



Oregon Travel Information Council

1500 Liberty Street SE, Suite 150
Salem, Oregon 97302

MINUTES

Finance Committee

Thursday, November 30, 2017

Members Participating:

Mike Marsh; Mike Drennan; Bob Garcia; Ed Washington

Members Excused:

OTE Staff Participating:

Tim Pickett; Diane Welter; Jessica Carbone

The meeting was called to order by Marsh at 2:02p.m., at the OTE offices in Salem, OR.

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

Approval of the Minutes: Washington moved to accept the minutes as presented. Garcia seconded. The motion was passed unanimously.

Business:

November Financials:

Welter said that overall OTE continues to outperform budget expectations. The year-to-date retention is \$16,792 better than budget. For the month of November, retention was \$105 less than budget. The fixed asset category for Land Improvements increased \$488,931 which is primarily attributed to the completion of the Boardman and Santiam paving projects. As mentioned in earlier reports, some line items were not budgeted as well as they could have been, such as water/sewer costs which exceeded budget by \$80,000 year-to-date. Fortunately, we had Other Non-Operating revenues of approximately \$60,000 to offset the expense overage.

During October, the policy for recording small tools and equipment was reviewed. The dollar threshold for tracking small tools and equipment was \$25. This meant that any purchase for a small tool in the amount of \$25 was tracked. After careful consideration, it was decided to increase the threshold to \$100 to eliminate tracking of insignificant items. This resulted in prior period adjustment to equity for \$36,337.49 and current year increase to expense of \$1,975.02 to remove current year acquisitions from the asset account. Staff continues to verify the fixed asset base and make any necessary adjustments. During October, there was a prior period adjustment for \$5,829.78 to correct asset balances. They continue to work through each asset class.

Drennan asked why there will be an adjustment to Repair and Maintenance-Sign and Display in the revised budget. Pickett responded that when staff looked at the combination of the work that the Sign Program does, those costs that run through Repairs and Maintenance total closer to \$250,000 than the

budgeted \$350,000. Drennan then asked for clarity on why Outside Services – Network is 72% over budget. Pickett said it is the cost of the combination of resources that is necessary to deal with SAP's decision to terminate a part of their program, replace it with a program called (Boyum) and integrate that into our system. Drennan then asked if the rebate expected from Centerlogic would show against that total. Pickett said those funds would show as Non-Operating income. The revised budget will also correct Rent.

The committee then discussed the remaining operating costs and the ongoing list of Capital Expenses.

Accounts Receivable: Marsh said the accounts continued to look good. He verified that staff was still pursuing a late payment fee. Pickett said that staff hopes to have the late fee before Council at the March meeting.

New Business:

Budget Update: Marsh asked for an update on the new budget. Pickett said the next step on the budget will be a budget note. Items that will affect that budget note will be the two-month double fill of the Executive Director, with the compensation rate of the new the Executive Director, the salary for the Senior Policy position, the Rest Area Operations Director salary, the change of position for Heather Swanson, the addition of RA positions in June and the reclassification of Carbone's position. Work will begin on these in December. The budget revision is intended to go through the Finance Committee to be presented at the Council meeting in March. Drennan asked if DeSouza's retirement will affect Accrued Compensated Absences. Pickett said DeSouza's and John Hafner's retirement would affect that balance, but would not risk the cash position. This action will not affect the income statement because it has already been accrued.

Drennan asked if PEBB had made any statement about next year's health insurance costs. Marsh said that the current overages are due to the mix of employees that have decided to use state insurance. Pickett said that when the budget was written PEBB had said rates would increase about 2 - 2.5%, but official rates have not released. Drennan then asked for further information on Account 9000's balance Year-to-Date. Welter said she would research and report back to the committee. Drennan requested that smaller items tracked on graphs be separated from larger amounts to show a better representation of data. He then asked why there was a large jump in Repairs and Maintenance: Signs in March. When the budget was written it was estimated to see a slump in repairs during the winter months, but several large projects were scheduled for March.

Garcia updated the committee on the Executive Committee recruitment. Pickett informed the committee that Daphnee Legarza will be joining the team as the new Rest Area Operations Director. He then informed the committee of an upcoming unemployment expense.

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

Next Meeting: Wednesday, December 27, 2017 at 2:00 p.m., telephonic at the OTE Offices, 1500 Liberty St. S.E. Suite 150, Salem, OR 97302.