



MINUTES

Finance Committee Meeting

Wednesday, May 28, 2025

Virtual Meeting

Committee Members Participating: Eliza Canty-Jones; Mike Drennan; John Hamilton

Excused Committee Members: Bob Garcia

TIC Staff Participating: Mac Lynde; Michelle Roth; Heather Swanson; Diane Cheyne; Jessica Carbone

Canty-Jones called the meeting to order at 11:02 a.m.

Roll Call: Canty-Jones called roll for the record. Committee members and staff were present.

Business Meeting

Approval of the February 26, 2025, Minutes:

Drennan made a motion to approve the February 26, 2025, meeting minutes as presented. Hamilton seconded. 3-0 Vote, Canty-Jones- yes; Drennan- yes; Hamilton- yes.

Public Comment: None.

Director's Update: Lynde welcomed the finance committee members. Lynde said that the 2025-27 budget, recommended by the committee at the last meeting, was approved to be published for the public hearing by the Council and is posted on the website. Lynde updated the committee on a couple of changes. The Rest Area Program Administrator position is now vacant. During this time, staff has taken a deep dive into the status of current capital projects and the funding available to complete future capital projects. Following the review, it was necessary to revise the allocation of capital funds. As part of the public hearing to be held during the quarterly Council meeting, a significant amount of time will be spent going over the newly designed allocation of funds. Instead of identifying specific rest area improvement projects, the funds have been allocated to pavement preservation and building renovation programs, pending the result of legislative action. After the outcome of the legislative session, the budget will be brought back before the committee to reset how best to utilize available funds. Currently, the Memaloose building construction project is ongoing, but the project has run into a few challenges. The project will require a new septic tank that was not part of the original estimate. Staff is working with DEQ and the public health department for Wasco County trying to figure out the best solution. Also, during

construction, the project ran into bedrock, which cost more in time and money to jackhammer. Lynde said that these events will require staff to go to Council to request an increase in funding once numbers are finalized after consultation with the contractor.

Lynde said that recently, the Rest Area Supervisors met at the administration office for a two-day meeting. A bunch of different topics were covered, but supervisors and staff spent quite a bit of time discussing the budget. They discussed the assumptions that were used to build the budget and how the agency is funded to set a base for how the outcome of the legislative session could affect our ability to deliver services. Lastly, Lynde informed the committee about the current legislative session. He said that there were four plus weeks left in session and no Transportation Bill had been released, but he is hopeful. Lynde and the lobbyist continue to meet with legislators, with the most current conversations being around truck parking at rest areas and the ability to create more if allocated additional funding. Drennan asked when the Rest Area Program Administrator position would be replaced. Lynde said that he has decided to wait to fill that position until after the legislative session. The session's outcome will determine what that role will look like or if that position needs to be filled. Lynde thanked Swanson for graciously stepping up to help during this period of transition and said that he is working more with Shawn White to handle area projects. The committee discussed possible outcomes from the current legislative session. Drennan asked Lynde what the agency could expect on July 1 if the legislature does not pass a transportation package. Lynde said as of July 1, there will be no notable change. The agency will still receive its \$9.16 million, but the agency will not receive any additional funding or funds for capital projects, and the buying power of that \$9.16 million will continue to decrease. This will have a greater effect on the agency's ability to maintain its current level of service in the second year of the biennium.

Canty-Jones thanked Swanson and Lynde for taking on the additional responsibilities required from the empty rest area administration position. Canty-Jones said she understood making pavement maintenance a priority but asked if there was any vulnerability or risk with not putting the money into building upgrades for ADA. Lynde said that any pavement work will trigger the requirement for ADA curb ramp upgrades. The building upgrades will be required once any work is completed on the building. Canty-Jones asked if during the supervisors' meeting, cost controls and delegated amounts were addressed. Lynde said they were not largely addressed at the meeting, but he felt that supervisors clearly understand what their limits are and how decisions beyond their limits are made.

Department Update: Roth updated the committee on the status of the senior accountant recruitment. The second recruitment for an Accountant 3 was unsuccessful, and a third recruitment was reposted as an Accountant 2. Interviews were held and staff are completing the final steps to be able to move forward with an offer to one of the candidates. Hamilton asked if the overage in outside services for accounting reflects staff seeking to fill the vacant position with temporary help. Roth said that the agency had contracted with Robert Half, but after weighing the cost versus the benefit, staff discontinued services in February. Roth updated the committee that DAS Statewide Account Reporting Services (SARS) is considering increasing the fixed asset capitalization threshold from \$5,000 to \$10,000 because some federal thresholds are changing. This

may happen as early as July 1, 2025. Drennan asked if this change would require the Council's approval. Roth said the fixed asset threshold is in the agency's financial policies which would require Finance Committee recommendation and Council approval to amend. After discussion, amendment of the financial policies was added as a voting item to the agenda.

Review of the January, February, and March 2025 Monthly Financial Reports: Roth said that January, February, and March continued to show greater than planned interest income. Payroll expenses primarily health and dental expenses, and general administrative expenses continue to be under budget. Roth informed the committee that in March, the Transfers to Other State Agencies of \$555,0000 was a part of TIC's portion of the Peter Skeen Ogden building replacement to Oregon State Parks and Recreation Department. Roth also highlighted for the committee that in March, there was a prior period adjustment in the equity section of the balance sheet. After gathering some additional information about a predesign study that was conducted for ADA companion restroom upgrades and a pavement assessment that were done by in 2020 and consulting with DAS SARS and Mac about how ODOT treats these types of costs it was determined that it was more appropriate to expense these costs rather than record them to construction in progress and allocated the costs out to projects. These studies and assessments were not adding value to the ADA and pavement projects that were being completed. Removing them also helped clean up the project reporting. The committee then discussed the struggles the finance department has with getting invoices submitted promptly and best practices they have put in place. Roth said that the agency had made a switch to electronic reporting for agency credit cards transactions. Drennan asked if there was any update on the implementation of electronic invoicing for the sign program. Roth said there have been some delays in its implementation. The project has been delayed by staffing shortages in the finance department and the need to upgrade the accounting software, SAP, to the latest version. Testing of the upgraded version of SAP is expected to start this fall.

Meeting Frequency and Schedule: Roth asked the committee if they felt the meeting frequency and schedule was appropriate. After the committee discussed its current schedule in relation to the financial statements that are sent out monthly the committee decided on quarterly meetings a month before the scheduled Council meetings, with the option of holding special meetings as needed.

Swanson informed the committee of three occurrences where TIC sustained unexpected expenses due to theft and vandalism.

Voting Items

Annual Chair Election:

Drennan made a motion to reelect Eliza Canty-Jones as Chair of the Finance Committee for the 2025 calendar year. Hamilton seconded. 3-0 Vote. Drennan- yes, Hamilton-yes, Canty- Jones- yes.

Fixed Asset Capitalization Threshold:

Canty-Jones made a motion to recommend aligning TIC's capital asset section of the agency's financial policies to align with the State's definition to Council. Drennan seconded. 3-0 Vote. Drennan- yes, Hamilton-yes, Canty-Jones- yes.

Adjournment: The meeting adjourned at 12:03 p.m.

Next Meeting: TBD.