



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

MINUTES

Telephonic Finance
Committee
Wed., September 23, 2020

Members Participating:

Mike Marsh; Ed Washington; Mike Drennan; Bob Garcia

Excused: Eliza Canty-Jones

TIC Staff Participating:

Jim Denno; Diane Welter; Daphnee Legarza; Jessica Carbone

The meeting was called to order by Marsh at 11:04 a.m., at the TIC offices in Salem, OR.

Roll Call: Marsh; Washington; Garcia; and Drennan were present by phone. The staff were present in the office.

Approval of the Minutes: Garcia made a motion to approve the July 22, 2020 minutes as presented. Drennan seconded the motion. The motion carried.

New Business

June Financials:

Balance Sheet: Drennan asked for clarification on the necessity of Account 1204- Allowance for Uncollectable. Welter said that when accounts receivable is "written off" they are charged against this reserve. The account stays at the same balance for long periods because, generally, we don't have write-offs; instead, if a customer does not pay, then the sign is removed. Deferred Revenue signs – Account 2450 is where sign revenues are initially recorded and then recognized monthly as they become earned revenue. Drennan then asked what the cause of the \$24,365.65 increase in Account 1505 was. Welter said the increase is related to the Stanfield reestablishment of the ditch bank. The bank was damaged during flooding that occurred in February.

Drennan asked if it had been decided to discontinue the Financial Statement Analysis report for the committee meetings. The committee discussed the information provided in the document. It was decided the entire document was not necessary. Welter will include FTE information in the monthly memo.

July Financials:

Drennan asked for clarification on why the French Prairie drain project was over budget by more than \$18,000. Denno said that there was a storm drain cleanout due to major water ponding in the parking lot. The Council approved the project, but when the work began the extent of the work needed exceeded expectations. The work was time-consuming, but the only other option is a complete pipe replacement. Drennan asked for clarification on the \$888,000 Income from Allocated Expense. It is a larger difference from the previous year. Welter said that the money received from ODOT for Capital Improvements the previous fiscal year was \$5.8 million, but TIC Finance Committee Minutes 9-23-2020 (approved 11-24-2020)

this year it was \$1.5. The operating budget remained the same.

August Financials:

Drennan asked if the work being done on the picnic tables at Santiam could be grouped into a capital improvement. Marsh asked what the criteria were to classify as improvement instead of an expense. Welter replied that the LED lighting was a system-wide upgrade. The picnic tables are defined as a replacement. Marsh noted that water expenses were down 20% due to fewer travelers in the rest area. Drennan asked about the timeline for the \$3.6 million for ADA improvements that had been carried over from the previous year. Legarza said that she had spoken to the architect working on the designs. They are still working on finishing on the cost part of the report. Legarza has given them until Oct. 6 to deliver the report. Once the report is received a matrix will be created to prioritize the projects. Denno said the ADA improvements will be a multiyear project.

Marsh asked if there was any further information from the losses suffered by the sign program due to the major fires on I-5, OR 22, and others. Denno said that the sign crew had been down to the Medford area. They came back with 12-15 signs that had been damaged. But the overall effect is still yet to be seen. He said that it is a reasonable assumption that for the next biennium sign revenue expectations should be adjusted downward. Marsh asked if there was any information on the status of The Maples. Denno said that staff had not been out to the rest area, but he had seen photos that show The Maples intact.

Other Business

Update on COVID-19 financial impact: Welter said that the agency has not had substantial costs. Lower traveler counts have led to some savings on expenses in the rest areas. The agency has spent about \$3,000 on facemasks and supplies, \$500 on special disinfecting chemicals and \$8000 on paid sick and family leave related to the virus. The agency is seeking reimbursement from the Coronavirus Relief Fund for \$11,416.71, but there is no guarantee for a reimbursement.

Preliminary Budget Discussion: Welter said that individual programs have begun forming their budget assumptions for the next biennium. TIC follows the zero-based budgeting approach. They will submit for what they expect to happen in the next two years, not what happened the previous year. TIC is budgeting a 2% annual inflation rate. The janitorial and landscaping contracts are expected to increase about 2%. Personnel is expected to remain stable. Assumptions include a 2% COLA and a 3% merit increase annually for personnel. The budget assumptions will be shared with Chair Marsh and then the Finance Committee before it goes before the Council in March.

Project Overage Notification Process:

Marsh suggested that the agency establish a procedure for notification to the Council when a project that has been approved is subsequently anticipated to exceed the approved amount. Many projects cannot be interrupted to await Council approval of additional funds without negatively affecting rest area operations or finances. After discussion, the following procedure was agreed upon by the committee:

- Projects approved by Council that experience cost overruns or expanded project scope so that the approved amount is (or likely will be) exceeded, the Executive Director will notify the Chair, Vice-Chair and committee chairs of the relevant facts and reasons for exceeding the approved amount. If agreed upon, the project may proceed.
- When this occurs, the increased amount for the project will be officially approved at the next Council meeting.
- To minimize the need to utilize this process, agency staff will analyze projects to include an appropriate amount of contingency funding with a minimum of 10-15%.

Adjournment: The meeting adjourned at 12:04 p.m.

Next Meeting: There is a meeting scheduled for Tuesday, November 24, 2020, at 11:00 a.m., telephonic at the TIC Offices, 1500 Liberty St. S.E. Suite 150, Salem, OR 97302.
