept the minutes as amended. Washington seconded. Marsh, Garcia and Washington voted yes. Drennan abstained. The motion was approved.

### **Business:**

**September Financials:** Welter said that overall, OTE continues to outperform budget expectations. The Year-to-Date Retention is \$16,897 better than budget. It has become evident that some line items were not budgeted as well as they could have been when compared to actual costs. This includes Water and Sewer costs which are \$62,000 over budget. On the flip side, we have Signs Repair and Maintenance which is \$39,000 below budget. We will have the opportunity to adjust these in the upcoming budget revision.

There were no negative findings or exceptions during the Moss Adams review. They stated that the Agency is following internal controls over revenue, disbursements and cash. There were no recommendations for improvement. This reflects the dedication of the Accounting team to OTE’s financial reporting function. Marsh asked when Moss Adams will be providing us with a bill. Pickett said that the contracted amount is typically billed at the end of November. Lastly, we continue to verify our Fixed Asset Base and make any necessary adjustments. During September, we made a net prior period adjustment for \$6,719 to correct Sign Assets. We continue to work through each asset class.

Drennan asked for clarification to why approved ADA expenditures are being expensed instead of being a capital expenditure. Pickett said that while the overall expenditures had been approved the individual items did not meet the capitalization threshold. Marsh noted that Repair and Maintenance: Building and Landscaping is up about 100% due to ADA improvements and some plumbing and

vandalism issues at Cabin Creek. All capital projects were at 100% or less in terms of expenditure. Marsh asked if the small reduction in the numbers of travelers was a seasonal shift. Pickett said there is a usual decline going into the cooler months, apart from Government Camp, but this reduction in traveler numbers could also be attributed to some of our rest areas switching from counting the number of cars that enter a rest area to counting the number of people who enter the rest rooms. Garcia asked for clarification of the Disposal of Assets line 9000.

Marsh said that Past Due accounts continue to look good. There were two customers who were removed for nonpayment. General and administrative cost are under budget by three percent, some of which can be attributed to over preparedness for the eclipse from last month. Over all expenditures are down three percent from the prior month.

Drennan asked for reassurance that the cash being held by US Bank is collateralized and secure. Pickett said that US Bank commits annually. The next confirmation of collateralization should come at the end of December. Drennan asked if the rest areas negative \$58,000 year-to-date retention is something to be concerned about. Pickett said that some of this expense is due to excessive stockpiling of supplies and speeding up of routine maintenance for eclipse preparedness. There were also some unexpected maintenance requirements, such as a broken water line at Manzanita. Drennan asked if there were any further expenditures expected for Grove of the States. DeSouza said to expect more expenditures over the next year. Annie von Domitz is working to get donated work on the pathways. There may be future costs towards pathway materials and interpretive signage.

Marsh noted that if anyone noted the overage in Mileage Reimbursement it was due to the Quarterly Council meeting held in Pendleton, Or and for some of the rest area staff attending their Fall meetings.

**New Business:**

Marsh asked for an update on the budget rewrite. Pickett said the budget shells have been opened. They are moving actual expenses into those shells throughout the months, but they are still missing key expenditures such as the number of additional staff and possible compensation ranges. The structure is there and he believes they will meet the March timeline. DeSouza stated there will be at least one more budget note following the December meeting dealing with the adjustment to the Executive Director's compensation, approving a part time Policy Advisor/HR position, hiring an assistant for Heather and a restructuring of other duties. DeSouza then updated the committee on the ongoing conversations about the continuation of services by Victory Group.

**Other Business:**

**Adjournment:** The meeting adjourned at 3:16 p.m.

**Next Meeting:** Thursday, November 30, 2017 at 2:00 p.m., telephonic at the OTE Offices, 1500 Liberty St. S.E. Suite 150, Salem, OR 97302.