



Oregon Travel Information Council

1500 Liberty Street SE, Suite 150
Salem, Oregon 97302

MINUTES

Finance Committee

Wednesday, May 23, 2018

Members Participating:
Mike Marsh; Bob Garcia

OTE Staff Participating:
Tim Pickett; Diane Welter, Jessica Carbone

The meeting was called to order by Marsh at 1:39 p.m., at the OTE offices in Salem, OR.

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

Approval of the Minutes: Due to a lack of a quorum the approval of the April 25, 2018 minutes will be moved to the next meeting agenda.

Business:

April Financials: Welter said that the Council approved revised budget has been put out for public comment. There have been no comments received by the time of this meeting. The hearing is scheduled for June 11, 2018 at 9:00 a.m. The approved but “un-adopted” revised budget numbers are being used in the data comparisons of actual vs budget. OTE continues to outperform budget expectations. The balance sheet is comparable to last month with no unusual activity. The accounting team continues to work on the fixed asset base. There was a net prior period adjustment in April for a net credit to equity of \$2,840. This project is still expected to be completed by the end of the fiscal year. Marsh congratulated staff on not having any Past Due accounts past 31 days.

Garcia asked for clarification of the Faithful and Gould expense. Pickett clarified that they are the firm conducting the Rest Area and Information Centers evaluation.

Balance Sheet: Marsh said that Welter clarified his question about Pre-paid Insurance. It is a standard monthly cost of \$23,000 that is not expected to change.

Statement of Revenue and Expenses: Marsh was very happy with the results and everything looked good.

Capital Projects: Garcia asked when the expenses for the Oak Grove Southbound project would show up in the financials. Pickett responded that the invitation to bid would close near the end of May. Once those funds are approved by Council, committee members will start to see those funds in the financials over the course of the summer months. Marsh asked if there were any updates or events that happened since this report that would affect these project’s costs. Pickett said no, but reminded committee members that the Manzanita project is contingent on talks with the Three Rivers School district.

Marsh asked if given previous experience if any comments on the revised budget could be expected. Pickett said in his experience there is no reason to expect negative comments about the budget.

Risk Management Costs: Pickett gave the committee an overview of the agency's legal history and background for the increase in risk management charges. Conversations with ODOT brought up the need to look up the current estimate for coverage in the 2019-21 biennium. The increase due to the additional rest areas is about \$23,000, but in total, risk charges are estimated at about \$900,000. This is a drastic increase from the current \$350,000. This increase directly relates to the Walker lawsuit. It appears since the event occurred in 2014, in the four year reverse look experience rating, the only impact to the agency at this scale will be to the 2019-21 biennium. Staff has referenced at the 2018-19 budget to see if we could handle the additional charges in the next biennium. Staff had found that with the cost savings on canceled contracts, vacant positions and contingency accounts the balance of the problem is handled by consumption of retention. Pickett said that there is sufficient experience for the agency to manage this successfully and exit this period with positive revenue and positive cash. Garcia asked Pickett if he had the understanding that after the 2019-21 biennium that premiums would go down to numbers closer to 2018- 19 biennium. Pickett said that was his understanding.

Marsh recommended a correction to the April 25, 2018 minutes. He recommend adding parentheses around the (FLAP) after the Federal Land Access Plan.

Due to the end of year financials completed in June the May financials will be covered at the July meeting and the June and July financials will be covered at the August meeting.

New Business:

Adjournment: The meeting adjourned at 2:15 p.m.

Next Meeting: Wednesday, July 25, 2018 at 2:30 p.m., telephonic at the OTE Offices, 1500 Liberty St. S.E. Suite 150, Salem, OR 97302.
