



Oregon Travel Information Council

1500 Liberty Street SE, Suite 150

Salem, Oregon 97302

MINUTES

Finance Committee

Thursday, December 27, 2017

Members Participating:

Mike Marsh; Mike Drennan; Ed Washington

Members Excused: Bob Garcia

OTE Staff Participating:

Nancy DeSouza; Tim Pickett; Daphnee Legarza; Diane Welter; Jessica Carbone

The meeting was called to order by Marsh at 2:02p.m., at the OTE offices in Salem, OR.

Roll Call: Marsh and Washington were present by phone. Staff were present in the office.

Business:

November Financials: Welter said overall, OTE continues to outperform budget expectations. Year-to-date retention is \$37,404 better than budget. For the month of November, retention was \$20,613 better than budget. The balance sheet is comparable to prior month. Rest Area Restricted Funds decreased by the amount of the cash transfers to support operations. Similarly, Current Liabilities for Rest Area Deferred Income decreased \$545,833, the monthly amount of recognized revenue. Staff continues to verify fixed asset base and make necessary adjustments. During November, we made a net prior period adjustment for \$16,075 to correct asset balances. We continue to work through each asset class. Welter and Pickett then gave some clarity to Marsh over the variability of the Motor Pool invoice. DAS has not yet sent out a schedule of rental rates. The committee will need to revisit taking advantage of buying vehicles at motor pool rates. Marsh asked for clarification on the variable cost of Signs - Capital Projects. Pickett said Cheyne uses an average estimated cost of a mainline sign installation at \$22,000, but cost can vary as low as \$18,000 and as high as \$25,000. This is due to many factors; who did the installation, where the installation is located; if unexpected extra labor is involved such as digging through rock. Marsh then spoke to the overage in Unemployment due to a case that came out of an appeal.

Marsh asked for further information on Landscaping and Janitorial cost and if there were plans to continue contract out these tasks in our remaining rest areas and the new locations coming on later in the year. Pickett replied that currently it does not look like any more rest areas have the capacity to do their own landscaping and it is planned that new rest areas will have landscaping contracts as there is a significant initial equipment investment. These contracts will be planned into the revised budget. Pickett reassured Marsh that every effort is being made to estimate any possible costs in vehicle maintenance and Water and Sewer in the revised budget.

Drennan joined the meeting at 2:24 p.m.

Marsh asked if there were any known issues affecting future Water and Sewer cost. Pickett said that the only

known risk is an issue at Manzanita. This issue may end as a Capital Project. There will continue to be unknown costs that arise until the rest area review is complete. Drennan asked what the cost of the review would be. Legarza said that it is still very too early know for a final cost. DeSouza said that Council approved up to \$100,000 for the project.

Drennan asked if our temporary labor in the rest areas were staffed through a temp agency. DeSouza gave an overview of the temp hiring process. Drennan then asked if the cost accrued in November for LED lighting was part of a project to convert more rest areas. Pickett said there are cost savings from converting rest area lighting to LED, especially lighting poles, but there are no plans for any major LED projects. The cost accrued for lighting was split over multiple rest areas so it was not considered a Capital project.

Budget Update: Pickett said five months of fiscal data have been loaded into budget and personnel shells. Staff has developed update forms that have been sent to rest area supervisors as an initial step to update the budget for this year. Welter will be working on a rolling increase of personnel cost due to PERS and PEBC. Fiscal year one intial draft should be before the committee in February to meet the March requirement.

Marsh asked if there were any figures available for reclasses and changes in staffing positions. DeSouza said some decisions need to wait until the new Executive Director starts. Heather Swanson was given a 15% increase to compensate for added work due increased responsibilities. There is some savings from Nash's open position. It is unclear how long that position will remain open. Pickett said that the new rest area positions will be estimated in the revised budget.

New Business:

Legislative Update: DeSouza said the legislature is trying to limit any changes to HB 2017. We do not expect any changes to affect our finances. There are ongoing discussions about Government Camp.

Approval of the Minutes: Drennan moved to accept the minutes as presented. DeSouza suggested correcting the next meeting time from 2:30 p.m. to 2:00 p.m. Marsh proposed the correction to remove the second set of "of the" from the fourth line of the financials. Washington seconded. The motion was passed unanimously.

Oak Grove Update: DeSouza said Legarza is creating a time line for the project for sequential construction. Legarza said she is working with Branch Engineering to expand the scope of the project. The expanded engineering scope will include a site plan with specifications, as well as, the addition of performance specifications for plumbing, HVAC and electrical. DeSouza said Legarza's schedule is aggressive, but will get the rest area reopened by fall. This will require Council approval for the increase in cost by email. Drennan asked if the rest areas will be closed for the entirety of the project. Legarza said that she is working on a contingency plan to keep both sides of the rest area open for as many days as possible during construction. Estimated cost has reached \$1.5 million for both sides of the rest area.

Adjournment: The meeting adjourned at 3:12 p.m.

Next Meeting: Wednesday, January 24, 2018 at 2:30 p.m., telephonic at the OTE Offices, 1500 Liberty St. S.E. Suite 150, Salem, OR 97302.