



# Travel Information Council

1500 Liberty Street SE, Suite 150  
Salem, Oregon 97302

## MINUTES

Finance Committee  
Wednesday, November 27, 2019

### Members Participating:

Mike Marsh; Mike Drennan; Ed Washington

Excused: Eliza Canty-Jones; Bob Garcia

### TIC Staff Participating:

Tim Pickett; Diane Welter; Jessica Carbone

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The meeting was called to order by Marsh at 11:01 a.m., at the TIC offices in Salem, OR.

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

**Approval of the Minutes:** Drennan made a motion to approve the October 23, 2019 minutes as submitted. Washington seconded the motion. The motion carried.

### New Business:

**October Financials:** October results were \$117,497 better than budget due to interest earnings of \$29,399 combined with lower than anticipated expenses. The lower expenses primarily relate to repairs and maintenance projects which have not yet occurred, such as tree removals in some rest areas. On October 31, there was \$11.7 million invested in money market accounts at Umpqua Bank and \$5,000,000 in CDs at Summit Bank. Interest rates dropped. The Fed Funds Rate is now 1.75% which affects our interest earnings rate for money market accounts. The CD's are earning between 1.70% to 2.0%. The investment policy that was approved for recommendation to the Council during the last meeting is on the agenda for the December 9th meeting.

Both buildings at Oak Grove are substantially complete. There will be some minor costs accrued through the end of November. The building will be capitalized as soon as we have all final costs. However, it will not be depreciated by TIC since the asset technically belongs to ODOT. Staff has contacted SARS (Statewide Accounting and Reporting Section) to arrange for the accounting transfer to ODOT. There will be an interagency transfer recorded on June 30 as a non-operating transfer out to ODOT. This will negatively affect our net retention by approximately \$2,050,000. Welter said it will be transferred out of Construction in Progress when the project is complete. Pickett said that an account will be created alongside construction in progress pending transfer. From the State's perspective, the assets that make up the asset base belong to ODOT. The assets that were located on the Oak Grove property with ODOT property asset numbers have been demolished and destroyed. New ODOT asset numbers will be given to the new buildings.

Welter clarified the differences between variance percentages relating to FICA expense and wage expense. It is because the new budget system does not accrue FICA on compensated absences, but staff accrues the liability for TIC Finance Committee Minutes 11-27-19 (approved 1-22-2020)

FICA on accrued vacation hours. So, each month they make an entry to the books to true up compensated absences, but it doesn't happen in the budget program's FICA expense.

**TIC Operating Bank Account:** TIC has a banking relationship with US Bank where we maintain an operating account for our daily business needs, such as check writing to pay our bills. Staff recommends approval to transfer this account to Summit Bank. The committee discussed the prepared memo. Drennan said that the savings on fees make the change sensible. The agency VISA cards through US Bank and the link for sign customers to be able to pay permit fees through the website will remain with US Bank. Summit Bank is unable currently to have the customer pay the convenience fee for the service.

*Drennan made a motion to recommend to the full council approval of moving the operating account from US Bank to Summit Bank. Marsh seconded the motion. The motion carried.*

Marsh said that Welter had sent the results of the Moss Adams Review a couple of days earlier and congratulated staff on a great result.

Marsh congratulated Sue VanHandel on an amazing job working with the sign customers to keep all late payments under 60 days.

Drennan asked for the Clarification of the \$250,000 increase in account 1410. Welter said that is the risk management payment to DAS. We pay a year in advance and each month a portion is amortized. He then asked why accounts payable dropped in half. Welter said that now that majority of the large bills from 2G construction for the Oak Grove Project have been paid that account will continue to get smaller.

Welter asked the committee if the Project Report created by Michelle Roth should continue. The committee decided the report wasn't necessary if Welter continued to inform the committee of any projects nearing 100% completion and any project overages.

**Other Business:**

The committee decided to cancel the December meeting.

**Adjournment:** The meeting adjourned at 11:51 a.m.

**Next Meeting:** Wednesday, January 22, 2019, at 11:00 a.m., telephonic at the TIC Offices, 1500 Liberty St. S.E. Suite 150, Salem, OR 97302.

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