



Oregon Travel Information Council

1500 Liberty Street SE, Suite 150
Salem, Oregon 97302

MINUTES

Finance Committee

Thursday, January 24, 2018

Members Participating:

Mike Marsh; Mike Drennan; Ed Washington

Members Excused: Bob Garcia

OTE Staff Participating:

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

The meeting was called to order by Marsh at 2:32p.m., at the OTE offices in Salem, OR.

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

Approval of the Minutes: Marsh proposed correcting “Gove” to “Oak Grove Update”. Carbone proposed amending the last line of the first November financials paragraph from “came out of the court of appeals.” to “came out of an appeal.” And in the second paragraph under Budget Update changing “added work due to Jason Nash’s departure.” to “added work due to increased responsibilities.” Drennan moved to approve the minutes as amended. Washington seconded the motion. The motion was approved.

Business:

December Financials: Welter said OTE continues to outperform budget expectations. Year-to-date retention through December was \$71,684 better than budget. December’s retention was \$34,279 better than budget. The balance sheet is comparable to prior months. Rest Area Restricted Funds decreased by the amount of the cash transfers to support operations which was \$538,985. Similarly, Current Liabilities for Rest Area Deferred Income decreased \$545,833, which is the monthly amount of recognized revenue.

In January, \$3,330,000 was received from ODOT, which is the funding January through June 2018. This is recorded in “Cash” and “Deferred Income”. It will affect the Debt/Equity ratio because Deferred Income is a liability treated as debt. There will likely be an increase in that ratio in January.

The accounting team continues to verify our fixed asset base and make any necessary adjustments. In December, there was a net prior period adjustment of \$13,819 correcting asset balances. Work continues through each asset class. At this point, 10 out of 15 asset classes have been completed. Drennan asked when the project is expected to be finished. Welter replied completion is planned fiscal year end. Drennan asked if there was an estimate on how much larger the total would become. Pickett replied that it was not expected to be a huge number because the bulk of the work was done when Diane Cheyney verified the locations of all the signs.

Marsh pointed out that even though two of the projects listed under Capital Projects – Signs look as though they were over budget, they were part of a total of three projects ODOT bid. When those three projects are added up the total funds are within bid. Marsh asked if the additional charge for Water and Sewer at Cabin Creek was a regular service or was there something abnormal to watch out for. Pickett said it was regular maintenance. Drennan asked for clarification on increased fees from Centerlogic. Welter said there was an expected increase, but the amount was different than expected. This increase will be revised in the upcoming budget. Drennan asked if all remaining restricted funds were accounted for in the Capital budget and if there were any excess funds should they be moved to reserve funds. Pickett said that he expected by the end of July, at the latest, most of the remaining restricted funds will be used. DeSouza said before the agency had stable funding, the reserve was needed to cover unforeseen needs. Now that we have stable funding for capital projects and maintenance we may not need to have that level of buffer increased even though we are taking on new rest areas. Drennan asked if the open rest area position would be filled. Pickett said that it was a discussion that has not been completed.

Marsh said that there was an increase in the Sign program expenses under vehicles due to a purchased truck to transport the excavator. Drennan asked about an increase in rent. Pickett said an increase was expected, but when the budget was written the timing of the increase was missed.

Marsh clarified that the \$86,000 variance in Capital investment cash flow was a timing issue. The costs have been accumulating over time, and were capitalized in this month's statement. There was only one account receivable past 60 days. There were three sign customers removed with the possibility of two more removals.

Budget updates:

Pickett said the budget shell with revisions, except for personnel, is in internal accounting review. That, when completed, will be the basis to revise the 2018-19 budget. Estimates for the added rest area staff and the one or two additional positions that are not associated with those rest areas will be added at a later date. 2017-18 will be rolled forward to 2018-19, including a 2.5% COLA and 3.4% merit increase affecting personnel base for the agency. The recommended budget will go before Council at the March meeting. Marsh asked if there had been any further information on future PERS cost. Pickett said there had not been any official statements. Further information is yet to come.

Other Business:

Legislative Update: Denno said that no significant changes are anticipated to the transportation package. DeSouza gave an update to SB 375. There has been some difficulty finding donated funds and volunteers to begin work on the human trafficking posters. If other funding sources are found, a pilot project is being proposed with funds transferred to OTE for our staff to maintain posters. There was brief discussion of Government Camp and the Cooper Spur land swap.

DeSouza's New Role: Drennan asked for clarification on Nancy's continued role in the agency. Denno said she will retire as of March 1 and will continue part time in a new role.

Adjournment: The meeting adjourned at 2:40 p.m.

Next Meeting: Wednesday, February 28, 2018 at 2:30 p.m., telephonic at the OTE Offices, 1500 Liberty St. S.E. Suite 150, Salem, OR 97302.