



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

MINUTES
Finance Committee
Meeting
Thursday, November 30, 2023
Virtual Meeting

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

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

The meeting was called to order by Canty-Jones at 11:03 a.m.

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

Approval of the Minutes:

Wilson made a motion to approve the August 2, 2023 and the September 27, 2023 meeting minutes as submitted. Garcia seconded. 4-0 Vote.

Department Update: Roth informed the committee that a new accountant, Lucy Cooper, has been hired to fill the position left by the previous accountant who left at the end of October. Roth said that Cooper comes to the position with a good depth of experience and knowledge, she was a CPA and has over 20 plus years of accounting experience. Canty-Jones asked if Roth had any estimation of when the financials would be up to date with bringing Cooper on board. Roth went over a rough outline of when she hopes to catch up on of the financial reports. Canty-Jones asked Roth to keep the committee aware of any financial concerns that may come up while the finance department works to catch back up to its normal schedule.

Review of August 2023 Financials: Drennan asked Roth why it was noted in the memo to the committee that the change in total agency net position shows positive retention of \$41,711 for August, which was \$12,432 less than budgeted, was driven by the \$1,500 one-time payment made to regular-status employees of which some was offset by greater than planned interest income. Drennan said he believed those numbers had been corrected. Roth said that staff may revisit the budget at some point but continues to report on variances for now. Drennan then asked what the \$12,400 expenses under outside services for accounting was for. Roth said it was for temporary accounting staff through Robert Half. Some of the cost should be offset by the salary savings created by the vacant accountant position.

Drennan asked where staff was on the timeline to request additional funding from the legislature. Boxall said that there have been two funding workgroup meetings to begin discussions and planning activities. Boxall said she has met with two different lobbyists in hopes of beginning outreach soon for the 2025 full legislative session.

Canty-Jones asked if there were any trends in the sign program that the committee needed to be aware of. Cheyne said that she is currently working on inputting the most recent traffic counts. These traffic counts can change a customer's sign fees depending on whether they are higher or lower than the previous year. Cheyne believes there will be an overall approx. \$7,000 increase and indicates that the program is holding steady. The program

gains one or two new customers a month, but signs continue to be removed as well. Cheyne said that her discussion with lodging partners at the Oregon Restaurant and Lodging Association conference indicated that the older lodging facilities, that tend to be closest to the highway exits, are the facilities that are closing, and their signs are being removed. Newer buildings are being built at different locations further from the exits. They still plan to apply for new signs once the new facilities are built. The committee then discussed trends in the restaurant and winery industry that could be affecting the sign program.

Roth brought the committee's attention to the Rest Area Operating Funds Change in Net Position for August highlighting it was negative, but year to date the program is still net positive. Roth said staff will continue to closely monitor this.

Investment Opportunity: Roth said that based on discussions with TIC's banker at BMO we are probably getting close to the peak of interest rates, so he suggested we invest in CDs for longer periods of time to lock in higher interest rates. Based on this, a longer six-month cash balance forecast was done and \$11.4 million can be invested into a new CD. Roth asked the committee to keep in mind that there will be an additional \$5.4 million that will become liquid in January. BMO offered the following CD rates and terms: a three-month at 4.89% APY, a four-month at 4.88% APY, a six-month at 4.79% APY, a nine-month at 4.72% APY, a 12-month at 4.65% APY, an 18-month at 4.39% APY, and a 24-month at 4.13% APY. Summit Bank offered a 4.30% APY, for any duration of our choice CD. The committee discussed possible investment options for varying amounts of time. Drennan recommended splitting the total investment into a three-month, a six-month, and a nine-month CD.

Drennan made a motion to approve investing \$4 million for three months at 4.89% APY, \$4 million for six months at 4.79% APY, and \$3.4 million for nine months at 4.72% APY in CDs with BMO. Wilson seconded. 4-0 Vote.

Indirect Cost Allocation: Roth proposed an idea to change the way indirect costs are allocated to the agency's different departments, based on discussion with Moss Adams. Roth said to consistently and more accurately capture the true cost of our programs she recommends switching to a time and effort model to allocate business services (indirect costs) costs. Roth asked the committee if they had any comments or concerns about moving forward with this allocation model. Canty-Jones shared concerns that this method could have on the heritage programs because it costs the agency money without a reliable revenue source. Drennan asked if the new process would create any additional workload for the department. Roth spoke about the current work going on behind the scenes and how having a more supportable and accurate method is a greater benefit. The committee continued to discuss the possible benefits and drawbacks of a new allocation method. Roth said that her next steps in the process would be to have staff start estimating the percentage of time they spend on work in the various agency departments and then Roth will bring those numbers back to the finance committee so the committee can see what the numbers look like before the process would begin. Canty-Jones asked when the committee would be seeing these changes in the financials. Roth said she would like to have the financials caught up and potential percentages brought before the committee before making any changes.

Other Business: None.

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

Next Meeting: January 24, 2024, at 11:00 a.m.