



Oregon Travel Information Council

1500 Liberty Street SE, Suite 150
Salem, Oregon 97302

MINUTES

Finance Committee

Wednesday, July 25, 2018

Members Participating:

Mike Marsh; Bob Garcia; Mike Drennan; Ed Washington

Guests: Mike Card

OTE Staff Participating:

Jim Denno; Tim Pickett; Diane Welter, Jessica Carbone

The meeting was called to order by Marsh at 2:34 p.m., at the OTE offices in Salem, OR.

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

Approval of the Minutes: Marsh recommended adding parentheses to FLAP under the Government Camp section and correcting “construction and progress” to “construction in progress” in the April 25, 2018 minutes. Washington moved to approve the April 25, 2018 minutes. Drennan seconded the motion . The motion was carried. Washington moved to approve the May 23, 2018 minutes as presented. Garcia seconded the motion. The motion was carried.

Because he was absent for the May 23, 2018 meeting Drennan asked for clarification about the additional risk charges in the 2019-21 budget. Pickett described the risk charges and how they are calculated by DAS.

Business:

Financial Report/May Financials: Welter said the finance team is closing the June and Fiscal year-end financials today. Year-end financials are expected to be better than budget. She anticipates June financials will have a retention of about \$5,000. All the new rest areas have been onboarded. Welter was pleased to announce that the cleanup of fixed assets has been completed. There will be no more adjustments to prior years retention. Marsh noted that there were no accounts 30 days Past Due. He asked for clarification on the ongoing discussion with Three Rivers School District about sewage treatment for the Manzanita rest area. Pickett said there is a verbal confirmation with the school Superintendent that his board, at their meeting in September, will approve a year’s continuance of service at the agreed upon rates with an understanding that the school district and TIC will work together to discuss and understand the true cost of operation in the future. Once the agreement is signed it will go into effect, retroactively, as of July 1.

Drennan asked where the refund from ODOT and rebate for LED lighting upgrades were placed in the financials. Welter replied they were placed under Non-Operating Revenue.

Financial Statement Analysis: Marsh asked if there was any further information on the credit shown under DOJ legal expenses. Welter replied that the charges incurred were for the legal sufficiency review of the Southbound Oak Grove project. The expenses were moved to Construction in Progress – Oak Grove southbound. Welter made a correction to Water and Sewer May Expenses in the memo from \$13,982 below budget to \$25,147 below budget. The variance from budget is due to timing of work done in some rest areas. Some the rest areas performed scheduled work in June instead of May. The June financials will balance this out.

Balance Sheet: Drennan asked why Account 1512 was down \$14,000. Welter will do further research and get back the committee.

- **Note:** Welter sent an email to the committee later in the day explaining that Account 1512-Building & Building Improvements - Rest Areas: showed a decrease of \$13,927 as result of corrections to the asset balances relating to the asset project which was completed in June. The other accounts affected were Prior Period Adjustment and current year depreciation expense.

Statement of Revenue and Expenses: Drennan asked if the decrease in Retirement Expenses was due to Nancy DeSouza's retirement. Pickett confirmed.

Capital Projects: Marsh clarified that Accounts Payable-Operating Expenses was budgeted with the expectation that the contract with Faithful and Gould would be paid in three equal payments, but instead we were charged \$80,000 the first two months. The total cost is the same there was just a difference in timing of the payments.

Marsh asked if the rest area assessment discovered any major projects that would result in major expenses. Pickett said that there were no major surprises that would evolve into major capital expenses. The assessment did call out the deferred maintenance that staff was expecting.

Other Business: Marsh asked how the information requested by the Legislature would be presented in the next legislative session. Denno responded that staff will submit a written report and possibly make a presentation to the Joint Committee on Transportation. The report will include a summary of the rest areas onboarded July 1, 2018 and the planning we are engaged in for the rest areas that will be onboarded from State Parks July of 2019. It will also include, a summary of capital projects planned or completed.

New Business:

Adjournment: The meeting adjourned at 3:33 p.m.

Next Meeting: Wednesday, August 22, 2018 at 2:30 p.m., telephonic at the OTE Offices, 1500 Liberty St. S.E. Suite 150, Salem, OR 97302.
