



**Oregon Travel Information Council**  
1500 Liberty Street SE, Suite 150  
Salem, Oregon 97302

**MINUTES**

**Finance Committee**

**Wednesday, June 22, 2016**

**Members Participating:**

Mike Drennan; Gwenn Baldwin

**Members Excused:**

Dave Lohman; Mike Marsh

**OTE Staff Participating:**

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

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The meeting was called to order by Drennan at 2:00 p.m.

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

**Approval of the Minutes:** Quorum was not met for this meeting. Approval of the June 1<sup>st</sup>, 2016 meeting will be moved to the next meeting agenda.

**Business:** Pickett reported operations were stable. Other Funds cash increased. Ratios continue to be good. The quick ratio is 1.42 to 1 debt to equity 1.49 to 1. Earnings before income tax depreciation amortization is close to \$95,000 for the month, YTD is close to \$1.2 million. The second year of the biennium will see movement on two major projects, that if they go forward, will draw down on cash; the expansion at Oak Grove and the parking lot work at Boardman. The estimated plan for both projects would consume around \$1 million. Welter has continued to work on the balance sheet and made great progress in the cash accounts. She was able to identify all the revenue that was donated to those accounts. She has prepared a journal record to transfer cash where it needs to go. For example, some historical markers funds were put into one account and taken out of another. The total cash will stay the same, but the totals in individual accounts will change. Welter also reported staff is working toward having capital assets completed June 30<sup>th</sup>. Drennan would like YTD budget numbers for capital projects included in the financial statement analysis page. Baldwin inquired what was driving the \$480,000 versus the budgeted \$ 227,000 in Departmental Results - rest areas. Pickett replied that the sign program is slightly ahead of its revenue and its expenses have been contained. On the rest area side the expenses are slightly greater than planned; \$480,000 is a bottom line result. The total numbers agree with the income statement.

Pickett suggested that with a more consistent data platform and better history, it will be possible to better define an adequate other fund reserve.

**Balance Sheet:** Drennan inquired about the deferred income in the rest areas balance of \$3,820,833 and Cash in the rest areas balance of \$5, 282,687. He asked if there was a buildup in cash over the deferred income. Pickett explained the \$3,820,833 represents the “unearned” portion of the transfer from ODOT. There is six months of transfer at \$545,000 a month, as a consumption rate through time. Due to a very conservative spending plan, the rest areas have been accumulating cash year over year at about half a million a year. Funds will be used for approved capital improvement plans in year two of the biennium, retaining a \$750,000 reserve.

**Profit and Loss Report:** The report is normal and healthy. Payroll expense is \$77,000 under budget mainly due to health and dental insurance. Retirement Expense and Payroll Taxes are under budget. Wages are on budget. Staff has done great work on saving expenses on janitorial and landscaping, while keeping wages on budget. Repairs and Water and Sewer are still significantly over budget, but the bottom line looks really good.

Pickett reminded Drennan that June 30<sup>th</sup> leads to the annual review by Moss-Adams and the consolidated annual financial report that is due to the controller’s office. While staff will do their best to have the June report ready in July, historically, it has been the first part of August before the report is done. A progress report will be sent to the committee to decide if the meeting should be moved to a later date.

**Cash Flow:** No comments.

**Past Due Accounts Report:** Past Due increased this month due mostly to trip check, but the over 60 days past due accounts are mostly sign customers. Pickett explained that spikes are bound to happen, but it is not due to a lack of effort on Sue VanHandel’s part. He fully expects this spike to disappear.

**Other Business:** DeSouza updated the committee on ODOT’s ADA evaluation of all their properties, including rest areas. ODOT has been training key staff to assess their status with current required ADA compliance statewide, by October. Jason Nash will be trained to that same standard for evaluation of our rest areas. This may increase our projects if any grandfathering clauses are affected. Any changes made in the rest areas may cause other updates to be needed. Sponsorship rules are effective immediately. The rest area committee and the Council have asked us to take a look at outside marketing help with sponsorships.

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

**Next Meeting:** Wednesday, July 27, 2016 at 2:00 p.m.

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