

**Travel Information Council
Finance Committee
Telephonic Meeting
Monday, August 24, 2015**

Members Participating:

Mike Drennan, Chair
Dave Lohman

Gwenn Baldwin
Mike Marsh

OTE Staff Participating:

Nancy DeSouza, Executive Director

Tim Pickett, Operations Director

The meeting was called to order at 10:30 a.m.

- A) **Roll Call:** Drennan and Baldwin and Marsh were present. Lohman joined the meeting at 10:50 a.m.
- B) **Approval of May 1, 2015 and June 17, 2015 minutes:** Baldwin made a motion to approve the minutes with the noted corrections which were to June 17, 2015: Paragraph C – April Monthly Financial Review, first sentence should read: “current ratio,” not “current ration.” Marsh 2nd; motion approved unanimously.

Baldwin asked for an update on staff looking into Fidelity funds. Pickett responded that a no confirmation has been received from the Oregon Department of Treasury whether the agency is allowed to invest. Staff has inquired about the options at Fidelity. In addition, staff has reconfirmed with US Bank that the funds deposited with them are fully collateralized.

Baldwin asked for an update on whether the project at Oak Grove could be depreciated. Pickett confirmed that it can be depreciated.

Baldwin inquired about the information on the previous report that was noted with an asterisk. Pickett said staff is partway through the confirmation of the cash balances on these items. Staff is working to identify the final value of capital assets that are consistent with the asset threshold and determining the needed for adjustments. The adjustments will be to retained earnings and will not be a loss.

Drennan asked why some of the accounts, such as Heritage Tree and Historical Markers, have not yet been reconciled. Pickett said staff is working to research and confirm what they are, but this will not have any effect on total cash balance.

Drennan inquired as to whether or the not the agency is ready for the Moss-Adams review. Pickett assured him staff is prepared.

- C) **Financial Review through June 30, 2015:** Pickett reported that the July financials have been delayed because the staff has been working on the CAFR. It is out and in the Controller’s Office. If the Controller has any questions regarding current litigation, they were asked to request that information separately from the report.

Pickett gave an overview of the May financials. Specifically, he noted that cash was up slightly from the previous month and the ratio was ahead of 1:25.

Baldwin praised the accounting team and all their hard work.

June Financials: Pickett reviewed the June Financials. He requested that the Finance Committee discuss the Reserves and what was necessary.

Drennan asked for an update on the kiosk in Woodburn. Pickett said the removal will be an OTE expense. Pickett gave a brief history of the kiosk and that it does not make economic sense to continue operating this kiosk at a loss.

DeSouza updated progress on the transfer of the kiosk at the D River Wayside to the Lincoln City tourism agency. They will enter into an interagency agreement with OPRD, and will replace the existing kiosk with a new structure under their agreement. OTE will have no role in operations or maintenance.

Drennan noted that OTE is still paying CenterLogic and requested an update on decisions for the network administration. DeSouza said that with the help of DOJ, staff entered into a month-to-month with CenterLogic. OTE's separately contracted IT consultant is ensuring Center Logic meets their ongoing contractual obligations while staff researches options.

Drennan asked why there had been an increase of 3.5 FTEs from a year ago. Pickett said he will research and get back to the Committee. DeSouza noted that the Rules & Policy position was abolished June 30, 2015, and the Executive Assistant position will end on September 30; that position will be filled at a lower level support staff position.

Drennan asked what the "deferred comp" was under payroll liabilities. Pickett said it is the State's equivalent of a 401(K) program, and the money moves out of the employee's check and is held and then transmitted into the employee's retirement account.

Drennan reviewed the Profit and Loss statement.

Drennan asked about the format of the Cash Flow report and if it is acceptable. Pickett explained it is currently used captures all checks in and out of the agency. Another format can be used, if the Committee would like. Drennan said if it wouldn't be useful to change, the current report is fine.

Drennan congratulated the staff on the very few Receivables on the books.

- D) **2015-17 Budget:** Pickett reported that the assumptions for the 2015-17 biennial budget are stable programs with no growth in personnel; 2% COLA; 3% merit pool; a 4% inflation for PEBB. He noted that depreciation will go down. He is working to get the numbers into a document for DeSouza to review. Pickett's goal is to have a preliminary draft budget available to the Finance Committee by October to be on track for budget approval by the Council in December.

Baldwin asked if the assumptions from the January meeting are still viable. These include:

- Assumption of stable programs; no growth – no adding rest areas. That is still current.
- Funds as presently committed from ODOT at \$6.55 million. Pickett said yes.
- Inflation at 0%. Pickett said it should be valid the first year of the budget; however, there could be an automatic increase year two. Drennan thought it could increase, but probably not more than 1-3% range. It was decided to table the conversation until that becomes more clear.
- 3% merit pool for July 1, 2016, and a 2% COLA January 1, 2016 and January 1, 2017. Pickett will reconfirm.

- E) **Other Business:** DeSouza announced and that she and Pickett are meeting with ODOT tomorrow and hope to have an update on the details of the interagency agreement and the sponsorship proposal. She reported that a stop-gap measure to do the repairs at the Government Camp parking lot is waiting for ODOT approval of the scope of the project.

Adjournment: Meeting was adjourned at 11:40 am.