

**Travel Information Council**  
**Quarterly Council Meeting**  
**Tuesday, May 20, 2014**  
**Medford, OR**

**Council Participating:**

Gwenn Baldwin, Chair, 3<sup>rd</sup> Congressional District  
Charlotte Lehan, 5<sup>th</sup> Congressional District  
Bob Russell, Vice Chair  
Kathy Watson, 2<sup>nd</sup> Congressional District

Mike Drennan, Member-at-Large  
David Lohman, OTC Representative  
Ed Washington

**Council Absent:**

Danuta Pfeiffer, 4<sup>th</sup> Congressional District

**OTE Staff Participating:**

Kyle Walker, CEO  
Jenn Smith, Executive Assistant  
Diane Cheyne, Sign Operations Director  
Madeline MacGregor, Chief Communications Officer  
Annie von Domitz, Chief Community Assets Officer

Tim Pickett, COO  
Jason Nash, Rest Area Operations Manager  
Angelique M. Goldschmidt, Chief Human Resources Manager  
Heather Wyland, Chief Rules & Policy Advisor

**Guests:**

Craig Campbell, Victory Group

Lucinda Jackson, DOJ

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Chair Baldwin called the meeting to order at 8:12 am.

**Executive Session:** The Council (absent Russell & Campbell) went into Executive Session to consult with legal counsel.

Chair Baldwin called the general meeting to order at 8:45 am.

A) **Introductions:** Council, staff and guests introduced themselves.

B) **February 21, 2014 minutes:** Drennan made a motion to accept the minutes as presented. Russell seconded the motion; the motion passed unanimously.

C) **Public Comment:** Baldwin called for any public comment – there was not any.

D) **Finance Committee:** Drennan reported that the checking account for the agency has been built up. The Finance Committee has requested that staff start setting up a reserve for Other Funds as they had for Restricted Funds. Accounts receivable is being handled well by staff. Accounts Payable is current. He noted the Profit & Loss is slightly over budget for the month of March, slightly under for year to date. Wages were over budget in March due to adjustments made to salaries in January. However, still under budget year to date.

Russell thanked staff for their work on the financials.

E) **Revisions to Council Operating Procedures:** Baldwin reminded the Council that revisions to the Operating Procedures had been circulated. She said it was important to update statutes and look at the dynamics of how the Council operates. She then turned the meeting to Jackson.

Jackson commented that she is assisting with this agenda item because the Operating Procedures do have a lot of legal components. She also told the Council she will be giving a review of public meeting law and what constitutes a quorum.

Jackson noted that Jim Renner started the process of the revisions before his retirement. She said that staff made recommendations to the Executive Committee for changes. The Executive Committee reviewed those recommendations and made recommendations themselves. She pointed out the table that was created based on staff recommendations, Executive Committee recommendations and then her comments. She noted that it does not include the whole document. Jackson then passed out a red-line document that she said was provided to her by Baldwin.

She said she would be referring to both the chart and the handout during the discussion.

Jackson said that a lot of the changes are considered “housekeeping” changes and align with the statutes. She stated that the Executive Committee has agreed to all of those changes. She said that the Council could vote on all of those together as general clean-up of the Procedures.

Jackson pointed out that the Background and Authority sections of the document had been re-written by staff and the Executive Committee had accepted the changes. She referenced the “comment” by Baldwin in regard to the number of rest areas noted and if that should not have a number mentioned since it changes.

Russell asked for clarification about commenting “as they went” or “wait until the presentation was complete”. Jackson suggested commenting while going through the document made the most sense.

Russell agreed with Baldwin’s comment that taking out the number made sense since it was cumbersome to change the Procedures.

Watson agreed that due to the 30 days’ notice it made it laborious, just to change a number.

Baldwin stated that the changes to reflect the statute were obvious. But then having to go through the process just to change a number didn’t make sense.

Drennan asked for clarification about taking out, or leaving in, the ORS numbers. Baldwin replied that the ORS numbers would remain; it was the number of rest areas OTE manages that would come out.

Lohman asked how Jackson wanted the Council to deal with these formally – asking if an amendment was appropriate for each one or if at the end one motion was made for everything.

Baldwin stated that she thought there was general agreement on the statute alignment and suggested Council do one motion for those and then for items that are policy pieces a separate motion for those.

Walker pointed out that there were several documents that had been introduced for the purpose of updating the Procedures. She asked about when referencing statute, was it all the statute language bundled together. Jackson confirmed that it was all of the changes that staff originally recommended in regard to statute language.

Baldwin stated that the document she sent out has all of the policy pieces and she intended to include all of the statute changes, however she unintentionally chose “not accept changes” rather than “accept changes” on the document.

Jackson continued to review the statute updates provided by staff, which the Executive Committee agrees with and recommends.

Baldwin then discussed “comment” she made regarding the number of Council members and the potential of changing the prescribed number. The discussion started during the strategic planning process and it was something she thought the whole Council should consider. She explained that it was important for the number of Councilors should be driven by the strategic plan. She said discussion had also taken place regarding replacing members that had fulfilled their terms and waiting to do so until the Council had decided what the best number of Councilors is. The exception to that is the first Congressional district position. She said there were not a lot of people in the pool right

now to fill that position. She said that it would be good to have someone who was knowledgeable in finances. She asked the group if they had any ideas on potential members, to please forward the information to her.

Russell stated that he understood the Council was moving forward with reducing the number of Council members and thought it was appropriate. However, he thought that for the current discussion, because it is a statute change, the Council could not act on it. Baldwin agreed and noted it was simply a comment and something the Council could discuss at a later time.

Walker reminded the Council that they would have to make a motion that represented that they wanted to change the number of Councilors serving and then that would then go to the next Legislative session.

Lehan asked what the concern was about the current number of 11 Council members. Baldwin responded that it is a lot of people to try to get to serve. Lehan asked if bodies similar to OTIC ever had a range of members or is it always a specific number. Baldwin responded that it can range to a "no fewer than".

Drennan commented that this meeting was technically his last meeting since his term expires on June 30, 2014. He said he has re-applied for another 2 year term and is waiting to hear back from the Governor's office.

Jackson said there was not action on the current section except for aligning with the statute language which was proposed by staff and recommended by the Executive Committee.

She continued that there were some minor changes on the bottom of page two and top of page three that would require Council members to participate in retreats, special meeting and on Council committees. Additionally under item 7, clarifying that a Council member or their business may obtain a permit to be on OTE signs.

Jackson then discussed the quorum language changes. The statute was changed and it changed the quorum requirements from the majority of the 11 Councilors to the majority of the Councilors serving.

She then introduced some charts that clarifies how many members need to be present to fulfill the quorum requirements.

Baldwin clarified that the quorum requirements apply to all Committees that meet to deliberate and vote on issues.

Jackson then reviewed the public meeting law and told the Council they are all public bodies. She said that if they are meeting as a committee and discussing business, the committee may be subject to the public meeting law. She informed them they must notice the meeting, it must be held in a place that is ADA accessible. Meeting may also be held over the phone and accommodations must be made for anyone else to listen to the phone meeting. The committee has authority to gather information, make decisions or recommendations to the governing body, it is subject to the public meeting law.

She also reminded the Council that if they did not want to create a public meeting when emailing, do not "reply all" to the email. If that does happen and deliberation takes place, it becomes a public meeting. Staff is not considered public bodies.

Drennan asked how much notice was required to give notice for a meeting. Smith responded that if it was an emergency 48 hours was needed. Jackson said 7 days would be best for a meeting needed immediately. For regular meetings, as much notice as possible was the best practice. If needing to meet instantaneously, you should try to notice. If that is not possible, an explanation must be provided as to why a meeting was necessary.

If a non-Council member is appointed to a committee of the Council, they are considered a public body and are subject to the public meeting law. However, if staff convenes an "interest group" that is not considered a public meeting.

Von Domitz asked for clarifications on the Heritage Committees and emailing “work” discussions. She also asked for clarification on how the make-up of those committees is determined and should it be done differently, especially because these committees do not make recommendations to the Council. Jackson suggested that she and von Domitz should explore these issues at a different time.

Wyland pointed out that it appeared the Council had given the Heritage Committees to make decisions and then reporting back to the Council and that was a policy decision. Jackson concurred and said if that was to change, it would need to be a policy change.

Jackson told the Council they can delegate their authority to committees to do certain things. However, it cannot delegate the final adoption of a rule or the final adoption of the budget, for example. If there is going to be a standing delegation (Heritage Committees), they should be reflected in the operating procedures. When deciding to delegate something to a committee, it should be reflected in the minutes of the meeting or a delegation order should be put in place.

Lohman asked if Walker appointed a group to advise her if that would be a public body. Jackson said that it would not be.

Jackson continued with the changes presented in the Operating Procedures. A change in the attendance section to include executive sessions; added that meetings and agendas will be posted to the State of Oregon public transparency website; the statute language included in the Oregon Travel Experience section.

In the Executive Director section changes reflect the staff suggestions as well as an addition by the Executive Committee: “...*within the parameters of the Council approved budget* and in conformance with OTE salary guidelines.” This would be a policy change/decision. Jackson advised that if the language was added, the quotation marks would need to be removed since it would no longer be a quote of the statute. She also advised that she did not believe it was a legal problem to add the language because it reflects the fact that the Council is approving the budget and OTE needs to be within the budget, including setting salaries. She stated that it is unclear who is responsible for setting the salary structure. Council may set that as part of the budget if they wanted to go to that level of detail. Or, a broad guideline could be adopted.

Baldwin inquired if, for example, during the last budget adoption a 1.5% COLA was approved, that would be specific, but not exhaustive. Jackson agreed; Council could provide guidelines as part of the budgeting process.

Walker then commented that this is where some of the blurriness resides. She asked for clarification about administrative versus policy guidelines when setting staff salaries. Jackson recommended using the words “salary guidelines” as the guidance provided by Council as part of the budget and administratively staff is setting classification and compensation structure.

Jackson went on to say the Council can adopt a budget with as minute of detail as it wants. However, most Councils do not want to get into the detail of determining staff compensations. How much direction the Council wants to give the CEO is a policy decision for them to make.

Russell asked if these guidelines are adopted, could Council give guidelines within the context of the budget and would it give them flexibility for each budget as long as Council was mindful of the fact they were giving direction within the context of the budget. Jackson said that yes it would. She suggested it would be helpful if the OTE salary guidelines were defined or a notation such as “OTE salary guidelines adopted pursuant to the budget.” This could help with the uncertainty of what the guidelines are and who adopts them.

Walker clarified that these discussions needed to be with the entire Council, not just a committee. Jackson concurred.

Russell suggested adding “salary guidelines included in the Council adopted budget”. Walker asked for clarification on the what the salary guidelines were. Baldwin stated guidelines, guidance, assumptions. Lehan added they would

be included in the Council approved budget so that it might be in the Council approved budget or they might not be depending on what the Council wanted to do.

Baldwin said one year it could be a COLA, another a merit pool; any of those things would be considered guidance.

Russell confirmed that Jackson said the Council could get into the level of detail that one type of position should be of a certain classification. He stated he didn't think Council wanted to do that, but it was an option.

Baldwin asked for clarification that this language is different than classification and compensation, which is the administrator's role. The guidelines determine the amount and for what kind of salary increase. Jackson said, yes, it is.

Pickett informed that with this new guideline – Council determining what type of increase pool is available for the CEO to use (COLA, performance or a combination) - the budget building process will change. Instead of staff providing the information and numbers, before the budget is built, Council will need to provide staff what type and what percentage the pool will be.

Cheyne asked for clarification regarding the step increases that other state agency staff receive, different from COLA, that OTE staff will not be receiving those. Her concern is staff that was hired with the understanding they would be in a step system.

Baldwin said the current fiscal year budget allows for a COLA and that in fact it is an evaluation increase, not an annual step. Walker clarified that the upcoming fiscal year has a 1.5% COLA and a pool of 3% for merit increases after evaluation.

Walker went on to explain that when she came on board there was not any comp or classification schedules. Goldschmidt has researched and developed one that is now in place and allows for fair and equitable evaluation, position descriptions and all staff knows what their roles and expectations are. Additionally, making sure the wages for the positions were fair. This will now allow administration to now use the pot of funds allocated for COLA's and merit increases fairly. Walker then asked who has the authority to set comp and classification. Jackson said the CEO does.

Lehan brought up that she was feeling disjointed about the conversations that were happening around the budget and payroll and there had been conversations that she didn't have information about because she was not a member of the Executive Committee. She also expressed that there seemed to be a lot of tension between the Executive Committee and the CEO and wasn't really sure what the issues were. She said that she was not interested in getting into the details of class and comp as long as the budget was in line.

Baldwin said that part of the challenge was because the Council only met quarterly, there is a lot of time between and trying to figure out how to make sure Council policies are being followed. She explained that the Executive Committee would bring items up to the Council for recommendation, however if they see something that's not in alignment with Council policies and they give direction to the CEO, that is different than making a recommendation to Council. She expressed interest in getting clarification of roles and what the purview of the different committees will be.

Jackson noted that the new language under the Executive Director section will be a policy decision the Council will need to make. Additionally, she said staff added Attachment B which is staff's attempt to set out the different responsibilities of each group – policy vs. administrative. The Executive Committee is recommending that Attachment B not be accepted as part of the Procedures.

Walker reviewed how Attachment B was developed. She, Baldwin and Mary Olson developed the document based on statute language. This document was meant to be in place so anyone could come into the agency and understand

how things operate. She also pointed out two important pieces that if Attachment B is not approved will not be available – the language regarding complaints and resolving conflicts.

Baldwin disagreed with how the Attachment was developed and its purpose. She feels that it changes things if it is part of the Procedures because it specifically has to include all the responsibilities and accountabilities. Some things that were in the Operating Procedures were not addressed in the Attachment and Baldwin felt they needed to be and Executive Committee and CEO could not come to agreement on some of those items. In absence of an agreement, the Executive Committee did not recommend including it in this set of revisions. She said they are still working on it and hope to come up with a solution, just were not able to in time for this set of Procedure revisions. Jackson said this issue was also a policy decision.

Lohman said that when he saw the “resolving conflict” language in Attachment B, it seemed like a lot of detail and if there has not been agreement they should not be adopted. Additionally he thought the language sounded like union negotiation and arbitration language. He felt if there was a conflict or disagreement it’s the role of the Council to make the decision, similar to a Board of Directors in a corporation. Russell said that was part of the issue and they agreed.

Walker clarified this is the decision for the Council as a whole. Baldwin confirmed, unless the decisions have been delegated to other committees.

Jackson continued the review of the revisions under the Committees section. The suggestion to move the Heritage Committees into a separate area since they do not go back to Council for approval and have been delegated authority to make the decisions on what trees and markers should be recognized. They are now included under Advisory Committees. The language is the same.

Baldwin addressed the other Committee changes. Staff recommended pairing down the Committees to only include the Administrative Rules and Executive Committees. Walker clarified what staff recommended was to not re-activate the Rest Area Committee. Baldwin expressed concern over not having the Rest Area Committee is that not all the issues that will arise will be a good fit for the Administrative Rules Committee. Because of that the Executive Committee is recommending the Rest Area Committee remain. Walker clarified that staff thought that would be better served as a working group through strategic planning, rather than a policy group. One of the challenges for staff is managing all of the current committees and then if another one is added, it would add a lot of compression to the workload. Russell asked that if there was a working group, wouldn’t that be a link to the CEO, not the Council and how do the policy decisions then come back to Council. Walker said it is all shown in the strategic plan which Council Committee the working groups would report to and then that Committee would report to the Council. Baldwin noted that most of them report back to the Administrative Rules committee and because that Committee is dynamic in its make-up depending on the issue, there would be lack of uniformity for guidance. This is what the Council wanted – to have experts in certain fields be used when needed.

Jackson directed attention to the Executive Committee section with minor changes. Walker asked for clarification on the changes from “shall” to “may” make recommendations to the Council. Baldwin explained that not every discussion, meeting or activity of the Executive Committee has needs to come back to the full Council for consideration because, unless specifically given authority, it cannot act on its own.

Watson asked if there was a delineation of the Executive Committee’s authorities listed and what they are. Jackson said that there are authorities called out within the Procedures. The main one being to review the CEO’s performance annually, set the CEO salary, to make recommendations to the Operating Procedures. She also clarified, as stated in the Procedures; the Executive Committee is mandated to report their actions to the full Council. Baldwin clarified that does not include giving direction or having conversations, simply actions that are taken on the items that have been delegated to them. Jackson said more clarification of the Executive Committee may be desirable.

Watson asked for clarification on the Executive Committee’s authorities. Jackson reviewed the stated authorities. Baldwin said clarification was needed on the wording “being a resource to” what constitutes a resource. For instance

pointing out when staff is acting outside the policy set or when asked. It seems to be a gray area and warrants some clarification. Watson asked if the Executive Committee became aware of decisions that were made that they think are not in alignment with adopted Council policies or budget, do they have the ability to ask staff to accommodate the policies or change direction. Baldwin said it seemed reasonable that the Executive Committee could ask staff to adhere to Council policy.

Lehan asked how the Executive Committee would come to know something was not being adhered to, unless it was something egregious that had been reported. She thought, unless it was dramatic, it was something that should be brought to the whole Council at the next meeting. And if it was a huge deal, an emergency Council meeting should be called. Drennan stated that if things start getting off course, it seemed to him that the Executive Committee should have the authority to straighten things out so a full Council meeting doesn't need to be called and it doesn't get worse.

Baldwin reported that the classifications that were developed in the new structure were outside the Council approved budget of a 1.5% COLA. She said this resulted in a \$4,000 a month increase outside the budget and this should have come back to Council, which the amended budget does address. However the changes to salaries was put into place January 1, 2014 and Council was not informed. When Executive Committee realized this had happened they were surprised. Walker said staff had a different approach – they offset the additional payroll costs within the budget by doing things like holding positions vacant and the savings from PERS so there was a negligible impact on the budget. She stated staff has provided salary structure and background and only certain members of the Council have seen it. She said this is where her question of authorities comes in, when does information and decision making need to come back to Council or can the Executive Committee have the authority to direct staff to make changes. Executive Committee felt staff went outside the budget and staff felt they worked within the budget.

Baldwin said this process is when information was requested about the salary structure put into place. She said after looking at them the salary of the CEO was a different salary range than what Council had adopted. She said it seemed that was working outside the Council approved policy to use a range for the structure that was not approved by the Council. One of the Executive Committees concerns with the structure put into place was that some of the other staff would push up against the Council approved salary for the CEO. She said the Executive Committee felt that if there was going to be a salary structure put into place that pushes against the budget, it should have been approved first, through an amended budget, before being implemented.

Watson stated she felt like even though staff said they stayed within the budget, she thinks they went against the policy decision of the Council to only give the 1.5% COLAs. She asked does the Council ensure that specific policies are not being followed. Walker clarified that she and staff are looking at the budget daily and making decisions on how to best use the monies budget. She is concerned that if staff doesn't have the flexibility to make those kinds of decisions they will not be able to run the agency efficiently. Watson agreed, however in this case it she said a decision was made against a very specific policy decision that was made regarding salaries.

Baldwin stated most of this situation could have been avoided if it had been brought to Council before it was implemented.

Lehan said if that is what should have happened, Council should have had a meeting to flag this issue to the Council as a whole. And, when the Executive Committee does the review of the CEO, the issue of being off budget, should be brought up then and would like it handled differently.

Drennan thought the CEO salary range was changed and in doing that changed the rest of the upper level staff and felt it was inappropriate.

Walker said it was important to add work sessions before the Council meetings so this kind of thing can be worked out. Russell requested clarification on what and why a work session is needed. He thought it could go straight to Council. Baldwin said Council did not want to get into the detail of salary. As long as it's based on the CEO salary range that has already been approved.

Russell pointed out that since OTE is a semi-independent agency and the budget is not overseen by the Legislature, the Council has the final responsibility. Additionally, because of the semi-independent status, OTE does not have to have the same type of salary structure as other state agencies. He said OTIC can operate more like a private sector entity than a public one. He felt that is very important due to the amount of state highway funds that we receive and OTIC must be very responsible with those funds.

Baldwin pointed out there is an opportunity for the Executive Committee to be given authority of oversight for a short time while things get figured out. Another option is to have Council meet more frequently so issues can be handled in “real time”. The Executive Committee could also be given authority of oversight of Council policies.

Lehan asked for clarification on the word “oversight” – is it an oversight committee; a watchdog committee. She said those are different functions than what the Executive Committee is currently given authority to do. Baldwin stated that it is gray. She said it needs to be clarified on what the roles are. Baldwin said they were not giving direction; the Executive Committee was providing feedback asking why the class and comps were out of compliance with the adopted budget and Council policy. Lehan said that was the difference, she would not have gone to staff with an issue, she would have taken it to the whole Council.

Russell said the difference from other types of boards or councils that meet monthly, the body only meets quarterly. Because of that, there should be delegation to the Executive Committee to request that the CEO follow the policies that have been adopted by the Council.

Jackson clarified that the adoption of the amended budget accepts the new salaries that were put into place January 1, 2014 and provides a 1.5% COLA pool and a 3% merit pool. Walker then clarified that the Council and/or Executive Committee are not requesting a different salary schedule or changes to the employee handbook around performance increases. Baldwin said that anything having to do with the budget discussion will be addressed when the agenda item comes up for discussion.

Jackson stated she would like clarification on the Executive Committee authorities. She affirmed that the CEO has responsibility for personnel issues, as long as they fit within the budget.

Watson suggested that going forward the Executive Committee should have some oversight. The language could say “The Executive Committee can have oversight on whether or not Council adopted policies are being adhered to.”

Lohman said it would be helpful to have a “division of labor” to clarify what the Executive Committee is charged with and definition of what oversight means.

Baldwin said that those clarifications could either come in this part of the Procedures, as an attachment or through delegation by the Council reflected in the minutes. Jackson stated that if a delegation order is done, outside the Procedures, it would not take a 30 day notice and it wouldn’t be an Executive Committee recommendation.

Washington expressed that much of what is happening is mis-communication. He thought a solution could be that every-other month Council should have a standing on hour telephonic meeting. He would also like clear documentation on what the roles of Council and all Committee are.

Pickett commented that the changes that are being discussed will result in reporting changes from the staff and what staff roles will be. Baldwin replied that the changes being suggested are not to oversee day-to-day operations, rather if a Council member should get information that policies are not being followed, that there is a way for it to be addressed immediately rather than have to wait for the next Council meeting.

Jackson restated the suggestions: Council meet every other month telephonically, providing authority to the Executive Committee to have oversight of the Council policies to make sure staff is adhering to them through either amending the Operating Procedures or adopting a delegation order. She asked the Council if they wanted to delegate

further authority to the Executive Committee in some form. Russell suggested the delegation of authority would be the best approach.

Lehan asked if the primary oversight of the Executive Committee is the budget, then how is that different than the Finance Committee. Drennan reviewed his proposal for the Finance Committee and specificity and only has to do with the financial side of the agency. Baldwin agreed with Lehan that the budget adopted policy should be under the Finance Committee and other Council policies should be under the Executive Committee.

Campbell noted that the language in the Finance Committee section has a more positive tone than that of the language in the Executive Committee section – “shall serve as a resource to the OTE director” vs. “the director and chief operating officer look to this team for innovative ideas and guidance toward ways to meet and improve...”. Creating positive language could help with the perception. Baldwin said she didn’t have a problem with using the Finance Committee language, she was more concerned with adherence to the Council adopted policies.

Watson asked if motions could be made to amend un-noticed changes. Smith said that any changes that have not already been noticed, cannot be approved at this meeting, but must be given 30 days’ notice. Jackson concurred and suggested the 30 day notice requirement may be something to change as well.

Walker suggested capturing any changes the Council wanted to make that had not been noticed, notice them today and then approve them in a telephonic meeting staff will need to request in June.

Baldwin adjourned the meeting at 11:30 am for a break.

Baldwin brought the meeting back to order at 11:45 am.

Baldwin suggested that the group move through the statutory pieces and take action on them before Lohman needed to excuse himself.

Baldwin pointed out the only other significant statutory update was the Oregon Government Ethics Law section and Attachment A updates.

Russell made a motion to approve statutory required changes to the Operating Procedures. Lohman 2<sup>nd</sup>. Jackson reminded the Council that the changes to the Background section are not statutorily required changes. Russell amended his motion to include the changes made to the Background section of the Operating Procedures. Lohman accepted the amendment.

Drennan asked for clarification on Attachment A. Jackson said the only change on the attachment was updating the statute that the Legislature had changed and re-formatting.

Motion passed unanimously.

Baldwin asked Drennan if he had language he would like to propose that would be noticed for the next meeting. He stated he did and passed out a document. Drennan explained the reason he is recommending this language is so there is clarity of authority and responsibility of the Finance Committee.

**5. Finance Committee:** *this committee is comprised of at least one Executive Committee member and the most fiscally experience members from the rest of OTIC. This committee shall be comprised of a minimum of three OTIC members, but less than quorum, with the Finance Committee Chair being selected by the other Committee members at the first committee meeting of each calendar year. These members coordinate with the appropriate OTE staff to review planned budgets and financial reporting on a monthly basis, and shall provide oversight of staff adherence to Council-adopted budgets. The Finance Committee reports the financial and budget performance to the full OTIC at the quarterly council meetings. The committee may make recommendations to the Council on fiscal and budget*

*issues. The director and chief operating officer should look to this committee for innovative ideas and guidance toward ways to meet and improve the financial performance of the agency.*

Russell clarified that any new language suggestions needed to come from the Executive Committee.

Jackson stated that the Council did not need to adjourn to allow the Executive Committee to meet and vote on recommendations and then bring the Council back to order. She said since all members of the Executive Committee are members of the Council, they could simply ask if the Executive Committee wanted to notice an item.

Baldwin asked if the Executive Committee members were agreeable to the presented Finance Committee language – they all concurred.

Baldwin then asked if there was a similar motion for Section 4 the Executive Committee language proposal. Watson said that she did have language she would like to propose. She said after the sentence that ends “...full OTIC by these operating procedures.” add

*Executive committee may provide oversight of CEO adherence to Council-adopted policies between Council meetings and may make recommendations to Council to adopt new policies. The director looks to this committee for guidance in between Council quarterly meetings regarding council policies.*

Baldwin suggested striking the language *The Executive Committee shall serve as a resource to the OTE director and may make recommendations to OTIC.*

Baldwin asked for any feedback on the proposed language. Russell said he recalled there was going to be changes to the Executive Director section of the Procedures and adding the language *included in the Council adopted budget.* after “...with OTE salary guidelines.”

Baldwin suggested the Executive Committee could bundle the proposed language from Watson and Russell for recommendation-the all concurred and agreed to the proposed changes.

Baldwin stated that there was not disagreement about removing the Sales and Sign Policy committees; there was not disagreement about the continuation of the Heritage Committees only that perhaps they should be Advisory Committees and not bringing recommendations to Council but any changes to the Committees themselves would have to be approved by Council.

Drennan asked von Domitz if there would ever be a time where the Heritage Committee would come to Council for approval. Von Domitz replied it is generally within the budget discussions.

Jackson stated that staff has recommended removing the Rest Area Committee and the Executive Committee recommends keeping it. She also pointed out the changes under Duties and Responsibilities of OTIC Council Members – “and on Council committees”, changing “renting space” to “obtaining a permit for space”; Meetings – Attendance – remove “adjourned or” add “or executive session, Minutes and Agendas – add “All meeting agendas and minutes must be posted on the State of Oregon public transparency website.”; all of the new language under Oregon Travel Experience; Committees-Work Plan changed to Meeting Schedule, deleting “...shall meet at the beginning of each year and determine a work plan for the year and a...” adding “will determine an annual” deleting “for” adding “of”.

Walker asked if the Rest Area Committee was being retained. Baldwin replied that was the Executive Committee suggestion; however it had not been decided yet.

Russell moved that the Council approve all of the changes that were just reviewed by Jackson, that are not statutory required changes and are not changes that will be sent out for notice 30 days from today. Watson 2<sup>nd</sup>.

Drennan addressed staff concerns regarding keeping the Rest Area Committee and the fact he thought it should be retained because of the large part of the make-up rest areas are to the agency. Russell concurred due to the fact that significant changes are being proposed to the rest areas. Baldwin commented that many of those changes are not appropriate for the Administrative Rules Committee.

Von Domitz requested clarification on the scope of the Rest Area Committee. Baldwin replied that this is where general policies for the rest areas would occur. She went on to describe the Administrative Rules Committee as an ad hoc committee with changing membership depending on the issue and the Rest Area Committee would be a consistent group of people. Von Domitz then asked for the purpose of the Rest Area Committee and how staff is expected to interact with it – how much detail will the Committee want and how deep will they be involved. Baldwin said the intent is to follow the Strategic Plan and be involved as much as that plan calls for.

Walker said she thought staff was concerned about redundancy because strategic working teams have already been set against each action in the strategic plan. Lohman said he thought these issues were “operational” and did not necessarily need a Council committee. Drennan responded that he thought it was important to have Council input on big decisions being made. Walker replied that would be a good use of work sessions.

Baldwin stated the Executive Committee was concerned about losing the committee that is the “center piece” of the strategic plan and putting all the responsibility on one committee. Russell said that he foresees some challenges ahead for the agency with some of the ideas around income diversification and the Rest Area Committee could help with some of those obstacles. None of those issues would be appropriate for the Administrative Rules Committee.

Walker reviewed how the strategic plan had been developed to bring in stakeholders of each action item as an advisory group and that group’s recommendations would then go to the full Council. This approach avoids having to notice an additional set of meetings and all that goes with them.

Baldwin asked how consistency could be attained if the Administrative Rules Committee was always changing members. Walker explained that for each subject matter, the members of the committee would remain the same. It would only change if the subject matter changed.

Additionally, Baldwin said the current Procedures only allowed for one Rules Committee at a time. Jackson suggested if there was concern regarding only allowing one at a time, language could be put in place that allowed for subcommittees to be put in place depending on subject matter and expertise.

Lehan pointed out that the Procedures already allow for Ad Hoc committees to be established. She also pointed out that for every standing committee there is a budgetary and workload impact. She was concerned about having enough staff to support all of the standing committees.

Baldwin expressed concern regarding the level of time and commitment required by Russell, as the only Council member on the Rules Committee.

Walker discussed the idea of work planning and how the strategic plan has addressed the flow for each action item to make the workload manageable.

Russell stated that he would prefer to eliminate the Administrative Rules Committee and keep the Rest Area Committee.

Russell withdrew the motion; Watson withdrew the 2<sup>nd</sup>.

Russell made a motion to adopt all of the other changes not yet adopted in the Operating Procedures with the exception of those regarding the Administrative Rules Committee. Watson 2<sup>nd</sup>.

Lohman suggested the Heritage Committees be called “select” committees rather than “advisory” committees.

Motion passed with Washington abstaining.

Russell made a motion to provide 30 day notice to change the operating procedures by elimination of the Administrative Rules Committee, changing the names of the Heritage Tree and Historical Marker Advisory Committees to Heritage Tree and Historical Marker Select Committees and eliminate the words "...and notification sent to the full OTIC 30 days in advance of the vote." under Amendments section 1 of the Operating Procedures.

Jackson clarified that Russell's motion was to the members of the Executive Committee, not the full Council.

The Executive Committee concurred with Russell's motion.

Baldwin handed out the memo from Jackson that outlines what authorities are granted to whom.

Lohman expressed concern regarding the lack of language compelling the Council to take action on changes to the Operating Procedures recommended by the Executive Committee.

Jackson suggested adding the language "Council consideration for approval or amendment" under Section 1 of the Amendments. It should be inserted after the words "Executive Committee". The Executive Committee concurred.

Baldwin recessed the meeting at 12:50 pm.

Baldwin reconvened the meeting at 2:00 pm.

**F) OTE Budget:** Pickett reviewed the proposed changes for the amended budget. These included the onboarding of the additional rest areas in March; the addition of two rest areas that were not planned for. He explained that in building the budget, staff brought in actual numbers for the months available.

Additionally the amended budget shows the 1.5% COLA for the first year and the 1.5% COLA and 3% merit pool for year two.

Operating expenses were reset to bring the new rest areas in alignment with the actual operating period. Staff also did additional work on the capital assets as part of the cash flow. This had to do with the purchase of trucks for the rest areas.

Rest area projects that had been delayed have been restarted. Sign projects that will be pursued are re-confirmed. Cash growth through the end of the biennium was also confirmed. This will allow the start of developing a reserve with Other Funds.

Drennan made a motion to approve the amended budget. Russell 2<sup>nd</sup>.

Baldwin opened the floor to public hearing. There was none.

Russell asked about for clarification on capital expenditures and the numbers different on different pages. Pickett explained one was a sub-total for rest areas and the other included sign projects.

Russell asked for clarification on the line item of the concept pilot investment. Walker explained that \$25,000 will be for the French Prairie kiosk pilot project and the remainder will be for the Tillamook hub pilot.

Russell made a motion to amend for proposed budget guidelines:

1. Performance increases will be given based on work performed that exceeds for the position. Performance increases are not automatically granted.
2. Salary ranges cannot create compression against or exceed that of the CEO.
3. Wage expense cannot exceed the approved budgeted amount without prior approval of the Council.

Watson 2<sup>nd</sup> the motion to amend.

Pickett said he didn't have any issues with the first two points; however the third one could potentially put the agency in a position where payroll could not be issued. Most likely near the end of the biennium. Russell asked if this would happen with notice. Pickett stated that currently all budget line items are compared to the budget after the expenditure.

Russell stated that this language was not intended to be used on a monthly basis, rather the budget as a whole.

Baldwin asked if there was a way to re-word item 3 of the amendment so this did not prevent staff from issuing payroll.

Russell re-iterated that the motion was for the whole biennium, not month to month.

Drennen noted that it could be a problem if it's not noticed that payroll will go over the budgeted amount until May for June payroll at the end of the biennium.

Russell stated that it shouldn't be a problem because he didn't think the payroll could vary that much from month to month. Pickett explained that a large portion of the staff is paid on an hourly bases, there is an impact from overtime, vacation time taken and we have temporary people during the course of the month.

Pickett suggested if the purpose of the amendment was to be sure the budget was on track, it might make more sense for the Finance Committee to require staff to do a type of variance report on a monthly basis to be sure they know where and why numbers are different than what was budgeted.

Drennan said this issue came up because the Finance Committee did not want staff moving money from one line item that may be under budget to payroll and give raises across the board.

Baldwin said she thought the first two points of the motion had been addressed during the Operating Procedure discussion and the third point could be addressed through the Finance Committee and staff reporting any variance.

Walker addressed the first point regarding changes in the Employee Handbook. She was concerned about Council setting policy regarding only giving merit increases if an employee "exceeds" expectation. She said it doesn't give the manager much flexibility or motivation for the employee.

Goldschmidt raised concern about the definition being used in point two of the motion. She explained that depending on the position and the definition being used, it can mean many different things. She suggested that a definition be identified for the word compression included in the motion.

Baldwin said the intent is to be sure there is a relationship between the Council adopted salary range of the CEO and the other employee's salaries.

Russell said it was not their intent to limit staff by using this language, it was their intent to leave it open so staff could interpret it in the broad structure of what it means. He said if they put numbers to the point, then staff has to follow those, this gives staff more flexibility.

Goldschmidt expressed concern that without a definition of the word compression, she did not feel she had clear direction to do the class and compensation for positions outside the CEO.

Baldwin explained that they only wanted to be sure that other staff salaries did not bump up to or exceed the CEO salary.

Baldwin asked if Russell was comfortable removing point 3 of his amendment. He said he would like to hear from other Council members and if they were in agreement, he would be willing to withdraw point 3.

Watson stated as long as there was oversight by the Finance Committee; she was fine with having it withdrawn.

Lehan said she had concerns about all three points of the amendment and would like to get advice about them from another source or advisor. She said the amendments felt punitive and questioned if they were necessary.

Washington said he would not support any portion of the amendment. He said he would like the amendment tabled to allow for more conversation.

Russell withdrew the proposed amendment.

The motion to approve the amended budget was passed unanimously.

- G) Sign Fee Schedule:** Cheyne presented her findings and proposal on the changing the sign fee structure. She said the new structure is fair and based on traffic counts. The schedule that has the most significant changes is the non-profit.

Russell requested Council authorize staff approval to move forward – submit to Secretary of State and give notice of a public hearing on the changes– with the OAR sign rule changes. Washington 2<sup>nd</sup>. Motion approved unanimously.

Drennan asked if there was a way to implement the new fee structure without having a loss of revenue to the agency. Cheyne said that she could develop one.

Russell made the motion to accept staff proposal rate schedule and allow them to send out to customers for feedback and the 30 notice of a public hearing on the issue with the caveat to achieve a structure with no net loss in annual revenue. Lehan 2<sup>nd</sup>. Motion passed unanimously.

- H) Strategic Plan:** Walker presented the proposed Strategic Plan. As she walked through the document, Council had some edits, the most significant being rather than name other agencies that may be impacted, to simply say “Key Stakeholders”.

Washington made a motion that Council should adopt the Strategic Plan with the discussed edits. Watson 2<sup>nd</sup>. Motion passed unanimously.

Baldwin asked if items I and J of the agenda could be moved to the next meeting. It was agreed. Lehan invited everyone to the dedication of the Aurora Black walnut on June 22<sup>nd</sup>.

- L) Next Meeting:** Baldwin reminded everyone the next meeting will be toward the end of June and to watch for that date. The Council decided to hold the September 24, 2014 meeting in Hood River and travel via Government Camp.

**Adjournment:** Meeting was adjourned at 5:00 pm.

Respectfully Submitted,

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Kathy Watson  
Secretary