



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

MINUTES
Finance Committee
Meeting
Wednesday, September 27, 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; Jessica Carbone

The meeting was called to order by Canty-Jones at 11:02 a.m.

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

Approval of the Minutes:

Approval of the August 2, 2023 minutes were moved to the November 30, 2023 meeting due the lack of quorum.

Review of June 2023 Fiscal yearend Financials: Canty-Jones shared her joy on the positive retention shown at the end of the 2023 fiscal yearend. Roth clarified that even though the overall financial show positive retention a majority of those funds are the income recognized on the capital money. When the focus is just on the rest area operational funds it shows an almost \$17,000 dollar loss. Roth said that TIC earned half a million dollars in interest income. In the prior year that interest was put into rest area capital funds, but in the new fiscal year we are putting the interest income into operations. Drennan asked Roth if adding the interest income to operations was a violation of TIC's investment policy since it states that investment earnings on Hwy funda have to stay highway funds. Roth said yes, it is stated in the investment policy that investment earnings on capital funds would go back to capital funds, but that one of the reasons the staff is bringing a revised version of the policy to the committee to review. As for the use of highway funds, using the funds in rest area operations is still using highway funds as they were intended in the operation of the rest area.

Roth highlighted the new accounting stands that went into effect last year. Gatsby 94 deals with public-private-public partnerships, which TIC's agreement with Certified folder and display is subject to. Gatsby 96 is related to subscription-based information technology arrangements. If we have subscribed to a software for a period. Gatsby 96 recognizes that liability and brings it on to the balance sheet and a corresponding asset. The asset is amortized of the life of the agreement. Roth explained a new report she created to split out all of the different types of funds TIC has. The report shows the funds broken up into other funds, operating, then vehicle replacement and capital funds. Drennan asked why that assets for rest area land improvements went up by \$130,000. Roths said that was the capital project to replace the Cabin Creek water line. Drennan then asked for clarification of Accrued wages paid. Roth said that due to DAS Payroll being very backlogged TIC was not billed for payroll services until late June and it was paid in July for services January – May 2023. Drennan asked why there was a line for credit card rebates. Roth said that that with our US Bank credit cards a rebate is received on a percentage of all transactions, paid quarterly. Dreanna asked if the rebate should be recorded as income instead of negative expenses. Roth said that she emulates the way the funds are recorded by the state as a reduction in the amount they are paying for the items on the

credit card. Next, Drennan asked for clarification on what the little of \$15,000 in Non-Operating and Other Revenue was showing. Roth said that account is showing the reimbursements from Saif on workers compensation claims. If a worker is brought back early, with modified duties, Saift helps reimburse a percentage of the employees' wages.

Wilson asked since the Council just approved additional funds for the Memaloose project at the last Council meeting she asked Roth to clarify where those funds are reflected in the rest area restricted capital funds report. Roth explained the over layout of the report and how projects funds were reflected. The committee discussed the clarifying report provided on rest area operating funds change in net position. Roth said that this report is used to filter capital funds from operating funds so it is clear just how lean the operating budgets are and when reserves may need to be accessed in order to continue current levels of service. The committee then discussed TIC's need to go before the legislature to ask for more funds.

Approval of Year End Statements:

Drennan made a motion to approve the 2022-2023 yearend financial statements and recommend their approval to Council. Wilson seconded. 3-0 Vote.

July Financials: Roth said that interest income continues to be strong, with \$93,000 in earns for the month of July. The month of July is showing a positive retention, but this is due to the moving of some budgeted projects and should not be expected to continue to reflect into the upcoming months. Drennan asked why accounts payable jumped by \$1,000,000 in July. Roth said this was due to a \$500,000 payment toward The Maples project and payroll. Drennan then asked if the \$6,600 overage on wages an anomaly was, or if it is something they would be expected throughout the year. Roth said that she wasn't sure what the root cause would take further inquiry. The committee discussed the estimated employee benefits cost actual verses budgeted. After looking at the amount budgeted for interest earnings in the next year, the committee discussed the need to update the budget due to increased salary expenses and the possibility of greater income earnings.

FY 22-23 Annual Investment Report: Roth presented the FY 22-23 Annual Investment Report. Investment reports include investment type, Interest earned, money market and ICS account interest rates, and CD Interest Rates earned from the different financial institutions.

Investment Opportunity: Roth said that a \$3.5 million dollar CD matured, after some cash analysis \$5.4 million can invested into a new CD. Roth reached out BMO and Summit Bank. BMO offered a three-month 4.89 APR, a four-month 4.9 APR or a six-month at 4.85 APR. Summit Bank originally offered a 4.6 APR, but in a show of appreciation for TIC's business offered to match BMO's offer with one or two additional basis points. Overall, TIC has \$14 million invested with Summit and \$12 million invested with BMO.

Drennan made a motion to approve investing \$ 5.4 million in a CD with Summitt Bank at 4.9 for four months. Wilson seconded. 3-0 Vote.

Voting Items:

Investment Policy Revisions: Roth provided a revised investment policy and reviewed the changes made to improve readability and clarity. Language was added about the authority for where TIC's authority comes from to invest funds. Roth said she added under objectives, clarity to the goals of preserving capital, liquidity, taking market rate, and diversification. The policy was also revised to clarify that investment earnings could be credited to rest area operations and maintenance, as well as rest area capital improvements.

Drennan made a motion to recommend approval of the proposed amended Investment policy to Council. Wilson seconded. 3-0 Vote.

Other Business: None.

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

Next Meeting: November 30, 2023, at 11:00 a.m.