



# Oregon Travel Information Council

1500 Liberty Street SE, Suite 150  
Salem, Oregon 97302

## MINUTES

### Finance Committee

Wednesday, August 3, 2016

#### Members Participating:

Mike Marsh; Bob Russell

#### Members Excused:

Mike Drennan; Gwenn Baldwin

#### OTE Staff Participating:

Tim Pickett, Operations Director; Diane Welter, Accounting Manager; Jessica Carbone, Office Assistant

The meeting was called to order by Marsh at 2:04 p.m.

**Roll Call:** Staff present in person; Russell, Marsh present by phone.

**Approval of the Minutes:** Quorum was not met for this meeting. Approval of the June 1, 2016 and June 22, 2016 meetings will be moved to the next meeting agenda.

**Business:** Pickett reported the first fiscal year of this biennium is ending in a strong position. Cash is at the best level it has been in Pickett's tenure with the agency. The current ratio is 1.5 to 1. There was positive retention in the month and the fiscal year that ended June 30, 2016. The agency is able to meet the investment goals of the current budget due to continued efficient operations and management. Marsh expressed his appreciation for Pickett's and the finance team's work.

**Past Due Accounts Report:** The larger number of past due accounts is mainly due to TripCheck, which is billed annually every April 15. It is common in the renewal process to find accounts that are not intending to renew. Those accounts are given 60 days to pay and then a collection effort is made. There is now a working agreement with the ODOT IT division that controls TripCheck to continue the current site through June 30, 2017 and then the site will be terminated. The other past due accounts listed have either paid or are on payment plans. Russell commented that Accounts Receivable looks great and that the staff is doing an outstanding job.

**Budget Overview Process:** The agency has been working biennium-over-biennium to improve the budget process. For this biennium, leveraging past operations, there will be structure and documentation that will provide a much better accountability at unit level of how the budget is expressed in dollars. This year, budget adherence will be part of the evaluation process. If questions arise through the budget process, the agency will be able to support the numbers and why they exist. Marsh reviewed the DAS budget instructions and verified that all general components are covered. The overview calendar and the

assumptions calendar will be reduced to one timeline and sent to the Council. Pickett believes staff will timely complete this budget plan, pending any unforeseen requests made during the beginning of the legislative session. Marsh asked if requests by the Legislature in January and February create a lot of activity. Russell replied since the agency does not require budget approval, unless something comes up from a policy perspective, there is not a lot of demand for time. Pickett agreed.

Marsh asked as events evolve with PERS and the associated cost and we learn more coming into the January/ February timeframe are changes to the pending budget manageable? Pickett said yes. The compensation side of the budget is managed as a separate subdocument that is then lifted into the primary budget. The tools are available and it has been managed in the past. Marsh and Russell approved staff moving forward with the budget process for Council approval.

**Overhead Allocation Discussion:** Pickett reported, as a response to previous discussions, on whether or not the approach previously taken adequately identified the overhead costs of the agency. A different approach was used to attempt to define service levels and found that 15% was not sufficient. A 16.4% overhead rate is reasonable, as confirmed by the SOS Audits Division and Moss-Adams. Marsh said 16% is about the average for both the private and non-profit sectors. Russell and Marsh gave their support to recommend to Council a 16.4% overhead rate for the 2017-19 biennium.

**Interpretive Wayside Fund:** Pickett reported that the fund was established at \$30,000 in 2004, and since then there has been no action on the account except an error that has been corrected. Because there is no expectation that there will be any creation of new waysides, staff will recommend to Council that those funds be moved back to unrestricted funds.

Marsh recommended two corrections to the June 22, 2016 meeting minutes. In the Business section, change “close \$95,000 for the month” to “close to \$95,000 for the month.” In line three of Past Due Accounts change “but it not due” to but it is not due.”

**Profit and Loss:** There was no comment.

**Unreconciled accounts:** The cash accounts are fully reconciled.

**Adjournment:** Meeting was adjourned at 2:34 p.m.

**Next Meeting:** Wednesday, August 31, 2016 at 2:00 p.m.

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