

Travel Information Council
Quarterly Meeting
Thursday, October 17, 2013
OTE Office – Salem, OR

Council Participating:

Gwenn Baldwin, Chair, 3rd Congressional District (phone)
Charlotte Lehan, 5th Congressional District
Danuta Pfeiffer, 4th Congressional District
Kathy Watson, 2nd Congressional District

Mike Drennan, Member-at-Large
Bob Russell, Vice Chair
Ed Washington

Council Absent:

Mary Olson, Secretary, OTC Appointed

OTE Staff Participating:

Kyle Walker, CEO
Jenn Smith, Executive Assistant
Jason Nash, Rest Area Operations Manager
Madeline MacGregor, Chief Communications Officer

Tim Pickett, COO
Jim Renner, Chief Rules & Policy Advisor
Diane Cheyne, Director of Field Operations
Annie von Domitz, Chief Community Assets Officer

Guests:

Craig Campbell, Victory Group
Lucinda Jackson, Senior Assistant Attorney General, Department of Justice
Matt Garrett, Director, Oregon Department of Transportation

Vice Chair Russell called the meeting to order at 11:00 AM.

- A) Introductions:** Pickett introduced the new accounting staff – Michelle Roth and Yolanda Ruiz-Simon. They each gave a brief self-introduction.

Baldwin informed the group that Mary Olson had made the decision to take a leave of absence from the Council due to health issues.

- B) August 29, 2013 minutes:** Drennan made a motion to approve the minutes as presented. Watson 2nd; motion passed unanimously.

- C) Financial Overview:** Drennan reviewed the August financial report noting that cash is down a bit but still ahead of plan. Accounts Payable are all current. Additionally he noted that payroll and outside services are under budget.

He also told the Council that the valuation of signs is an on-going project.

The agency has added some US Bank programs to help protect agency cash. Deposits are now made on-line and a fraud protection tool has been put in place.

- D) Election of Officers:** Russell announced the slate of Officers for 2014 as: Gwenn Baldwin, Chair; Bob Russell, Vice Chair and Mary Olson, Secretary. Lehan made a motion to close the nominations; Pfeiffer 2nd, motion passed unanimously.

Watson made a motion to accept the slate as presented. Washington 2nd; motion passed unanimously.

Russell announced that Drennan has agreed to continue his position on the Executive Committee as Member-at-Large.

- E) **2014 Master Calendar:** Smith presented the proposed 2014 and 2014-2015 calendars to the Council. The calendars were developed keeping in mind OTE's partners meetings as well as the Legislative calendar.

Council requested moving the May 2014 to May 20, 2014 and the December 2014 meeting to December 11, 2014. Baldwin requested staff email the 2014-2015 calendar.

New Business

- F) **Proposed Sign Operation Truck Chassis Replacement:** Cheyne presented the proposal for the replacement of the sign truck chassis replacement. Drennan asked why it was being financed, rather than purchased outright. Pickett explained it was easier on the cash flow.

Russell noted that the sign crew cannot work on some signs because the truck is too small. He asked if it made sense to buy a larger truck rather than contract for the larger signs. Cheyne explained that for the few times it is needed, it is more cost effective to have a contractor work on the larger signs.

Watson made a motion to approve the purchase, not to exceed the requested \$45,000. Drennan 2nd; motion passed unanimously.

- G) **Sign Operations 2nd Quarter Service Report:** Cheyne reviewed the customer service report. She noted that for the next quarter report she can break down the placement of the signs.

Watson asked why a customer could not have a sign going in the other direction, as mentioned in the comments. Cheyne explained that the posts can only hold a certain amount of plaques and information. Additionally, ODOT signs take precedence over our customer signs. Watson asked if there was a way to group types of business on one sign that will direct the travel to a certain area. Cheyne replied that the idea of a "trail" was in process.

Russell asked about the comment on how long it took to get the signs up. Cheyne commented that it does take a little longer for the signs ODOT puts up, however they do work us in as quickly as they can.

Other Business

H) Building A Strategic Framework

1. **Strategic Framework & Process Update:** Walker reviewed the accomplishments and the re-booting of the agency. Staff has traveled the state and met with several strategic partners and will continue along the coast soon. Von Domitz reported staff will be meeting with staff at the Oregon Coast Visitors Association and the Tillamook County Visitors, as well.

Campbell gave a brief overview of the meetings he and Walker had with several legislators. The overall disposition is of support for OTE.

Walker announced the next stage in the strategic planning process will be the Charrette which is being held November 18th at the Oregon Garden. Baldwin, Russell and Campbell confirmed they would be in attendance.

2. **Adopting a Strategic Direction 2014-2019:** Walker reviewed the proposed Strategic Direction document. The document is a culmination of the Leadership Team's work and the Council's work session. Drennan made a motion to accept the direction as presented. Baldwin 2nd; motion passed unanimously.

- I) **Rest Area Counts & Incident Overview:** Nash explained how the counts were collected at the rest areas (some are by car and others are people entering the actual rest rooms). He noted that there has been a substantial increase of users in the rest areas.
- J) **Committee updates/Questions:** Renner informed the Council that the Administrative Rule Advisory Committee has met and is working on updates to the Administrative Rules. In addition to the Council members (Russell and Olson) Tom Loun and Heidi Shoblem are helping with the updates on the sign rules.

Von Domitz updated the Council on the events and dedications of the Heritage Tree and Historical Marker Committees.

K) Funding/Financial Updates:

1. **Senate Bill 276-Financial Review:** Pickett reviewed the history of SB 276 and its requirement that OTE have a financial review. Staff is currently working with the Audit's division to get their requirements to the preferred firm. The hope is they will be able to meet the requirements and be within budget.
2. **Senate Bill 1591-Rest Area Transition/Interim Funding:** Walker reviewed requirements of SB 1591. She then reviewed some of the upcoming challenges – funding issues, fulfilling the requirements of SB1591 and moving forward with strategic planning and a stable management approach.

Walker told the group that a funding solution had been presented to ODOT. She thanked Garrett and Luci Moore for their help. Additionally, she thanked Garrett for sponsoring the Virginia DOT representative coming to Oregon to share their successes.

Walker requested the Council thoroughly vet and discuss all funding options.

Russell noted his potential conflict of interest.

Garrett reviewed the shortfall of income from the convenience fee and the forecast that it will not improve significantly. Additionally, he discussed the shrinking “pie” of money available for all of the necessary ODOT/OTE functions.

Garrett then addressed the Council:

“...I see no reason and I think there has been previous discussion that suggests that this issue be placed on the table to find some revenue to truly make this whole or to grow it, to continue to realize the vision. And I actually hope that we can animate some of the strategic vision that is going to be spoken to.

So, I think, given the fiscal realities that don't seem to be changing, given what I think is a prudent business decision, given that the math doesn't work, we can hold harmless where we stand right now. So, let us not back up, but let us not build expectations on a false foundation of expectations of revenue. So, let's stay where we have firm ground, firm foundation, continue to grow the opportunity and the experience people are having when they stop at the various rest area on I-5 and I-84. And then let's look to the future to see if there are additional revenue streams and opportunities we can work together on.

You have the commitment of me, as the agency director of ODOT, to continue to be a strong partner. Business partner. This is a business transaction, as far as I'm concerned. And, to look for any opportunities to grow the pie. And that's what I'm all about. Growing the pie. Rather than slicing a diminishing pie differently than it is right now.

So, that's a fairly blunt assessment. That's the conversation I will have with my Commission. They will make the decision. They don't have to make the decision in November. But they have to have a decision made by January 1 of 2014. So, to the Chairs recommendation, I think there probably should be at the

highest level of the Boards and Commission a conversation. Because if I've missed something, absolutely, bring it on. Let's try to inform this. We've tried to find pathways to make it work. And if there is a pathway that hasn't been identified, please bring it forward. And if that can happen at the highest level, let 'er rip. So, like I say, it may defer action. We may have an informational conversation in November with action in December. That's fine. But I want this fully informed. Thus I think making for a better discussion and then the decision can be what the decision will be."

WALKER: "Now Matt has invited us to come present at the November Transportation Commission. In addition to this high level policy meeting, I think that will help inform that Commission know what the investment has been to date, so they'll get a good perspective of what services we offer. The only other caveat in all of this, is while we look ahead to funding opportunities that may emerge, it is unlikely that a fix, given the current path, or any new funding would be able to be in place and implemented until 2016."

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GARRETT: "If I may, Mr. Chairman, what I will do specifically to the November OTC meeting, is I will place it as an information line. If the conversations mature to a point where we can make a decision in November, fine. But I won't box us, because we do have the December time frame and that allow for maybe several conversations. So that is the direction I will take it."

Baldwin suggested the next step should be OTIC and OTE meet. She agreed to contact Chair Egan to set up a meeting.

Russell thanked Director Garrett for coming to speak to the Council.

Adjournment: Meeting was adjourned at 2:55 pm

Respectfully Submitted,

Bob Russell
Vice Chair