



Travel Information Council
1500 Liberty St. SE, Suite 150
Salem, OR 97302

MINUTES
Finance Committee
Meeting
Wednesday, August 2, 2023
Virtual Meeting

Members Participating: Eliza Canty-Jones; Mike Drennan; Valerie Wilson

Members Excused: Bob Garcia

TIC Staff Participating: Elizabeth Boxall; Diane Cheyne; Heather Peck; Michelle Roth

The meeting was called to order by Canty-Jones at 11:01 a.m.

Roll Call: Introductions were made for the record. Committee members and staff were present.

Approval of the Minutes:

Drennan asked if staff was able to check in with DOJ regarding whether interest earned could be applied to rest area operations instead of capital. Boxall said that DOJ advised that it is acceptable, provided it follows TIC's approved budget and generally accepted accounting principles (GAAP). Roth checked with TIC's accounting firm that performs TIC's annual financial review for a second opinion about GAAP adherence and they responded that it would be acceptable, providing statutory authority.

Wilson made a motion to accept the May 24, 2023 minutes as presented. Drennan seconded the motion. 3-0 Vote, passed.

Review of March – May 2023 Financials:

Canty-Jones thanked Roth for the hard work in bringing the financials current. Roth said that the team is currently working on fiscal year-end finalization and reporting.

The committee had no questions regarding March or April financial statements. Drennan asked about Employee Advances which remained unchanged. Roth stated that this was due to agreements that select staff entered into during the transition to DAS payroll which included a change in timing for when benefits are paid. Roth said that the remaining employee will complete repayment in August, and this will be removed from future reports once DAS pays TIC.

Drennan asked about the Dues and Subscriptions variance. Roth stated that she will look into to this and provide the committee with an update. Drennan also inquired for confirmation that the May financial statement is the first where rest area operations reserves are being accessed. Roth confirmed and said this was primarily being driven by Janitorial Services, Small Equipment and Tools and Maintenance and Repairs Water and Sewer being more than planned. Drennan asked about Outside Services which was approx \$20k over budget. Roth explained that this was due to the unbudgeted M365 licensing that the state required.

Drennan asked about the increase in accrued Wages payable. Roth stated that this was due to DAS not invoicing TIC for Jan – May. TIC recently received and paid the bill for all five months.

Drennan asked about a payable to Knife River which Roth confirmed is for The Maples capital improvements. Wilson asked about the capital funds report and whether projects for June are still on track. Roth confirmed, stating the report is cash basis so there is a lag time between when the work is done and then subsequently paid for and showing up on the report.

CD Investment Opportunity:

Roth stated that a cash analysis was performed and based on that analysis TIC has approx. \$12 million to invest. Roth said that TIC received \$10.46 million from ODOT on July 3rd. Also, a \$3.5 million CD is set to mature in early September. Quotes for CD rates were obtained from Bank of the West and Summit Bank. Bank of the West offered TIC the option of a \$6 million or \$12 million CD for 3 months at 4.85% APY, 4 months at 4.90% APY, or 6 months at 4.95% APY. Summit Bank offered a CD option with a 4.51% APY for either a 13-, 17-, or 26-week CD.

The committee discussed balances in each account and the current distribution of funds. Drennan asked when rates were obtained, and Roth said they were obtained after the most recent interest rate increase which occurred the week prior. Wilson asked about Bank of the West's transition to Bank of Montreal and how that might impact opportunities. Roth said that Treasury is monitoring the transition and will update agencies regarding Bank of the West's status. Roth stated that the bank has a credit letter in place.

The committee directed staff to proceed with a \$12 million investment in a CD with Bank of the West for 3 months at 4.85% APY.

State Bargaining Outcomes

Boxall stated that the rest of state government has come to a tentative agreement with unions regarding employee compensation. Boxall stated that the information is being presented without recommendation by staff, as it would pose a conflict of interest. Boxall stated that TIC is not subject to ORS 240 regarding state personnel laws and is not required to adopt any parts of the agreement.

Boxall said that if TIC decides to align to the agreement, yet to be ratified, the most notable impact would be from the cost-of-living adjustments (COLAs). TIC budgeted 4.2% each year and the tentative agreement terms are 6.50% the first year and 6.55% the second year with similar timing to what TIC planned. Boxall said that the one-time payment for \$1,500 to each active employee, completely unanticipated, would be the second most potentially impactful if implemented.

Boxall stated that the information presented still accounts for potential merit increases up to 3% each year based on performance outcomes. Drennan asked if the rest of state government has a merit system. Boxall briefly explained the general state merit and step system.

Committee members discussed the budget and potential outcomes associated with implementing or not implementing the higher COLA and one-time payment. Drennan asked clarifying questions about financial data in the memo which Roth explained. Drennan asked about interest income projections for the 2023-25 budget. Roth stated that interest income projected for 2023-25 was conservative. TIC has been earning more interest than anticipated and if earnings continue to exceed planned, it could lessen or offset the need to access the \$750,000 rest area reserve fund. The Other funds budget continues to be on budget with approx. \$1k left.

Canty-Jones stated that a funding plan workgroup, as part of the strategic plan, will meet to determine a plan

of action for outlining TIC's value and how it translates to a request for additional future funding.

Canty-Jones made a motion to recommend to Council that TIC align to the rest of state government bargaining outcomes related to compensation as outlined in the memo presented, including the exclusion of technicians from the one-time-payment, and the timing of the second COLA to align to the rest of state government once known. Drennan seconded the motion. Vote 3-0, passed.

Other Business: None.

Adjournment: The meeting adjourned at 11:50 a.m.

Next Meeting: September 27, 2023, at 11:00 a.m.