



# Oregon Travel Information Council

1500 Liberty Street SE, Suite 150  
Salem, Oregon 97302

## MINUTES

### Finance Committee

Wednesday, September 27, 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 2:15 p.m., at the OTE offices in Salem.

**Roll Call:** Committee members Marsh, Drennan and Garcia were present by phone. Staff was present in the office. (Note: Committee membership changed this month. Bob Garcia has joined the committee.)

DeSouza joined the meeting at 2:17 p.m.

**Approval of the Minutes:** Drennan proposed removing Bob Russell from being present in the minutes. He also proposed capitalizing the “e” of Office of Emergency Management on page three, second paragraph, second line. Drennan moved to accept the August 30, 2017 minutes with the proposed changes. Marsh seconded. Drennan and Marsh voted yes, Garcia abstained. The motion was approved.

**Results of TIC Operating Procedures Vote:** The operating procedures that govern the Council and its relationship with its committees have been revised to incorporate the changes from HB 2325. The Council also approved one public voting member, who is not a member of the Council, appointed by the Chair of the Council to a two-year term to the Finance Committee. Since the committee is advisory to the full Council and their actions are not binding there is no legal question. The Chair appointed Mike Drennan to a two-year term as a voting member which started Monday, September 25, 2017.

**Eclipse Recap:** Welter gave quick recap of expenses occurred due to the total solar Eclipse. Expenses were segregated between direct and estimated indirect expenses. Direct expenses, totaled \$8,254. Indirect expenses were estimated by comparing variances between August and July. Approximately \$13,000 additional dollars were spent on Operating Supplies. Welter saw a spike of \$2,700 in auto Fuel and Oil coming primarily through the motor pool. There was additional payroll expense of \$11,300. \$4,500 of the \$11,300 was overtime. August was \$61,000 over budget. \$37,254 of this total is attributed to the eclipse and \$24,000 additional expenses for Water and Sewer.

## **Business:**

**July Financials:** Welter said Sign Revenues were \$10,000 greater than planned. \$30,000 of deferred income related to the Grove of the States were recognized. \$9,700 came from tree sponsorships and \$20,000 in recognition of donated services. Cash Generation was \$78,654. The Equity to Debt ratio moved to 1.83 and shows positive retention.

After a question from Drennan it was decided future graphs produced by Welter will include budgeted amounts. Drennan asked why he did not see any seasonality evident in Landscaping. Pickett responded that those rest areas that have landscaping contracts are billed the same amount every month and show no seasonality. The only seasonality that could be evident is the additional cost of sweeping and plowing services.

**Financial Statement Analysis:** Drennan expressed concern about overages that have been incurred in Auto Repair and Water and Sewer. Water and Sewer is \$51,000 over budget YTD. Pickett said that due to the implementation of HB 2017 a revised budget will be put before the Council. Actual experience numbers will be included in the revised budget to show more accurate numbers. A revised budget including updated experience numbers will hopefully come before Council in March and other changes needed before that will be done by budget notes.

When the new rest area locations are added July 1 of 2018 the estimation process will begin again. The five rest areas in the 2018- 19 budget will be predicated on the cost of similar rest areas currently in our system. The budget will remain in motion into next summer. Drennan asked if there had been any further discussion of employee vehicle usage in the rest areas. DeSouza responded that it would be further discussed under the new Assistant Director. Garcia asked what kind of information ODOT provides about the infrastructure costs such as Water and Sewer. Pickett responded that ODOT communicates required information, but the accounting information is not a great comparison due to the different management model. Staff has found comparing the new rest areas to similar existing rest area models works much better.

Pickett assured Drennan that even though Accrued Compensated Absences has a large balance, every employee's earned hours are tracked and any unused hours up to 300 will be paid out when the employee is no longer employed by the State.

**Past Due Accounts:** Marsh congratulated staff on Accounts Receivable. He commented there were only a couple accounts past 60 days. He inquired on the process of implementing the late payment fee. Pickett responded that the late fee implementation would require a rule change. DeSouza said they hope to have the rule changes done by the December meeting.

Washington joined the meeting at 2:57 p. m.

## **Other Business:**

Moss-Adams will be in the office starting Monday, October 2, 2017 and is estimated to be there a couple days.

The discussion of transitioning the Finance Committee meeting to meet every other month will be held until Spring.

**Adjournment:** The meeting adjourned at 3:06 p.m.

**Next Meeting:** Thursday, October 26, 2017 at 2:30 p.m., telephonic at the OTE Offices, 1500 Liberty St. S.E. Suite 150, Salem, OR 97302.