

**Travel Information Council
Meeting
Tuesday, June 19, 2012
Oregon Travel Experience Office
Salem, OR**

Council Participating:

Gwenn Baldwin, 3 rd Congressional District	Rod Miles, Outdoor Advertising Industry
George Forbes, Hospitality Industry	Sandy Flicker, Member at Large
Tom Loun, Electrical Sign Industry	Paul Mather, ODOT
Mike Drennan, Member at Large	Maria Ponzi, Member at Large

Absent:

Bob Russell, Vehicular Services	David Porter, Member at Large
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Guests Present:

Jeff Hampton, Director of Operations, Travel Oregon

OTE Staff Participating:

Cheryl Gribskov, CEO	Ed Bengtson	Diane Cheyne	
Harry Falisec	Madeline MacGregor	Jenn Smith	Annie von Domitz

Acting Chair Miles called the meeting to order at 10:00 AM. He welcomed Council members and staff. Self introductions were made.

Public Comment

Miles asked if there was anyone present that would like to comment. Hearing none, he closed the public comment portion of the meeting.

Executive Reports

- A. **April 20, 2012 minutes:** Drennan moved to accept the minutes as presented; Forbes seconded. Motion passed.
- B. **April 30, 2012 minutes:** Forbes moved to accept the minutes as presented; Drennan seconded. Motion passed.
- C. **TIC Financials:** Drennan presented the May 31, 2012 financial statements. Drennan told the Council that OTE has come to an agreement with DAS to repay unpaid PERS payments over 3 years without interest. In addition staff will need to record a liability in the June financial statements for the PERS and FICA expense related to accrued vacation time.

Drennan commented that it is necessary to review the process for capitalization and depreciation of the signs. It is a complex accounting process due to the fact that different parts of the signs need replacement at different times.

Drennan informed the Council that staff will close the year on June 30, 2012 and beginning July 1, 2012 all financial statements will reflect a new year.

Drennan reported that for the fourth month in a row OTE showed a positive cash position. He commended staff for doing a great job on collections. He stated that the next 3 months are OTE's largest in regard to income.

Drennan also told the Council that the deferred maintenance for the new Rest Areas was more than had been anticipated.

Bengtson and Tim Pickett have been asked to prepare a forecast for the next fiscal year for the Finance Committee.

Forbes asked if the payments to PERS were a budgeted item and how they will affect the budget. Drennan replied that they were not budgeted because it wasn't known that payments had been missed until after the budget had been developed.

D. CEO Report: Gribskov noted there is a lot of change going on and it is positive and exciting.

Gribskov reviewed the history of the vending machines in the rest areas and the agreement with the Commission for the Blind. Staff has recently been having conversations with the Commission's staff to upgrade the program for mutual benefit. They are very receptive and have had one of their staff, Art Marshall, come to meet with the Rest Area supervisors. One of the challenges facing the Commission is they only have one person per region maintain the vending operation. Gribskov and the Commissions Director, Linda Mock, will be meeting this summer to brainstorm solutions.

Gribskov reminded the Council that Senate Bill 639 is a directive for OTE and the billboard companies to develop a strategic plan for public notification on digital billboards. Through meetings with OTE and the billboard companies, it was discovered the billboard companies could benefit if they put up public notification programs for events that didn't require a gate fee. It was decided to do a trial project with Keizer. By the middle of August, OTE and the billboard companies need to have a plan to present to the Legislature in September, during Legislative days. The plan will be submitted to Representative Read in August.

Gribskov told the Council that Lynn Peterson in the Governor's office has been in touch with Oregon Consensus to facilitate a meeting between ODOT and OTE. This is an opportunity for all parties to discuss the highway funds, the Federal funding limitations, the kind of activities that are possible and the kind that are not. The goal will be to have a guidance document that will be used as part of OTE's IGA development.

Gribskov announced the first trail sign will go up this summer for the Applegate Valley wine tour as a test case. The partners have included the Applegate wineries, Grants Pass Chamber of Commerce and the Grants Pass Visitors Association.

Gribskov discussed the upcoming changes in the Council's make-up. She said that there would be an orientation for the incoming Council, conducted by Department of administrative Services (DAS) in partnership with the Governor's office. Gribskov gave a brief history on the relationship between semi-independent agencies and DAS; in the past DAS has not had much to do with these agencies. However, it is highly engaged thanks to the guidance of Michael Jordan.

With the guidance of the Council, OTE is going to ask DAS to help develop a protocol that will help semi-independent agencies be more closely aligned with state practices and procedures yet still have the flexibility that comes with semi-independence.

Gribskov said there are only a few contracts that will be expiring on June 30th. Jim Renner is managing them, but is in Florida presenting at a conference. One expiring contract is for Craig Campbell. It has been extended through the summer; an RFP will be released for other firms to bid. During the extension Campbell will help with the Council orientation, the partnership with the Commission for the Blind and federal direction. Baldwin asked if Campbell will be helping with the September Legislative days; Gribskov said yes, he could.

Rick Metzger's contract has been extended through September and he will be working with the Rest Area User's group. Gribskov told the Council that OTE has received valuable help and recommendations coming out of this group especially from the Paralyzed Veterans who addressed accessibility issues and how to correct them. In addition this User's group has let OTE know how vulnerable they feel by the harassment of the panhandlers. In light of this, at the next meeting Fred Testa from the State Police and Bill Stewart from Clackamas County will come to discuss what some options are to make the traveler feel safe at the rest area. In addition Metzger is the

conduit to Representative Read who introduced the language in SB 639 (digital billboard). After the summer, Metzger will be finished with his work with OTE.

Mather asked if the Council would be involved in the RFP and selection process for a PR agency; Gribskov replied the Council always has involvement in contracts over \$25,000.

Gribskov then thanked the Council for their time, energy, leadership and effort during the past 8 years.

New Business

- A. Proposed Permit Fee structure:** Drennan reviewed the history of the sign fee increase proposal. He noted that notices were sent to customers 30 days prior to a public hearing that was held on April 30th. Of the responses there were some concerns. This prompted the Council to look at some other options which has brought the current proposal of a 15% increase in Schedule 1 and 2; moving the Southern Coast customers to Schedule 5; and freezing rural area rates. The proposed increase will bring in approximately \$233,000 per year. Drennan strongly recommended the Council pass this fee increase; it was the fiscally responsible decision to make. He also suggested the Council should look at the fees on a yearly basis.

Drennan made a motion to accept the presented proposal and raise the fees based on that schedule. Loun 2nd the motion.

Forbes asked Falisec what kind of feedback staff had been receiving since the new proposal went to customers; Falisec said he had not received any, while Gribskov said she was receiving them and only one concerned response from this proposal, otherwise she had received many positive responses.

Loun concurred that the fee amount should be reviewed annually based on the Finance Committee's referral. In addition, he suggested it be included on the customer contract that the fee could be increased yearly.

Gribskov said as a point of order, since the agenda for today's meeting didn't indicate an "action" would be taken on this item, the letter that went to customers on June 11, 2012 stated that the Council would in fact take action on whether or not to increase the sign fee at today's meeting.

Mather expressed concern about documenting the Council's steps and due diligence about the fee increase. He stated he would like to see all of the work, background information and decisions for the entire process in one document. This would make it easier to justify to anyone who asked for the information. Gribskov said that should be something staff could create easily.

Miles requested the Council to vote on the motion; motion passed.

- B. CEO Recruitment Process:** Gribskov directed the Council to a sample form in their packets regarding the recruitment process that is used by DAS. Gribskov said she thought it was the most comprehensive process and plan she had seen. In addition, they will pull in the stakeholders, such as Coalition and Heritage Committee members. She told the Council that the CEO profile has been completed by the Executive Committee in draft form. It is ready for the stakeholders to weigh-in and give their input. She said she would like to request a plan from DAS for OTE CEO recruitment to present for approval to the Council.

Forbes asked if this was the only option OTE had for a recruitment process. Gribskov replied that it was not, but seemed to be a good solution. Loun asked if there was a cost for using the DAS process. Gribskov said they have not requested any money. In addition, she said this was part of the bigger picture to create the protocol for the semi-independent agencies to move closer to the state policies.

Loun wondered if this process would be available for a CFO and/or a COO positions as well. Gribskov indicated that it possibly could be and using it for the CEO position would be a good start.

Drennan asked if the timing was an issue. Gribskov said right now everything is fine regarding timing. However, she felt it would be a good idea to get the process started.

Forbes noted that the skills the Council will be looking for in a CEO are much more diverse than the position presented to them in the draft process. Gribskov replied that was the benefit of having the stakeholders involved in the process. They can help define what is needed.

Flicker expressed concern about moving OTE closer to how a state agency operates. Gribskov clarified that OTE had lost touch with certain parameters that need to be followed under statutory authority. The goal is not to change the entrepreneurial spirit, but at the same time being accountable and transparent, especially with the use of the Highway fund.

Finally, Gribskov reminded the Council that they are the final decision makers in this process.

- C. Preliminary Audit Results:** Gribskov reported that the audit report is not ready to bring to the Council. It is expected the first working draft will be presented next week. There is some confusion about whether this will be public document, but staff is working on clarification. In addition, OTE will have 10 days to respond to the report and Council will be involved in the response.

Gribskov noted that all of the big accusations that had been brought to the auditor's attention were no longer issues.

Gribskov told the Council the auditors have mentioned they can tell the difference in the financial management before Bengtson and after Bengtson and how well it is now done with him on board. They have also mentioned they trust Pickett and Bengtson and the reports they provide. Gribskov stated she is grateful to Pickett and Bengtson and their thorough and accurate work.

Gribskov also reported that at one time the auditors had considered recommending OTE become a regular state agency because of the Highway Fund. However, they have moved away from that idea because of OTE's cooperation to move more towards the regular state procedures.

Other Business: Miles reminded the group about the Smokejumper dedication taking place on June 23rd in Cave Junction.

Loun requested the Council schedule the next meeting now and make sure to put on the agenda for that meeting the election of the Chair, Vice Chair and Secretary. Gribskov also said it would be good to have an orientation at the same time. The Council concluded the next meeting will take place on July 24, 2012 at 10:00 am.

Adjournment

Meeting was adjourned at 11:14 AM.

Respectfully Submitted,



Rod Miles
Council Secretary