

MINUTES
Travel Information Council
Finance Committee
Wednesday, June 1, 2016

Members Participating:

Mike Drennan; Mike Marsh; Gwenn Baldwin

Members Excused:

Dave Lohman

OTE Staff Participating:

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

The meeting was called to order by Drennan at 2:03 p.m.

Roll Call: Staff present in person; Drennan, Marsh, Baldwin present by phone.

Approval of the Minutes: The committee noted some corrections to the minutes. The removal of the s from the end of reports in “consistent set of financial reports”, the correcting of “calendrер” to “calendar” and the correction of “capitol” to “capital.” Marsh moved to approve the minutes with those changes. Baldwin seconded. The minutes were unanimously approved. Baldwin also noted that the committee was reviewing the April financials, not March as stated in the agenda.

Business: Pickett stated that April financials are back to a more normal look. The weather has kept the rest area staff from being more aggressive in pre-summer care. Drennan noted there was a minor decrease in cash and nothing spent to date of the budgeted \$265,000 for capital investments in rest areas. Pickett said that timing of budgeted capital projects is based on time estimates. Weather delayed parking lot work planned to start in April. There is also an open question of going forward with the investment planned for Oak Grove. Pickett assured the committee that adequate cash for the capital investment plan that was included in the budget. Drennan asked if the paving projects would need to be approved by Council since they were already approved in the budget. Pickett replied yes, that anything, for commitment or expenditure, meeting the threshold of \$25,000, would need Council’s approval. Drennan asked if the Oak Grove expansion was also accounted for in the budget. Pickett replied yes, \$500,000 was planned in the budget. Marsh noted that the 1.5 FTE increase was normal flux and did not need to be addressed, which Pickett confirmed.

Balance Sheet: Drennan asked Pickett to clarify what it means for an account to be “fully reconciled.” Pickett explained that there is a body of documentation, both historical and factual, that precisely matches and explains the account balance. There is a body of documentation in the way of numbers, via the bank statements, showing the accounts are correct to the penny. The issue with some of the cash accounts is that the older documentation is hazier than the bank reconciliation. It is not a matter of a misstatement of cash, it is the internal allocation. Welter gave report of her work on balancing and accessing accounts from as far back as 2004. She gave examples of the work done in the Interpretive Wayside account. Drennan brought up the Construction in Process and Work in Process-Signs account.

Pickett believes the documentation is present for those accounts, but those accounts will be cleared in conjunction with the sign asset restatement. Construction in Process is an account used to record amounts spent on projects during the construction period. It is fully reconciled and individual projects are cleared from the account when completed. Work in Process-Signs has been frozen and will be cleared in conjunction with the restatement of capital sign assets. During a time of transition, the account was frozen due to delayed billing from installation.

Drennan inquired how often net income was moved into Retained Earnings. Pickett said net income to retained earnings would be closed June 30 as per the OAM (Oregon Accounting Manual).

Profit and Loss Report: Drennan gave a review of some of the financials. Revenues YTD is only \$4,000 below budget, due mainly from sign fees. Rest area funds are right on budget. The agency is \$150,000 below budget at this time last year. Travel and Lodging is quite a way below budget, but the Council meeting in Bend is the following week. Overall it was a good month.

Marsh asked why the payroll tax fluxes so much every month. Pickett responded that when the agency was small it was decided to deal with unemployment in a case-by-case basis instead of a monthly percentage. The difficulty to change back to a monthly percentage of payroll is that for 24 months we would have to do both: pay a percentage of unemployment taxes and directly subsidize any unemployment claims. Drennan inquired in to the need for Account 6235. Pickett said that account is for information kiosks. Marsh inquired into why the Depreciation Professional Expenses- Deprecations is up so much. Pickett explained the intention of the budget was to complete the restatement of the sign assets. They have not been restated yet. We are depreciating against a higher value than we will be. When the assets are restated it will be a substantial deduction. In rest areas, it is up because there were more tractors purchased than previously anticipated. We should see those costs recovered in lower landscape maintenance fees. Drennan asked when the assets could be reevaluated. It is targeted for July 1, but there are some technical difficulties with SAP. With further organization of the team, Welter will be able start reevaluating assets.

Cash Flow: No comments.

Past Due Accounts Report: Hidden Valley Golf Course is past 60 days and will be removed. What is written off accounts receivable is two months worth of fees. Marsh asked if any follow up is done with customers who have signs removed. Pickett replied that it is done when possible.

Other Business: Marsh will miss the June 22, 2016 meeting.

Adjournment: Meeting was adjourned at 2:44 p.m.

Next Meeting: Wednesday, June 22, 2016 at 2:00 p.m.