

AGENDA

QLife Regular Board Meeting

Thursday, February 23, 2017
Noon
Wasco County Courthouse
Deschutes Room – B08

1. Approval of Agenda
2. [Approval of January 26, 2016 Board Minutes](#)
3. [Financial Reports](#) – Kate Mast
4. [Budget Amendment Resolution 17-001](#) – Kate Mast
5. [Financial Priorities – Budget Year 2017-18](#) – Kate Mast
4. [Appoint a Budget Officer](#) – Board
6. [Reports](#) – John Amery
7. [Discussion – QLife Consultant](#) – Tyler Stone
8. [Maupin Project Update](#) - Erik Orton and Dan McNeely
9. [Executive Session: \(2\)\(g\) Competitive trade or commerce negotiations and \(2\)\(m\)\(E\) Discuss information regarding security of telecom systems and data transmission.](#)
10. Old/New Business
11. Next Meeting Dates: Regular Board Meeting – to be determined
12. Adjourn

**Agenda subject to change*

An executive session may, in the discretion of the presiding officer, be called based on one or more of the following: ORS 192.660 (2)(a) Consider employment issues; (2)(e) Real property' (2)(f) Consider exempt records or information; (2)(g) Competitive trade or commerce negotiations; (2)(h) Consult with counsel re litigation; (2)(m)(D) & (E) Discuss information regarding security of telecom systems and data transmission.

Approval of January 26, 2017 Minutes

- [January 26, 2017 Minutes](#)



MINUTES

Q-Life Regular Board Meeting
Thursday, January 26th, 2016
Noon
Deschutes Room, Wasco County Courthouse

Call to Order: President Erick Larson calls the meeting to order.

Roll Call: Erick Larson, Darcy Long-Curtiss, Taner Elliott, Tyler Stone, John Amery, Kate Mast, Keith Mobley, Erik Orton
Tawny Cramer

Approval of November 22, 2016 Board Minutes: Taner Elliott makes a motion to approve minutes as written, Erick Larson seconds.

Financials: Kate Mast explains that QLife administration needs to move forward in the process of transitioning the financials to Wasco County and out of the City of The Dalles, also this will be happening during the budget process and her retirement. Two Board members will need to be appointed to assist in the development of the budget.

Kate explains she will need approximately two months to work with the Wasco County Finance Director, Mike Middleton. Kate requests written consent from Tyler Stone to start working with Mike. It was agreed that after the meeting a written consent would be sent via email.

An official motion to transition QLife financial responsibility to Wasco County staff and away from the City of The Dalles is made by Taner Elliott, Darcy Long-Curtiss seconds.

The Board discusses and agrees that Scott Hege and Erick Larson would both be well suited to assist in the budget process as needed and required by Kate and Mike. Erick Larson makes a motion the appointments, Taner seconds the motion.

Kate also explains to the Board they will need to appoint a Budget Committee member to replace Ken Leibham.

The Board and Kate discuss the need to update the Board members that are authorized to sign checks. Dan Spatz, former Board member, was authorized to sign checks and his appointment will need to be replaced. Kate explains whoever the Board appoints will need to go to the bank to finalize the authorization. The Board appoints Tyler Stone as the additional authorized signer, Taner moves to approve, Erick seconds the motion.

Maupin Project Update including Cost Overruns: Erik Orton explains to the Board that the Maupin project is on schedule and Commstructure will be coordinating with Tawny Cramer to advertise the bid.

However, considering the additional time spent negotiating with WEC regarding pole make-ready costs and negotiating easements needed for construction the original work order needs to be amended. The original work order of \$100,000 needs to be increased to \$150,000.

Erick makes a motion to approve the amendment, Taner seconds.

QLife Consultant Interviews: Interviews were held for potential QLife consultants. Adam Haas, Nancy Jesule and Sue Dicile and Joseph Franell were all interviewed. Each consultant was given 20 minutes to present their proposal to the QLife Board. Joanne Hovis was unable to attend her scheduled interview and the Board agreed to reschedule for a later date.

Tawny Cramer explains the minutes for December 22nd need to be approved, noting no meeting was held and the minutes reflect only that. Taner moves to approve minutes as written, Erick seconds the motion.

Amendment No. 2 of Commstructure QLife Agreement: Erik Orton explains the new agreement is an update to the Commstructure/QLife Professional Services Agreement and includes an updated pricing structure. Taner moves to approve the new agreement, Erick seconds the motion.

Tyler with the assistance of John Amery and Erik Orton, explains to the Board that a section of damaged fiber has been discovered near St. Mary's. It is believed that the extreme weather conditions may be to blame for the failure of the fiber. Erik is in contact with the fiber manufactures to help investigate. Tyler will contact Wasco County Emergency Management and QLife's insurance carrier to research options for assistance in repair. Cost estimates have been compiled and are substantial and the Board will need to approve proceeding with repair. Erick moves to approve repair, Taner seconds the motion.

Meeting adjourned .

Next meeting on February 23, 2016 at noon.

Submitted by Tawny Cramer

Signed: _____
Brian Ahier Secretary/Treasurer

Financial Reports

- [Financial Narrative](#)

TO: Qlife Board
 Tyler Stone, QLife Administrator

FR: Kate Mast, Finance Director

RE: Financial Report for QLIFE – **January 2017**

BANKING:

QLife monies are deposited into a separate bank checking account. QLife also has a Local Government Investment Pool (LGIP) account where excess funds are maintained in order to earn some interest.

The information below is a comparison of budget to actual revenues and expenditures for the month just ended by fund. This information is not audited, but is reviewed by the Finance Department for clarity and budget compliance.

58% of the year has passed. Total Cash available is \$1,159,518.07

Each fund exceptions narrative has four possible paragraphs; 1 - is the beginning balance, 2 - is new revenues, 3 - is expenditures and 4 - if present, is budget changes.

OPERATIONS (600):

BUDGET COMPARISONS

	<u>July 1, 2015 to January 31, 2016</u>			
	Budget	Actual	Percentage	
Beginning Balance	\$ 152,496	\$ 157,296	103.1%	* see below
Revenues	\$ 731,180	\$ 388,973	53.2%	
Expenditures	\$ 450,185	\$ 119,613	27.6%	
Transfers to Capital/Debt Fund	\$ 433,491	\$ 275,858	63.6%	
Revenues Less Expenses	\$ 0	\$ 150,798		
Cash at Month End	\$ 66,001.41			

Exceptions:

- 1) **Beginning Balance:** * *The Beginning Balance figures used here have been audited.* The Beginning Balance is \$4,800 more than budgeted.
- 2) **Revenues:**
 - a) At 50% of the year, we have received 56.7% of the budgeted charges for services revenue.
- 3) **Expenditures:**
 - a) The Engineering Services line item was over-expended by \$13,708.05 at the end of December. QLife Admin staff reviewed these invoices and reclassified some to the 601 fund that were for customer line extensions. This brought the line item back under budget, but only by \$1,486.

- b) The Liability line item has been over-expended by \$12,692.00 due to an increase in the coverage purchased. However, the Property line item still has \$6,218 that probably should have covered a portion of the costs in the Liability line item. The difference is negative \$6,564.
- c) Office Supplies has been over-expended by \$27.58.
- 4) Budget Changes: Proposed budget changes will be considered by the Board on February 23, 2017.

CAPITAL (601):

BUDGET COMPARISONS

	<u>July 1, 2015 to January 31, 2016</u>			
	Budget	Actual	Percentage	
Beginning Balance	\$ 861,965	\$ 870,111	101.0%	* see below
Transfers In	\$ 433,491	\$ 275,858	63.6%	
Revenues	\$ 30,000	\$ 625	2.1%	
M&S / Capital Outlay / Other	\$ 1,325,456	\$ 46,145	3.5%	
Debt Expenditures	\$ 00	\$ 0	0.0%	
Revenues Less Expenses	\$ 0	\$ 1,100,449		

Cash at Month End \$ 1,100,471.43

Exceptions:

- 1) Beginning Balance: * *The Beginning Balance figures used here have been audited.* Beginning Balance is \$8,145.84 more than budgeted.
- 2) Revenues: .
- 3) Expenditures:
 - a) The Lines Maintenance & Supplies line item has been over-expended by \$3,343.59. We will investigate this overage before the next Board meeting.
 - b) The Telecommunications Equipment line item has been over-expended by \$302.39.
- 4) Budget Changes: Proposed budget changes will be considered by the Board on February 23, 2017.

MAUPIN (602):

BUDGET COMPARISONS

	<u>July 1, 2015 to January 31, 2016</u>			
	Budget	Actual	Percentage	
Beginning Balance	\$ 199,135	\$ 13,620	6.8%	* see below
Revenues	\$ 255,345	\$ 45,688	17.9%	
Expenditures	\$ 454,480	\$ 66,263	14.69%	
Revenues Less Expenses	\$ 0	\$ -6,955		

Cash at Month End \$ -6,954.77

Exceptions:

- 1) Beginning Balance: * *The Beginning Balance figures used here have been audited.* The Beginning Balance is \$165,515.07 less than budgeted. This was due to grant funds not being received as anticipated in FY15/16.
- 2) Revenues: Three (3) drawdowns have been submitted and approved for the Maupin Grant. Maupin received the drawdowns and has repaid QLife in the amount of \$45,662.00.
- 3) Expenditures: The Legal Services line item has been over-expended by \$1,845.00.
- 4) Budget Changes: No budget changes have been made to this fund this fiscal year.

CITY OF THE DALLES
COMBINED CASH INVESTMENT
JANUARY 31, 2017

COMBINED CASH ACCOUNTS

CASH ALLOCATION RECONCILIATION

600 ALLOCATION TO QUALITYLIFE AGENCY F	66,001.41
601 ALLOCATION TO QLIFE CAPITAL FUND	1,100,471.43
602 ALLOCATION TO MAUPIN FUND	(6,954.77)
TOTAL ALLOCATIONS TO OTHER FUNDS	<u>1,159,518.07</u>
ZERO PROOF IF ALLOCATIONS BALANCE	<u>1,159,518.07</u>

CITY OF THE DALLES
 BALANCE SHEET
 JANUARY 31, 2017

QUALITYLIFE AGENCY FUND

ASSETS

600-0000-101.00-00	CASH AND INVESTMENTS	66,001.41	
600-0000-115.00-00	ACCOUNTS RECEIVABLE	84,777.47	
600-0000-115.20-00	ACCRUED ACCOUNTS RECBL	.00	
600-0000-115.90-00	ALLOWANCE-DOUBTFUL ACCTS	.00	
600-0000-126.00-00	INTERGOVT RECEIVABLE	.00	
600-0000-126.90-00	DEFERRED CREDIT / LSN	.00	
600-0000-141.00-00	INVENTORIES-MAT'L/SUPPLY	.00	
600-0000-161.00-00	LAND	.00	
600-0000-162.00-00	BUILDINGS	.00	
600-0000-163.00-00	IMPRVMTS OTHER THAN BLDGS	2,063,876.40	
600-0000-163.50-00	SOFTWARE LICENSES	7,011.35	
600-0000-164.10-00	FURNITURE & FIXTURES	.00	
600-0000-164.20-00	OFFICE EQUIPMENT	.00	
600-0000-164.40-00	VEHICLES	.00	
600-0000-164.90-00	OTHER EQUIPMENT	.00	
600-0000-165.00-00	PLANT IN SERVICE	.00	
600-0000-166.00-00	WORK IN PROGRESS	75,173.75	
600-0000-169.00-00	ACCUMULATED DEPRECIATION	(670,833.16)	
600-0000-175.00-00	NOTES RECIEVABLE	.00	
	TOTAL ASSETS		1,626,007.22

LIABILITIES AND EQUITY

LIABILITIES

600-0000-201.00-00	VOUCHERS PAYABLE	.00	
600-0000-201.10-00	ACCOUNTS PAYABLE (MAJE)	.00	
600-0000-203.00-00	AR SYSTEM/OVERPYMT/CREDIT	.00	
600-0000-205.00-00	NOTES PAYABLE	.00	
600-0000-206.00-00	RETAINAGE PAYABLE	.00	
600-0000-207.00-00	INTERGOVT PAYABLE	.00	
600-0000-208.00-00	DUE TO OTHER FUNDS	.00	
600-0000-209.00-00	ACCRUED INTEREST PAYABLE	.00	
600-0000-210.00-00	LONG TERM DEBT	.00	
600-0000-220.00-00	OFFSET BEGINNING BALANCE	(157,296.43)	
600-0000-226.00-00	CAPITAL LEASES	.00	
600-0000-229.00-00	CUSTOMER DEPOSITS	.00	
600-0000-242.00-00	ENCUMBRANCES	.00	
600-0000-243.00-00	RESERVE ACCOUNTS	.00	
600-0000-243.01-00	RESERVE FOR ENCUMBRANCES	.00	
	TOTAL LIABILITIES		(157,296.43)

FUND EQUITY

600-0000-253.00-00	FUND BALANCE-UNRESERVED	.00	
600-0000-261.00-00	CONTRIB CAPITAL-GOVT	.00	
600-0000-264.00-00	CONTRIB CAPITAL-INTERGOVT	.00	
600-0000-265.00-00	GAAP TRANSACTIONS	.00	
600-0000-279.00-00	RETAINED EARNINGS	1,689,656.56	
600-0000-279.99-00	EQUITY TRANSFER	(57,151.11)	

CITY OF THE DALLES
BALANCE SHEET
JANUARY 31, 2017

QUALITYLIFE AGENCY FUND

FUND BALANCE:		
REVENUE OVER EXPENDITURES - YTD	<u>150,798.20</u>	
BALANCE - CURRENT DATE		<u>150,798.20</u>
TOTAL FUND EQUITY		<u>1,783,303.65</u>
TOTAL LIABILITIES AND EQUITY		<u><u>1,626,007.22</u></u>

CITY OF THE DALLES
 BALANCE SHEET
 JANUARY 31, 2017

QLIFE CAPITAL FUND

ASSETS

601-0000-101.00-00	CASH AND INVESTMENTS	1,100,471.43	
601-0000-115.00-00	ACCOUNTS RECEIVABLE	.00	
601-0000-115.20-00	ACCRUED ACCOUNTS RECBL	.00	
601-0000-130.00-00	DUE FROM OTHER FUNDS	.00	
	TOTAL ASSETS		<u>1,100,471.43</u>

LIABILITIES AND EQUITY

LIABILITIES

601-0000-201.00-00	VOUCHERS PAYABLE	.00	
601-0000-201.10-00	ACCOUNTS PAYABLE (MAJE)	.00	
601-0000-203.00-00	AR SYSTEM/OVERPYMT/CREDIT	.00	
601-0000-205.00-00	NOTES PAYABLE	.00	
601-0000-206.00-00	RETAINAGE PAYABLE	.00	
601-0000-220.00-00	OFFSET BEGINNING BALANCE	(870,110.84)	
601-0000-242.00-00	ENCUMBRANCES	.00	
601-0000-243.00-00	RESERVE ACCOUNTS	.00	
601-0000-243.01-00	RESERVE FOR ENCUMBRANCES	.00	
	TOTAL LIABILITIES		(870,110.84)

FUND EQUITY

601-0000-253.00-00	FUND BALANCE-UNRESERVED	870,132.84	
	FUND BALANCE:		
	REVENUE OVER EXPENDITURES - YTD	<u>1,100,449.43</u>	
	BALANCE - CURRENT DATE	<u>1,100,449.43</u>	
	TOTAL FUND EQUITY		<u>1,970,582.27</u>
	TOTAL LIABILITIES AND EQUITY		<u>1,100,471.43</u>

CITY OF THE DALLES
 BALANCE SHEET
 JANUARY 31, 2017

MAUPIN FUND

ASSETS

602-0000-101.00-00	CASH AND INVESTMENTS	(6,954.77)	
602-0000-115.00-00	ACCOUNTS RECEIVABLE		.00	
602-0000-115.20-00	ACCRUED ACCOUNTS RECBL		.00	
602-0000-130.00-00	DUE FROM OTHER FUNDS		.00	
	TOTAL ASSETS			(6,954.77)

LIABILITIES AND EQUITY

LIABILITIES

602-0000-201.00-00	VOUCHERS PAYABLE		.00	
602-0000-201.10-00	ACCOUNTS PAYABLE (MAJE)		.00	
602-0000-203.00-00	AR SYSTEM/OVERPYMT/CREDIT		.00	
602-0000-205.00-00	NOTES PAYABLE		.00	
602-0000-206.00-00	RETAINAGE PAYABLE		.00	
602-0000-220.00-00	OFFSET BEGINNING BALANCE	(13,619.93)	
602-0000-242.00-00	ENCUMBRANCES		.00	
602-0000-243.00-00	RESERVE ACCOUNTS		.00	
602-0000-243.01-00	RESERVE FOR ENCUMBRANCES		.00	
	TOTAL LIABILITIES			(13,619.93)

FUND EQUITY

602-0000-253.00-00	FUND BALANCE-UNRESERVED		13,619.93	
	FUND BALANCE:			
	REVENUE OVER EXPENDITURES - YTD	(6,954.77)	
	BALANCE - CURRENT DATE			(6,954.77)
	TOTAL FUND EQUITY			6,665.16
	TOTAL LIABILITIES AND EQUITY			(6,954.77)

CITY OF THE DALLES
REVENUES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2017

QUALITYLIFE AGENCY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>BEGINNING BALANCE</u>					
600-0000-300.00-00	BEGINNING BALANCE	.00	157,296.43	152,496.00	(4,800.43) 103.2
	TOTAL BEGINNING BALANCE	.00	157,296.43	152,496.00	(4,800.43) 103.2
<u>UTILITY SERVICES</u>					
600-0000-344.10-00	UTILITY SERVICE CHARGES	53,785.00	383,640.00	676,380.00	292,740.00 56.7
600-0000-344.15-00	LSN CREDITS	.00	.00	.00	.00 .0
600-0000-344.20-00	CONNECT CHARGES	.00	.00	1,000.00	1,000.00 .0
	TOTAL UTILITY SERVICES	53,785.00	383,640.00	677,380.00	293,740.00 56.6
<u>INTEREST REVENUES</u>					
600-0000-361.00-00	INTEREST REVENUES	1,038.78	5,333.19	3,600.00	(1,733.19) 148.1
	TOTAL INTEREST REVENUES	1,038.78	5,333.19	3,600.00	(1,733.19) 148.1
<u>OTHER MISC REVENUES</u>					
600-0000-369.00-00	OTHER MISC REVENUES	.00	.00	200.00	200.00 .0
600-0000-369.20-00	E-RATE REIMBURSEMENT	.00	.00	50,000.00	50,000.00 .0
	TOTAL OTHER MISC REVENUES	.00	.00	50,200.00	50,200.00 .0
<u>SALE OF FIXED ASSETS</u>					
600-0000-392.00-00	SALE OF FIXED ASSETS	.00	.00	.00	.00 .0
	TOTAL SALE OF FIXED ASSETS	.00	.00	.00	.00 .0
	TOTAL FUND REVENUE	54,823.78	546,269.62	883,676.00	337,406.38 61.8

CITY OF THE DALLES
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2017

QUALITYLIFE AGENCY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FINANCIAL OPERATIONS</u>					
600-6000-000.31-10	1,607.35	12,947.22	54,000.00	41,052.78	24.0
600-6000-000.31-11	.00	.00	7,200.00	7,200.00	.0
600-6000-000.31-15	.00	.00	5,000.00	5,000.00	.0
600-6000-000.31-20	.00	6,196.00	43,000.00	36,804.00	14.4
600-6000-000.31-90	.00	1,982.50	3,000.00	1,017.50	66.1
600-6000-000.32-10	4,450.00	4,600.00	7,050.00	2,450.00	65.3
600-6000-000.32-20	(330.00)	2,265.00	9,000.00	6,735.00	25.2
600-6000-000.34-10	(11,287.67)	20,914.13	22,400.00	1,485.87	93.4
600-6000-000.34-30	(1,482.42)	29,942.27	68,000.00	38,057.73	44.0
600-6000-000.34-50	.00	.00	.00	.00	.0
600-6000-000.41-40	98.48	371.33	900.00	528.67	41.3
600-6000-000.43-10	.00	.00	1,600.00	1,600.00	.0
600-6000-000.43-25	.00	.00	5,000.00	5,000.00	.0
600-6000-000.43-87	.00	.00	.00	.00	.0
600-6000-000.44-10	1,938.00	3,876.00	7,752.00	3,876.00	50.0
600-6000-000.52-10	14,368.00	20,312.00	7,620.00	(12,692.00)	266.6
600-6000-000.52-30	.00	.00	6,218.00	6,218.00	.0
600-6000-000.53-20	.00	.00	200.00	200.00	.0
600-6000-000.53-30	34.43	244.71	420.00	175.29	58.3
600-6000-000.53-40	.00	.00	400.00	400.00	.0
600-6000-000.54-00	.00	500.00	1,500.00	1,000.00	33.3
600-6000-000.57-10	.00	.00	400.00	400.00	.0
600-6000-000.58-10	53.46	328.63	2,000.00	1,671.37	16.4
600-6000-000.58-50	.00	325.00	700.00	375.00	46.4
600-6000-000.58-70	237.66	715.41	875.00	159.59	81.8
600-6000-000.60-10	.00	127.58	100.00	(27.58)	127.6
600-6000-000.63-80	.00	2,000.00	2,000.00	.00	100.0
600-6000-000.63-90	.00	2,000.00	2,000.00	.00	100.0
600-6000-000.69-50	10.00	70.10	650.00	579.90	10.8
600-6000-000.69-60	.00	.00	10,500.00	10,500.00	.0
600-6000-000.69-70	1,613.55	9,895.65	20,300.00	10,404.35	48.8
600-6000-000.69-80	.00	.00	.00	.00	.0
600-6000-000.74-20	.00	.00	20,000.00	20,000.00	.0
TOTAL FINANCIAL OPERATIONS	11,310.84	119,613.53	309,785.00	190,171.47	38.6
<u>OTHER USES</u>					
600-9500-000.81-91	39,408.27	275,857.89	433,491.00	157,633.11	63.6
600-9500-000.83-10	.00	.00	50,000.00	50,000.00	.0
600-9500-000.88-00	.00	.00	28,400.00	28,400.00	.0
600-9500-000.89-00	.00	.00	62,000.00	62,000.00	.0
TOTAL OTHER USES	39,408.27	275,857.89	573,891.00	298,033.11	48.1
TOTAL FUND EXPENDITURES	50,719.11	395,471.42	883,676.00	488,204.58	44.8

CITY OF THE DALLES
 EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 7 MONTHS ENDING JANUARY 31, 2017

QUALITYLIFE AGENCY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
NET REVENUE OVER EXPENDITURES	4,104.67	150,798.20	.00	(150,798.20)	.0

CITY OF THE DALLES
REVENUES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2017

QLIFE CAPITAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>BEGINNING BALANCE</u>					
601-0000-300.00-00	.00	870,110.84	861,965.00	(8,145.84)	101.0
	.00	870,110.84	861,965.00	(8,145.84)	101.0
<u>FEDERAL REVENUES</u>					
601-0000-331.90-00	.00	.00	.00	.00	.0
	.00	.00	.00	.00	.0
<u>UTILITY SERVICES</u>					
601-0000-344.20-00	.00	.00	30,000.00	30,000.00	.0
	.00	.00	30,000.00	30,000.00	.0
<u>SOURCE 361</u>					
601-0000-361.00-00	.00	625.36	.00	(625.36)	.0
	.00	625.36	.00	(625.36)	.0
<u>OTHER MISC REVENUES</u>					
601-0000-369.00-00	.00	.00	.00	.00	.0
601-0000-369.10-00	.00	.00	.00	.00	.0
	.00	.00	.00	.00	.0
<u>OPERATING TRANSFERS IN</u>					
601-0000-391.40-00	.00	.00	.00	.00	.0
601-0000-391.90-01	39,408.27	275,857.89	433,491.00	157,633.11	63.6
601-0000-391.90-02	.00	.00	.00	.00	.0
	39,408.27	275,857.89	433,491.00	157,633.11	63.6
<u>PROCEEDS- LT LIABILITIES</u>					
601-0000-393.10-00	.00	.00	.00	.00	.0
	.00	.00	.00	.00	.0

CITY OF THE DALLES
REVENUES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2017

QLIFE CAPITAL FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEXPENDED</u>	<u>PCNT</u>
TOTAL FUND REVENUE	39,408.27	1,146,594.09	1,325,456.00	178,861.91	86.5

CITY OF THE DALLES
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2017

QLIFE CAPITAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FINANCIAL OPERATIONS</u>					
601-6000-000.34-10	8,836.42	8,836.42	11,000.00	2,163.58	80.3
601-6000-000.34-70	.00	.00	4,000.00	4,000.00	.0
601-6000-000.43-86	11,343.59	11,343.59	8,000.00	(3,343.59)	141.8
601-6000-000.57-10	.00	.00	.00	.00	.0
601-6000-000.72-20	.00	.00	232,000.00	232,000.00	.0
601-6000-000.74-20	302.39	302.39	.00	(302.39)	.0
601-6000-000.76-10	21,454.26	25,662.26	196,000.00	170,337.74	13.1
601-6000-000.76-20	.00	.00	70,000.00	70,000.00	.0
601-6000-000.76-30	.00	.00	5,000.00	5,000.00	.0
601-6000-000.79-50	.00	.00	.00	.00	.0
601-6000-000.79-51	.00	.00	.00	.00	.0
601-6000-000.79-60	.00	.00	.00	.00	.0
601-6000-000.79-90	.00	.00	.00	.00	.0
TOTAL FINANCIAL OPERATIONS	41,936.66	46,144.66	526,000.00	479,855.34	8.8
<u>OTHER USES</u>					
601-9500-000.80-20	.00	.00	159,456.00	159,456.00	.0
601-9500-000.84-15	.00	.00	540,000.00	540,000.00	.0
601-9500-000.84-20	.00	.00	.00	.00	.0
601-9500-000.84-30	.00	.00	.00	.00	.0
601-9500-000.88-00	.00	.00	100,000.00	100,000.00	.0
601-9500-000.89-00	.00	.00	.00	.00	.0
TOTAL OTHER USES	.00	.00	799,456.00	799,456.00	.0
TOTAL FUND EXPENDITURES	41,936.66	46,144.66	1,325,456.00	1,279,311.34	3.5
NET REVENUE OVER EXPENDITURES	(2,528.39)	1,100,449.43	.00	(1,100,449.43)	.0

CITY OF THE DALLES
REVENUES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2017

MAUPIN FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT	
<u>BEGINNING BALANCE</u>						
602-0000-300.00-00	BEGINNING BALANCE	.00	13,619.93	199,135.00	185,515.07	6.8
	TOTAL BEGINNING BALANCE	.00	13,619.93	199,135.00	185,515.07	6.8
<u>STATE GRANTS</u>						
602-0000-334.90-00	STATE GRANTS, OTHER	.00	45,662.00	243,345.00	197,683.00	18.8
	TOTAL STATE GRANTS	.00	45,662.00	243,345.00	197,683.00	18.8
<u>PRIVATE SECTOR GRANTS</u>						
602-0000-336.10-00	PRIVATE SECTOR GRANTS	.00	.00	.00	.00	.0
	TOTAL PRIVATE SECTOR GRANTS	.00	.00	.00	.00	.0
<u>UTILITY SERVICES</u>						
602-0000-344.20-00	CONNECT CHARGES	.00	.00	.00	.00	.0
602-0000-344.20-01	CUST FEES - MIDDLE MILE	.00	.00	12,000.00	12,000.00	.0
602-0000-344.20-02	CUST FEES - TRNPRT/COLLOCATION	.00	.00	.00	.00	.0
	TOTAL UTILITY SERVICES	.00	.00	12,000.00	12,000.00	.0
<u>SOURCE 361</u>						
602-0000-361.00-00	INTEREST REVENUE	.00	26.09	.00	(26.09)	.0
	TOTAL SOURCE 361	.00	26.09	.00	(26.09)	.0
<u>OTHER MISC REVENUES</u>						
602-0000-369.00-00	OTHER MISC REVENUES	.00	.00	.00	.00	.0
602-0000-369.20-00	E-RATE REIMBURSEMENT	.00	.00	.00	.00	.0
	TOTAL OTHER MISC REVENUES	.00	.00	.00	.00	.0
<u>SOURCE 391</u>						
602-0000-391.90-01	QLIFE OPERATING FUND	.00	.00	.00	.00	.0
602-0000-391.90-02	QLIFE CAPITAL FUND	.00	.00	.00	.00	.0
	TOTAL SOURCE 391	.00	.00	.00	.00	.0

CITY OF THE DALLES
 REVENUES WITH COMPARISON TO BUDGET
 FOR THE 7 MONTHS ENDING JANUARY 31, 2017

MAUPIN FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PROCEEDS- LT LIABILITIES</u>						
602-0000-393.10-00	LOAN/BOND PROCEEDS	.00	.00	.00	.00	.0
	TOTAL PROCEEDS- LT LIABILITIES	.00	.00	.00	.00	.0
	TOTAL FUND REVENUE	.00	59,308.02	454,480.00	395,171.98	13.1

CITY OF THE DALLES
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2017

MAUPIN FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FINANCIAL OPERATIONS</u>					
602-6000-000.31-10	.00	.00	.00	.00	.0
602-6000-000.31-80	.00	.00	14,160.00	14,160.00	.0
602-6000-000.32-20	.00	1,845.00	.00	(1,845.00)	.0
602-6000-000.34-10	.00	.00	.00	.00	.0
602-6000-000.34-70	.00	.00	.00	.00	.0
602-6000-000.41-30	.00	.00	.00	.00	.0
602-6000-000.41-40	.00	.00	.00	.00	.0
602-6000-000.41-50	.00	.00	.00	.00	.0
602-6000-000.43-86	.00	.00	.00	.00	.0
602-6000-000.52-10	.00	.00	1,000.00	1,000.00	.0
602-6000-000.69-60	.00	.00	1,050.00	1,050.00	.0
602-6000-000.72-20	.00	.00	.00	.00	.0
602-6000-000.74-20	.00	.00	79,263.00	79,263.00	.0
602-6000-000.76-10	24,656.25	64,417.79	320,737.00	256,319.21	20.1
602-6000-000.76-20	.00	.00	.00	.00	.0
602-6000-000.76-30	.00	.00	.00	.00	.0
602-6000-000.79-50	.00	.00	.00	.00	.0
602-6000-000.79-60	.00	.00	.00	.00	.0
TOTAL FINANCIAL OPERATIONS	24,656.25	66,262.79	416,210.00	349,947.21	15.9
<u>OTHER USES</u>					
602-9500-000.81-92	.00	.00	.00	.00	.0
602-9500-000.83-10	.00	.00	.00	.00	.0
602-9500-000.84-10	.00	.00	28,320.00	28,320.00	.0
602-9500-000.88-00	.00	.00	9,950.00	9,950.00	.0
TOTAL OTHER USES	.00	.00	38,270.00	38,270.00	.0
TOTAL FUND EXPENDITURES	24,656.25	66,262.79	454,480.00	388,217.21	14.6
NET REVENUE OVER EXPENDITURES	(24,656.25)	(6,954.77)	.00	6,954.77	.0

Resolution No. 17-001

- [Resolution No. 17-001](#)

QLife Network

QualityLife Intergovernmental Agency

AGENDA STAFF REPORT

BOARD MEETING DATE: February 23, 2017

TO: QLife Board of Directors

FROM: Kate Mast, Finance Director

ISSUE: **RESOLUTION NO. 17-001 AUTHORIZING TRANSFERS OF FUNDS BETWEEN BUDGETED CATEGORIES WITHIN FUNDS OF THE QUALITYLIFE INTERGOVERNMENTAL AGENCY (QLIFE) BUDGETS, MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2017.**

BACKGROUND: Oregon Budget Law recognizes that after the beginning of the fiscal year, changes in appropriations in the budget sometimes become necessary, and so allows for those changes via supplemental budgets and budget amendments. Supplemental budgets add funds to existing budgets, while budget amendments move already budgeted funds between categories of the same fund without adding to the fund's total budget.

The proposed Resolution No. 17-001 authorizes transfers of budgeted amounts between categories of the Agency Fund (600). The proposed changes increase the Engineering Services line item by \$15,000, as most of the budget has been used as of the end of January and more work is anticipated. The Liability Insurance line item is proposed to be increased by \$6,500, as more coverage for the lines, along with flood insurance and additional cyber insurance has exceeded the budgeted amounts. And the Board of Directors has directed that a Business Consultant be used to analyze the QLife business at a cost of \$35,000. These additions to the Materials & Services category in the Agency Fund will be transferred from the Contingency line item (\$28,400) and the Interfund Transfers line item will be reduced by \$28,100.

In the QLife Capital Fund (601) the Revenue line item for transfers in from the Agency Fund will be reduced by \$28,100, so that it matches the reduction in the Agency Fund. In addition, the Distribution to Sponsors line item will be reduced by \$53,100 to cover the reduction in revenues (\$28,100) and to provide for a \$25,000 increase in Materials & Services for Engineering Services (\$20,000) and Lines, Maint & Supplies (\$5,000).

BUDGET IMPLICATIONS: The QLife Agency Budget (600) just transfers budgeted amounts from one category to another, so the overall budget stays the same. The QLife Capital Fund (601) budget is decreased by 28,100 due to the reduction of the Interfund Transfer from the Agency Fund.

BOARD ALTERNATIVES:

1. *Staff recommendation: Move to Approve Resolution NO. 17-001 Authorizing Transfers of Funds between Budgeted Categories within Funds for the QualityLife Intergovernmental Agency (QLife) Budgets, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2017.*
2. Direct Staff to make changes to the proposed Resolution before adoption, or postpone to the next Board meeting.
3. Decline to take action.

QUALITYLIFE INTERGOVERNMENTAL AGENCY
doing business as
“QLife Network”

RESOLUTION NO. 17-001

A RESOLUTION AUTHORIZING TRANSFERS OF FUNDS BETWEEN BUDGETED CATEGORIES WITHIN FUNDS OF THE QUALITYLIFE INTERGOVERNMENTAL AGENCY (QLIFE) BUDGETS, MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2017.

WHEREAS, during the budget year certain funds may experience expenditures above approved category limits; and

WHEREAS, Oregon Budget Law recognizes these events and allows for transferring of funds between approved category limits within and between funds; and

WHEREAS, the QLife Board of Directors has determined that due to changes in projects and goals in recent months, certain budgeted items in the Agency Fund (600) and the Capital Fund (601) should be increased; and

WHEREAS, budgeted amounts are available in each of those funds to be transferred to those Materials & Services categories;

NOW, THEREFORE, BE IT RESOLVED BY THE QLIFE BOARD OF DIRECTORS AS FOLLOWS:

Section 1. Authorizing Budget Transfers. The QLife Board of Directors hereby authorizes the following transfers of funds between budgeted departments with QLife Funds:

<u>FUND OR DEPT.</u>	<u>RESOURCES BUDGETED</u>	<u>NEEDED</u>	<u>REALLOCATED</u>
<u>QLIFE AGENCY FUND (600)</u>			
from Contingency	\$ 28,400	\$ 00	- \$ 28,400
from Interfund Transfers	\$ 433,491	\$ 405,391	- \$ 28,100
to Materials & Services	\$ 289,785	\$ 346,285	+ \$ 56,500
<u>QLIFE CAPITAL FUND (601)</u>			
from Interfund Transfer Revenue	\$ 433,491	\$ 405,391	- \$ 28,100
from Distribution to Sponsors	\$ 159,456	\$ 106,356	- \$ 53,100
to Materials & Services	\$ 23,000	\$ 48,000	+ \$ 25,000

Section 2. Effective Date. This Resolution shall become effective upon adoption by the QLife Board of Directors and shall remain in effect until receipt and acceptance of the FY16/17 audit report.

PASSED AND ADOPTED THIS 23rd DAY OF FEBRUARY 23, 2017.

Voting Yes, Board Members: _____

Voting No, Board Members: _____

Absent, Board Members: _____

Abstaining, Board Members: _____

SIGNED:

ATTEST:

Erick Larson, President of the Board

Brian Ahier, Secretary

**QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget Amendments for FY16/17**

FY13/14 Actual	FY14/15 Actual	FY15/16 Budget	Account #	Description	FY16/17 Adopted	Budget Amendment Res No 17-001	Amended Budget
QLIFE AGENCY FUND 600					2/23/2017		
REVENUES							
93,154	180,966	218,563	600-0000-300.00-00	Beginning Balance	152,496		152,496
575,730	622,155	648,069	600-0000-344.10-00	Utility Service Charges	676,380		676,380
3,600	3,150	2,250	600-0000-344.20-00	Connect Charges	1,000		1,000
568	1,505	700	600-0000-361.00-00	Interest Revenues	3,600		3,600
134	5,637	200	600-0000-369.00-00	Other Misc Revenues	200		200
36,936	13,075	50,000	600-0000-369.20-00	E-Rate Reimbursements	50,000		50,000
710,121	826,488	919,782	TOTAL REVENUES		883,676	-	883,676
EXPENDITURES							
Materials & Services							
15,909	24,643	29,500	600-6000-000.31-10	Administrative Services	54,000		54,000
-	-	-	600-6000-000.31-11	Financial Contract Services	7,200		7,200
-	4,470	5,000	600-6000-000.31-15	Contractual Svc - County	5,000		5,000
16,816	14,733	43,000	600-6000-000.31-20	Outside Plant Maint	43,000		43,000
-	6,887	23,000	600-6000-000.31-90	Other Services	3,000		3,000
6,350	5,500	6,700	600-6000-000.32-10	Audit	7,050		7,050
4,110	4,630	8,400	600-6000-000.32-20	Legal Services	9,000		9,000
17,577	17,356	22,400	600-6000-000.34-10	Engineering Services	22,400	15,000	37,400
61,126	60,847	68,000	600-6000-000.34-30	Network System Mgmt	68,000		68,000
-	-	-	600-6000-000.34-50	Special Studies /Reports	-	35,000	35,000
532	504	600	600-6000-000.41-40	Electricity	900		900
-	-	500	600-6000-000.43-10	Buildings & Grounds	1,600		1,600
1,190	-	5,000	600-6000-000.43-25	Network Equipment	5,000		5,000
-	-	1,000	600-6000-000.43-87	Utilities Locates	-		-
7,752	7,752	7,752	600-6000-000.44-10	Office Space Rental	7,752		7,752
5,665	5,730	6,017	600-6000-000.52-10	Liability Insurance	7,620	6,500	14,120
-	-	-	600-6000-000.52-30	Property Insurance	6,218		6,218
112	113	200	600-6000-000.53-20	Postage	200		200
410	376	420	600-6000-000.53-30	Telephone	420		420
240	116	400	600-6000-000.53-40	Legal Notices	400		400
1,055	529	1,500	600-6000-000.54-00	Advertising	1,500		1,500
-	228	400	600-6000-000.57-10	Permits	400		400
1,031	1,254	2,000	600-6000-000.58-10	Travel, Food & Lodging	2,000		2,000
-	130	700	600-6000-000.58-50	Trainings & Conferences	700		700
25	255	875	600-6000-000.58-70	Memberships/Dues/Subs	875		875
-	72	100	600-6000-000.60-10	Office Supplies	100		100
2,000	2,000	2,000	600-6000-000.63-80	Scholarships	2,000		2,000
2,000	2,000	2,000	600-6000-000.63-90	Robotics Grant	2,000		2,000
460	3,889	650	600-6000-000.69-50	Misc Expenses	650		650
8,653	10,335	10,500	600-6000-000.69-60	Pole Connection Fees	10,500		10,500
17,272	18,645	19,442	600-6000-000.69-70	Right of Way Fees	20,300		20,300
-	-	-	600-6000-000.69-80	Assets < \$5000	-		-
170,285	192,992	268,056	Total Materials & Services		289,785	56,500	346,285
Capital Outlay							
-	5,692	20,000	600-6000-000.74-20	Telecom Equipment	20,000	-	20,000
-	5,692	20,000	Total Capital Outlay		20,000	-	20,000
Other							
321,933	382,905	504,140	600-9500-000.81-91	QLife Capital Fund	433,491	(28,100)	405,391
36,936	13,075	50,000	600-9500-000.83-10	ESD E-Rate Transfers	50,000		50,000
-	-	18,180	600-9500-000.88-00	Contingency	28,400	(28,400)	-
-	-	59,406	600-9500-000.89-00	Unappropriated Ending Fund Balance	62,000	-	62,000
358,869	395,980	631,726	Total Other		573,891	(56,500)	517,391
529,154	594,665	919,782	TOTAL EXPENDITURES		883,676	-	883,676
180,968	231,824	-	REVENUES LESS EXPENSES		-	-	-

**QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget Amendments for FY16/17**

FY13/14 Actual	FY14/15 Actual	FY15/16 Budget	Account #	Description	FY16/17 Adopted	Budget Amendment Res No 17-001	Amended Budget
QLIFE CAPITAL FUND 601							
REVENUES							
141,124	183,319	400,590	601-0000-300.00-00	Beginning Balance	861,965		861,965
19,415	17,607	30,000	601-0000-344.20-00	Connect Charges	30,000		30,000
-	-	-	601-0000-369.00-00	Other Misc Revenues	-		-
321,933	382,905	504,140	601-0000-391.90-01	QLife Operating Fund	433,491	(28,100)	405,391
-	-	-	601-0000-391.90-02	QLife Maupin Fund	-		-
-	-	-	601-0000-393.10-00	Loan/Bond Proceeds	-		-
482,472	583,832	934,730	TOTAL REVENUES		1,325,456	(28,100)	1,297,356
EXPENDITURES							
Materials & Services							
904	4,735	11,000	601-6000-000.34-10	Engineering Services	11,000	20,000	31,000
-	1,016	4,000	601-6000-000.34-70	Customer Connections	4,000		4,000
15,722	913	8,000	601-6000-000.43-86	Lines, Maint & Supplies	8,000	5,000	13,000
16,625	6,664	23,000	Total Materials & Services		23,000	25,000	48,000
Capital Outlay							
-	-	-	601-6000-000.72-20	Buildings	232,000		232,000
14,360	-	110,000	601-6000-000.74-20	Telecom Equip	-		-
1,516	7,149	180,000	601-6000-000.76-10	Primary (System Maint)	196,000		196,000
35,038	62,527	50,000	601-6000-000.76-20	Secondary (Line Extensions)	70,000		70,000
2,809	-	5,000	601-6000-000.76-30	Pole Make Ready Costs	5,000		5,000
53,724	69,677	345,000	Total Capital Outlay		503,000	-	503,000
Debt Service							
215,597	128,957	-	601-6000-000.79-50	Loan Principal Payments	-		-
13,206	706	-	601-6000-000.79-60	Interest Payments	-		-
228,803	129,663	-	Total Debt Service		-	-	-
Other							
-	-	-	601-9500-000.80-20	Distribution to Sponsors	159,456	(53,100)	106,356
-	-	471,717	601-9500-000.84-15	Reserve for Sys Imprvmnts	540,000		540,000
-	-	-	601-9500-000.84-20	Reserve for Co Expansion	-		-
-	-	-	601-9500-000.84-30	Reserve for Debt Retirement	-		-
-	-	95,013	601-9500-000.88-00	Contingency	100,000		100,000
-	-	566,730	Total Other		799,456	(53,100)	746,356
299,152	206,004	934,730	TOTAL EXPENDITURES		1,325,456	(28,100)	1,297,356
183,319	377,828	-	REVENUES LESS EXPENSES		-	-	-

Financial Priorities

- [Financial Priorities 2016-17](#)

QUALITYLIFE NETWORK INTERGOVERNMENTAL AGENCY POLICY
Financial Priorities for Fiscal Year 2016-17

Purpose:

The purpose of this policy is to establish a prioritization of expenditure of funds for the QualityLife Network Intergovernmental Agency prior to each Fiscal Year's budget preparation.

Primary objective:

The primary objective is to provide general direction for the QLIFE Budget Committee in establishing the annual budget and to make public the general intentions of QLIFE in regard to potential monetary reserves of the Agency.

Maupin Broadband System:

The Maupin Broadband System will be budgeted in a separate self-sustaining fund and will not be covered by these Financial Priorities. It will have its' own Financial Priorities.

Section I.

Policy

It is the policy of the QLIFE Board that expenditures of revenue not *specifically* committed to another purpose through grant or loan agreements or other contractual obligations shall be budgeted in the following priority:

A. Routine Costs:

1. Normal maintenance and operating costs of the QLIFE Agency as determined through the appropriate budgeting process.
2. Amounts needed for annual debt retirement responsibilities of the Agency.
3. Up to \$20,000 for upgrading and replacement of the electronics of the system to always maintain agreed-upon capacity for QLife customers.
4. A cash reserve or contingency equal to one month's customer billing to maintain a minimum cash balance in the operating fund.
5. \$18,000 for annual pole line audit, associated repairs and tree trimming
6. Up to \$15,000 for unexpected system plant repairs or alterations in addition to contingency. Budgeted in Capital Fund: Outside Plant Primary

B. Discretionary Costs:

7. Up to \$40,000 to assist participants and new customers with build out of new connection (budgeted in Capital Fund: Outside Plant Secondary).

8. CIP Item #1 Downtown By-Past project for. (\$76,000)
9. CIP item #2: build additional collocation space near Big Eddy. (\$232,000)
10. CIP Item #3 Downtown Metro Loop. Cost estimate. (\$120,000)
11. Reserve for future expansion, modernization, or replacement of system equal to 10% of current \$5.4 million replacement value of outdoor plant. (\$540,000)
12. Financial distribution to City and County of equal amounts (Estimated at \$159 K)

Section II.

Amendment of this policy

This policy may be amended at any time by action of the Board.

Section III.

Conflict with annual budget process

If anything in this policy conflicts with the annual budget process as outlined in the Intergovernmental Agreement (IGA), the IGA will take precedence. The partners to this agreement may approve an initial budget and work scope or an amended budget and work scope that varies from this policy by an affirmative majority vote of the Boards of all partners.

Amended and approved by QLife Board March 17, 2016



Erick Larsen, QLife President

Appoint a Budget Officer

- No materials submitted – return to agenda

Reports

- [Technical Management Report – John Amery](#)

Aristo Networks LLC
Technical Management Report
By
John Amery
2/17/2017

Items of Discussion:

- 10th Street fiber replacement project.
 - Qlife has scheduled maintenance and is moving forward with replacement of the failing fiber section.
 - Engineering is working with the manufacturer to see if they can provide Qlife additional input.
 - A request for potential relief has been made for FEMA funds due to the fiber failure's linkage to the extreme cold temperatures of the storm.
 - A determination is still required whether the entire zone requires replacement.
- BPA fiber re-route project
 - Qlife is waiting for feedback from one of our customers regarding which path they would like Qlife to utilize for connections into their hut.
- . Qlife electronics monitoring
 - Additional efforts are still required to fine tune our electronics monitoring.

Consultant Interviews

- [Wrap-up Document](#)



Consultant Proposals

- [Adam Haas](#)
- [Nancy Jesuale & Sue Dicile](#)
- [Joseph Franell](#)
- [Joanne Hovis](#)

Adam Haas – Converge Communications
Proposal

Strategic Plan Proposal for Q-Life

Presented to the Q-Life Board of Directors

JANUARY 26, 2017

Presented by Adam Haas and Marsha Spellman



Converge Credentials & Background

Portland based consulting company established in 1994

Incorporated in 2007 and certified Woman Owned WBE/ESB

Marsha Spellman, MA, JD, President/Principal

- *Regulatory*
- *Strategic Planning/Needs Assessments*
- *Grant Writing*
- *Legislative Chair of the Oregon Telecommunications Association*
- *Serves on the OUSF Advisory Board of the Oregon PUC*
- *Telecom Specialist with the Oregon Cable TV Association*
- *Assistant Director, NW, Cathey Hutton and Associates (CHR Solution)*

Converge Credentials & Background

Adam Haas, CEO/Principal

- *Needs Assessments/Business Assessments/Project Management*
- *EVP, GM for Rogers Cable TV in Portland*
- *Managing Director of Jones Cable in England*
- *Managed two telecommunications consulting practices in Oregon before Converge*
- *Background is both hands-on and strategic*
- *Serves on the Oregon State Interoperable Executive Council*

Relevant Projects

Confederated Tribes of Warm Springs:

Needs Assessment and Strategic Plans

Warm Springs Telecom:

Conceived, created, & launched Tribal telephone company

Grand Ronde Tribes:

Needs assessment and strategic plan for tribal telecom network

Grand Ronde Tribes:

Created telecom business Plan

Okanogan PUD:

Assessment of existing wholesale fiber optic and wireless operation

City of Astoria:

Wireless project with Verizon and City Public Safety

Port of Morrow:

Broadband deployment strategies

Broadband, and Google, Come to Rural Oregon

A beautiful Columbia River Gorge setting wasn't enough to save The Dalles; fiber did it

By Marsha Spellman ■ Freelance Writer

The rural community of The Dalles, Oregon will soon be a new home of Google, the mega-giant technology company. The town is nestled in the Columbia River Gorge two hours by car from Portland.

Google's interest was a surprise to many people, but not to Nolan Young, City Manager of The Dalles. It was the culmination of a project that Young and his team had been working on for years. His vision was to use community resources and a coalition of local community groups to build a broadband fiber optic network that could lure new business to this economically limited part of the world.

To be sure, Young makes it clear that luring Google to The Dalles hinged on several significant issues, not just a robust broadband network. In addition, Google will not discuss its move, nor will those involved in the project disclose any detail that has not been previously discussed in earlier corporate press releases or news articles.

There are a number of factors that encouraged Google's move to The Dalles. First, its location on the Columbia River is beautiful, with inexpensive land, housing and good public schools. Its proximity to the Bonneville Dam meant that Google's high demand for inexpensive power could be satisfied by the U.S. Bonneville Power Administration (BPA). In addition, with the location right on the river, water could be used to cool its massive server-filled facility directly rather than relying on more expensive air-conditioning.



Much of the fiber in the The Dalles network is aerial. This construction shot gives an idea of the area's charm.

But without a doubt, a major reason for Google's move is QLifeLife, the newly constructed fiber loop network built by the City of The Dalles and its partners, that is now available to provide the broadband connectivity Google requires, and at reasonable rates.

Job Loss Spurs Backbone

After two large aluminum manufacturing plants closed, the economically distressed City of The Dalles (population approximately 15,000) faced an unemployment crisis that threatened to destroy the vitality of this rural community. City Manager Nolan Young realized the need to re-

place those lost jobs with others.

But attracting jobs to The Dalles was not simple. It is a small isolated community, with limited resources. This is true of much of Oregon, a mostly rural state with large population centers, including Portland, close to its western edge. What's more, over the past few years, similar Oregon communities including Bend, Hood River and La Grande, were attracting new businesses and growing. The Dalles had been competing for many of the same businesses that those communities instead. One reason was the lack of a good broadband fiber network that would allow companies to move data at a competitive cost. It became clear



Fiber shares towers here with a high-tension power line.

to Young that if The Dalles was to become a player and encourage economic development, he needed to become proactive and build a fiber network for the community.

After approaching the local telecommunications provider and being told that it would be another three to five years before DSL services would be available in The Dalles, Young decided the city would have to take matters into its own hands.

Four community groups, including the City of The Dalles, Wasco County, the Port of The Dalles and the People's Utility District (Northern Wasco County PUD) created a committee that looked at the potential for bringing broadband to the community. In May, 2001 these four agencies formed a new corporation, agreeing to call the system QualityLife Intergovernmental Agency (QLife) with the goal of "bringing high-speed, broadband telecommunications services to The Dalles, similar to those available in northwest metro areas with prices similar to those in northwest Metro areas."

At about the same time, in both Washington State and Oregon, two non-profit corporations emerged in partnership with BPA to use excess

Bonneville fiber to provide a backbone network throughout both states where such fiber networks were lacking. In Washington State, BPA made its excess capacity available through a partnership with public and cooperative utilities known as NoaNet Washington (for Northwest Open Access Network).

Federal-State-Local Partnerships

In Oregon, a different arrangement was made with BPA and the electric cooperatives. With funding acquired through the National Rural Utilities Cooperative Financing Consortium, the goal was to build the off-ramps and complimentary lines for a backbone fiber system throughout the state. NoaNet Oregon, now known as LS Networks, also allowed public entities to join as non-member participants. The Dalles chose to participate.

Initially, Young explains, they had a "build it and they will come" approach to developing the network. Unfortunately, early on in the process, this approach did not seem to work. Instead, they decided to go with a phased approach. With the help of the Oregon congressional delegation, they put together a three year proposal with a

staged funding request. Out of a \$1.7 million request, they received an initial \$700,000. With these early funds, and other state loans and grants, construction began on the initial loop.

By mid 2001, engineering the first 17-mile loop, identifying costs and technical issues was complete. In 2003, that first phase was built. A second phase, a new fiber connection to the Port of The Dalles, is being built now.

Eric Orton, project manager for Sparling, the engineering company hired to plan, design, engineer, and oversee construction of the network, describes the 17-mile backbone fiber loop. "Because of the expansive and rural nature of the network, much of the QLifeLife network was built with aerial cable, attached to the NoaNet fiber backbone. The fiber creates a backbone with multiple laterals and 34-35 connections" encircling The Dalles and the nearby surrounding area.

"NoaNet facilitates the transport and the QLifeLife network makes it feasible for low cost broadband to exist in this area," says Orton. "Numerous businesses now have fiber to their premises." Orton supplied the pictures that illustrate this article.



Bringing fiber across the Columbia River Gorge.

Outsourcing

One way that costs are being kept low is that contractors, rather than full time employees, are being used to run and manage the network. Aristo Networks, a subsidiary of NetConnect, a local ISP, has been hired to maintain the network switches and electronics and to oversee the contractors working

Economic Development Is The Killer App For Local Fiber Networks

More and more communities are taking proactive steps to ensure that their communities are equipped with next-generation internet infrastructure. Their economic livelihood depends on it.

By Jim Baller, Joanne Hovis and Ashley Stelfox / *Coalition for Local Internet Choice* and
Masha Zaiger / *Broadband Communities*

In the November-December 2014 edition of BROADBAND COMMUNITIES, the authors reviewed the available economic research and other evidence on the relationship between broadband and economic development and concluded that economic development was the "killer app" for local fiber networks. In this article, we update the research and other evidence to reflect new developments in the last two years, and we arrive at the same conclusion.

For almost two decades, nearly every U.S. community that has developed a fiber optic broadband network has put economic development at the top of its list of reasons for doing so. To be sure, communities also recognize that fiber networks provide critical benefits for education, public safety, health care, transportation, energy, environmental protection, urban revitalization, government service and much more. Ultimately, however, the promise of economic development, including both attraction and retention of opportunities for meaningful and well-paying work, combined with the fear of falling behind other communities in the United States and around the world, unites local communities across political, economic, cultural, educational and other divides.

In short, just as communities a century ago found electrification essential to their survival and quality of life, communities today have increasingly come to recognize that their citizens can survive and thrive in the modern economy only if they have affordable access to high-capacity internet connections.

THE LINK BETWEEN BROADBAND AND ECONOMIC DEVELOPMENT
The availability of broadband networks is one factor that organizations take into account when deciding whether to move to or remain in a particular community. Other significant considerations include energy costs, ease of doing business, taxes, labor costs, education levels and availability of water – which may contribute in varying degrees from case to case.¹ As a result, it is difficult to make broad, data-driven generalizations about the precise role of broadband networks in stimulating economic development. Even so, several formal economic studies have sought to shed light on the relationship between broadband networks and economic development.

The first wave of these studies, which focused on first-generation, low-capacity broadband networks,² suggested that there was at least an association, and probably even a causal relationship, between broadband and economic development. As one of these studies concluded, "the internet plays an integral role in



In 2005, Google sited a data center in The Dalles, Oregon, because of the city's municipal fiber network.

economic activity and growth. So far, however, only limited data exists on the impact that a high-capacity fiber network have or can have on a local economy. The absence of more such data is not surprising, given the relatively recent emergence of fiber networks. The fact is, though, that one cannot yet make statistically rigorous general statements about the overall relationship between fiber networks and economic development.

One can, however, focus on more discrete questions. For example, it is clear that fiber networks enable hundreds of thousands of individuals to work from home, adding tens of billions of dollars annually to the U.S. economy. Many respondents to a 2010 survey by RVA LLC stated that fiber's reliability and speed made their employers more willing to allow them to telecommute or that fiber connections were necessary for their home-based

businesses to succeed.³ In addition, fiber connectivity adds between \$5,000 and \$6,000 to the value of a \$300,000 home in the United States.⁴

A series of studies conducted at the Chalmers University of Technology in Gothenburg, Sweden, specifically addressed the effects of broadband speed. In their first report, published in 2011, the researchers concluded that increases in broadband speeds contributed significantly to economic growth.⁵ In a report published in 2013, the same researchers concluded that, in developed countries, the threshold level for broadband to have any impact on household income was 2 Mbps; gaining 4 Mbps of broadband increased household income by \$2,100 per year.⁶ Given that fiber networks are capable of nearly unlimited speed, it appears that their potential economic impact is significantly higher than that of lower-capacity broadband.

Strategic Networks Group has looked at the impact of broadband speeds on individual small and mid-sized businesses. Its surveys showed that a minimum of 4 Mbps upload speed was necessary for these businesses to fully utilize the internet and increase their revenues significantly. About 71 percent of fiber users have access to 4 Mbps or higher upload speed, compared with much smaller percentages of cable or DSL users.⁷

A study commissioned by the Fiber to the Home Council Americas in 2014 compared economic activity in 14 metropolitan statistical areas (MSAs) in which gigabit-speed connectivity was available to more than 50 percent of the households with economic activity in 41 similarly sized MSAs in the same states in which gigabit speeds were not available. According to the study's investigators, "our model suggests that for the MSAs with widely available

Project Understanding: Tough Questions to be Answered

- Is the original mission of robust middle-mile fiber and economic development still relevant?
- How has the market changed since 2003 and what are the implications to Q-Life?
- How can or should Q-Life strive to change to meet the new environment?
- Should Q-Life be doing more Fiber to the Home projects; what is the potential of that business?
- How should Q-Life be structured to meet existing and future challenges, or has Q-Life been so successful in fulfilling its mission that an exit strategy is the best approach?
- What would it look like to take Q-Life to the next level?

Project Approach (4 months to completion)

1. Kick off meeting.....Adjust approach based on client input
2. Review historical information provided by Q-Life
3. Interview/survey existing anchor customers
4. Interview community leaders and elected officials
5. Contact other telecommunications service providers
6. Assess interest level of residential customers for Fiber to the Home services
7. Define competitive forces at play in the marketplace
8. Analyze the current Q-Life pricing structure as compared to the marketplace and recommend changes
9. Analyze current regulatory issues and potential impact on Q-Life (Lifeline, ETC/CLEC, State Funding)
10. Present initial findings and conclusions to the Board for input
11. Finalize report

Marketplace Analysis

In order to best determine the future of Q-Life, Converge will determine what presently exists in the telecom marketplace and what the community is presently lacking.

Can Q-Life fill a specific need that is not being met?

Can Q-Life offer a product or products that will extend the network that presently exists at a cost that makes sense?

What is the cost of filling those needs?

Project Deliverables

Project Report to include:

- Market analysis using the SWOT format (Strengths, Weaknesses Opportunities & threats) to include new business opportunities
- Pricing recommendations
- Summary of stakeholder input
- Recommendations on potential paths for Q-Life to follow and relative merits of each.

PowerPoint presentation to the Board

Why Converge Communications?

- Deep understanding of telecommunications issues in rural Oregon
- Proven track record in similar projects
- Practical, hands-on experience with demonstrated success
- Business oriented with many years of P&L experience
- Our local knowledge and rural expertise will enable us to hit the road running!
- Will take fresh approach without pre-conceived conclusions
- Pre-disposition to economic development through competitive broadband
- Strong regulatory expertise, both Federal FCC and State PUC

Project Pricing

Total Project Cost: \$27,264

Hourly Rates

Principal: \$150

Research Analyst: \$60

Total Project Hours 208

Expenses \$924

Optional Items:

Detailed Business/Financial Model

Detailed Technical Evaluation

Electronic Consumer Survey

Thank you!


For more information, please contact:

Adam Haas

503-997-5584

adamhaas@convergecomm.com

Nancy Jesuale and Sue Dicile




NetCity Inc.
Sue Dicile Group

**PRESENTATION TO THE
Q-LIFE
BOARD OF DIRECTORS**




Overview

- Original Q-Life vision, mission and purpose for middle-mile infrastructure has largely been met.
 - Q-Life is seeking analysis and recommendations for options going forward which could include continuing the current line of business, new opportunities, or sale .
 - Reconsideration of Q-Life's vision, mission and purpose will provide necessary context for selecting among options.
 - A detailed plan for rolling out the option selected will guide and drive implementation.
- 



Nancy Jesuale


NetCity Inc.

- 14 years as president of NetCity, a strategic consultancy planning and building municipal fiber, public safety and transit communications wireless networks
 - Experienced broadband strategic planner and lead consultant to the Oregon Broadband Commission's statewide strategic planning process (Portland, Wasco County, Sherwood, Independence, Warm Springs, etc.)
 - Visionary and leader of Portland's flagship IRNE fiber network
 - Director of Oregon Ed-NET
 - 30 years as a municipal executive and director of telecommunications (Los Angeles, State of Oregon and Portland)
- 



Sue Dicile


Sue Dicile Group

- 30 years experience in design & facilitation of collaborative decision-making frameworks
 - Facilitator & drafter of over 100 strategic plans for utilities, manufacturers, government agencies, broadband providers
 - Experienced with telecommunications planning including broadband, retail service, emergency communications systems strategic plans, and network planning
 - 20 years service in cable and telecommunications policy representing the City of Portland on the Mt Hood Cable Regulatory Commission
- 



Phase One: Worksession


Range of Desirable & Feasible Outcomes

- Re-examination of the mission and strategic plan of Q-Life going forward, and its role in economic development through infrastructure ownership
 - Parameters & criteria for selecting among options
 - Q-Life structure
 - Potential business models & scenarios within parameters
- 



Phase Two: Research


Market, Cost & Feasibility Analysis

- Collaborative investigation of opportunities, potential partnerships (public/private) with Commstructure, Aristo, LSN and others as relevant
 - Scope, then conduct or administrate required market research
 - Apply analysis to potential opportunities and models
- 



Phase Three: Worksession

Consider & Select Among Alternatives

- Provide recommendations
 - Facilitate evaluation by Q-Life
 - Clarify/adopt policy
 - Select among business models within parameters & criteria
- 



Phase Four: Worksession

Consider & Adopt a Roll-Out Strategy & Plan

- Clearly define strategy
 - Timeframe
 - Critical Path
 - Roles & Responsibilities

Estimated Project Hours/Cost

FIRM / CONSULTANT	HOURS	TOTAL
NetCity Inc. / Nancy Jesuale	108	\$21,600
Sue Dicile Group / Sue Dicile	72	12,600
PROJECT TOTALS:	180	\$34,200

* Direct expenses will be billed at cost



THANK YOU – QUESTIONS?

Joseph Franell – Eastern Oregon Telecom



Strategic Consulting Proposal

January 23, 2017

**Prepared for:
The Board of Directors
QLife Network**

511 Washington St. Suite 101, The Dalles, OR 97058
541-506-2550

**Prepared by:
Joseph Franell
General Manager and CEO
Eastern Oregon Telecom**

PO Box 848, Hermiston, OR 97838
541-289-7010

jfranell@eotnet.com

Introduction



Thank you for the opportunity to submit a proposal to assist the QLife Board of Directors in assessing the future of the organization and defining options for a strategic direction.

Per the scope of work provided, this proposal will begin with a market analysis to include opportunities and the competitive landscape.

The final product will include a financial analysis, a proposed roadmap for the future, a risk/benefit analysis, options for technology deployment to meet the needs of the area (fiber-to-the home, fixed wireless, hybrid-fiber coaxial, and combinations if appropriate).

Since QLife went through a broadband strategic planning process in 2012/2013, it seems prudent to survey board members and interested parties (as recommended by the board) to determine if the results of the strategic planning process are still valid and applicable.

The assessment is specifically performed by:

1. Meeting with the QLife Administrator to ensure a good understanding of the basics of your business, strategy, goals, and financials (pricing and P&L).
2. Performing an analysis of available Internet services (including pricing if available) and current service providers in the area.
3. Surveying QLife board members and other designated parties to determine the following:
 - a. Are the results of the 2012/2013 Broadband Strategic Planning process still valid?
 - b. Are there any additional or different goals that respondents envision for the area?
4. Assessing areas of need and opportunity within the service area and providing options for meeting those needs/leveraging the opportunities.
5. Presenting initial findings to the QLife Board of Directors in the form of a decision briefing and facilitating a decision on the future of QLife.
6. Develop and subsequently present the requested roadmap on how “to reach the next level and what that next level looks like”.

Background



Joseph Franel

Currently, Joe is the Chief Executive Officer of Eastern Oregon Telecom (EOT), a rural competitive telephone company and Internet service provider serving residents and businesses in the Hermiston/Pendleton area of Northeastern Oregon. Technologies deployed include Active E (Fiber to the Business), GPON (Fiber to the Home), Fixed Wireless, Hybrid Fiber/Coax (DOCSIS 3.0), DSL, TDM Voice and VOIP. EOT is currently providing residential and/or commercial Gigabit services in four of the communities in its service area. This is significant because it is being done profitably and without any government subsidies or support in a competitive environment that is defined as rural, rural remote, and frontier.

Currently and since 2010, Joe has also been the chairman of the Oregon Broadband Advisory Council (OBAC). He was originally appointed by the Governor in 2009 and has been reappointed twice. The OBAC is responsible for advising the legislature and Governor's office on broadband adoption and utilization in Oregon for economic development, e-government, tele-health and tele-medicine, energy, education, public safety, and on tribal lands.

Prior to coming to work at EOT, Joe was the Director of Information Technology for the city of Ashland, Oregon, where he was responsible for the Ashland Fiber Network, a municipally-owned and operated broadband telecommunications company. He restructured the Ashland Fiber Network within the first six months of employment resulting in the enterprise being profitable and operationally cash flow positive for the first time since its inception. Additionally, he formed an IT Steering Committee of senior users from each department and drafted the City's first Technology Plan. During his tenure, and in large part due to his leadership, Ashland was selected as one of the Intelligent Communities Forum Smart 21 Communities for 2007 and 2008, because of its innovative and visionary use of broadband technologies.

Before moving to the Pacific Northwest, Joe was the Senior Manager of Operations for Knology, Inc. in Florida, a triple play (Cable TV, Phone, and Internet) telecommunications provider. In that role, he was selected to be the project manager for the acquisition of a new property five times as large as Knology's then largest division. He also launched a Scientific Atlanta digital overlay video system (one of the first in the country) and a facilities based telephone company (one of only two started in the US in 2004). Additionally, his operations expertise resulted in the reduction of total operational expenditures by more than 6%. Helped drive EBITDA growth of over five million dollars and customer growth of more than 30% annually over three years.

Boards, Councils, and Committees:

Oregon Broadband Advisory Council: 2009 – present. Chairman, 2010 – present.

Eastern Oregon Workforce Board: 2016 – present. Member (representing Umatilla County)

Huawei U.S. Tier 3 CEO Advisory Board: 2013 - 2014

Hermiston Chamber of Commerce Board of Directors - Past Chairman, Current Ex Officio Member and Senior Advisor

West Umatilla County Economic Development Group - Organizer/Facilitator.

Blue Mountain Community College, Computer Science Advisory Board.

Oregon Connections Telecommunications Conference - Master of Ceremonies.

Presentations and Panels:

7/21/16 – NTCA Webcast: Land of Opportunity: Strategies for Bridging the Rural America Broadband Gap Presentation and Q&A.

11/16/15 – Quartz Conference on Connecting the Next Billion People: Featured guest at Executive Roundtable Breakfast discussion, NY, NY.

9/10/15 – CTIA: Hybrid Approach to Broadband Delivery in Rural Markets Presentation and Panel, Las Vegas, NV.

6/20/15 – NTCA NW/SW Regional Conference: Hybrid Approach to Broadband Delivery in Rural Markets Presentation and Panel, Portland, OR

4/27/15 – NTCA Marketing Conference: Gigabit Marketing Presentation and Panel, Austin, TX.

11/3/14 – National Association of Regulatory Utility Commissioners Annual Meeting: Municipal Broadband Panel, San Francisco, CA.

Publications:

“Connecting rural broadband by utilizing hybrid approach.” July, 2016,
<http://www.telecomlead.com/broadband/connecting-rural-broadband-utilizing-hybrid-approach-70209>

“Is the Internet Living Up to Its Potential?” June 30, 2016,
http://www.telcotransformation.com/author.asp?section_id=399&doc_id=724430

“Why should you care about cyber security?” May 6, 2016,
<http://www.eastoregonian.com/eo/business/20160506/franell-why-should-you-care-about-cyber-security>

“A New Role for the Service Provider.” January 11, 2016,
http://www.telcotransformation.com/author.asp?section_id=399&doc_id=720319

On the air:

“Evolution of a Service Provider.” May 19, 2016,

http://www.telcotransformation.com/radio.asp?doc_id=723232

“The State of Broadband in the State of Oregon.” October 22, 2015,

[https://www.google.com/url?q=http://www.blogtalkradio.com/gigabitnation/2015/10/22/the-state-broadband-in-the-state-of-](https://www.google.com/url?q=http://www.blogtalkradio.com/gigabitnation/2015/10/22/the-state-broadband-in-the-state-of-oregon&sa=U&ved=0ahUKEwjEutyBkYrNAhVK5IMKHTI5C4UQFggFMAA&client=internal-uds-cse&usg=AFQjCNEt8R_1owwAFo_-36gU2ktmUVDtJA)

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Timeline



PROJECT DETAILS	
DATE	MILESTONE
2/1/2017	Project Start
2/6/2017	Interview of Administrator Complete
2/13/2017	Competitive Market Analysis Complete
2/20/2017	Online Survey Built and Distributed
3/6/2017	Online Survey Due from Participants
3/6/2017	Area Needs Assessment Completed
3/23/2017	Present Initial Findings to Q-Life Board
4/27/2017	Present Roadmap to the Q-Life Board
4/26/2017	April 23, 2017 Project End

NOTE: The above timeline is preliminary and makes the following assumptions:

1. Contract awarded and project begun NLT February 1, 2017.
2. QLife Board Meetings are monthly on the fourth Thursday of the month. If not, timeline will be adjusted.
3. The QLife Administrator will be available for a kick-off interview.
4. QLife will provide names, email addresses, and phone numbers for Board Members and designated interested parties for use in distributing and following up on the online survey.
5. The on-line survey will be completed by designated participants by the date specified.
6. QLife will provide serviceable address in all communities of interest for use in determining service availability and pricing by other providers.

Deliverables



Per the requirements of the RFP, deliverables from this project include:

1. An analysis of available Internet services (including pricing if available) and current service providers in the area.
2. Surveying QLife board members and other designated parties to determine the following:
 - a. Are the results of the 2012/2013 Broadband Strategic Planning process still valid?
 - b. Are there any additional or different goals that respondents envision for the area?
3. An analysis of if it is prudent to continue in this line of business or to sell the entity.
4. A roadmap for how to reach the next level and what that next level looks like based on QLife's financial position and ability to operate in this market going forward. The analysis will include the following:
 - a. An analysis of potential new business opportunities in a rural setting where building fiber is not necessarily cost effective.
 - b. The feasibility of moving into becoming a fiber to the home provider in our service area.
5. An analysis of, and recommendations for change to QLife's pricing structure as compared to the marketplace.

Cost

A cost estimate is provided below. Hourly rate is \$150/hour (discounted for this project from \$250/hour). Travel time is billed at 50% of hourly rate plus the 2017 IRS mileage reimbursement rate of \$0.535/mile. Each item listed below will be billed at actual hours worked, not to exceed the listed amount.

ITEM	DESCRIPTION	HOURS	COST
1	An analysis of available Internet services (including pricing if available) and current service providers in the area.	6	\$ 900.00
2	Surveying QLife board members and other designated parties. Includes development and distribution of the survey and compiling the results.	6	\$ 900.00
3	An analysis of if it is prudent to continue in this line of business or to sell the entity.	2	\$ 300.00
4	A roadmap for how to reach the next level and what that next level looks like based on QLife's financial position and ability to operate in this market going forward.	8	\$ 1,200.00
5	An analysis of, and recommendations for change to Qlife's pricing structure as compared to the marketplace.	2	\$ 300.00
6	Travel - Two trips to The Dalles for Board Meetings. Travel time billed at 50% of hourly rate plus mileage (2017 IRS rate of \$0.535/mile).	6	\$ 668.28
7	Board Meeting #1	1	\$ 150.00
8	Board Meeting #2	3	\$ 450.00
TOTALS		34	\$ 4,868.28

Timeline may be adjusted based on Board availability.

Scope of work may be expanded if necessary at the same hourly rates if mutually agreed upon. I will invoice the client Net 15 for the billable hours at the end of every month of the engagement.

Again, I appreciate the opportunity to respond to your request for proposal and look forward to working with QLife.

Joanne Hovis – CTC Technology and Energy



ctc technology & energy

engineering & business consulting

Serving the Public Sector Since **1983**

Proposal to QLife

Joanne Hovis, president
CTC Technology & Energy



CTC has singular capabilities in public broadband efforts

- Team of 40 broadband engineers, market and business analysts, and financial planners
 - Carry all necessary E&O insurance, with no claim in our entire 35 years
- International and national footprint, with extensive rural experience
- Recent work on west coast: Portland, Seattle, San Francisco, Santa Cruz, Vallejo, Hayward
- We are entirely independent of the industry and represent your interests only



Our staffing commitment is to meet your needs

- We commit to availability, including:
 - All necessary presence in Oregon
 - Accessibility during Pacific time business hours
- Firm principals and senior staff will lead the work
 - Joanne Hovis: Strategy
 - Tom Asp: POC, financial modeling, and business analysis
 - Andrew Afflerbach, Ph.D., P.E. : engineering, technology, and rights-of-way



We hold a conservative consulting philosophy

- Our approach is to evaluate feasibility and build strategy **based on your stated goals**
- We will help you understand your options, including potential risk and challenge
- We are not the right consulting firm for a client seeking a particular outcome



Our experience covers the full range of public broadband needs

- Three decades of experience planning & designing public sector fiber networks
 - City, regional, public safety/homeland security, K-12, libraries, traffic management, smart cities, higher ed, social service organizations
 - Economic development target areas
 - Ubiquitous Fiber-to-the-Premises
- Our engineers hold an average of 15 years experience
- Design, cost estimation, RFPs, construction oversight, testing of hundreds of projects



Funding, regulatory, and legal analysis

- 10 years of success in grant writing and management
- Deep understanding of policy and political environments
- We are not qualified to offer you legal advice



Effective communications in public settings

- We have an educational mission
 - Teach countless seminars and webinars per year across a range of topics
- We are experienced and adept at presentations and interaction with
 - Elected officials
 - Stakeholders
 - The public



Proposed Tasks

1. Market and competition assessment (demand and supply)
2. System level design for FTTP and cost estimate
3. Financial model for FTTP
4. Valuation of existing network and enterprise from standpoint of sale or continue to operate
5. Recommendations



Task 1: Market & competition assessment

- Goal is to understand what is happening in your communities
- Supply analysis—we assess existing competition and build matrix of services and costs
- Demand analysis—we talk with potential customers to get a sense of whether gaps exist in the market that your FTTP expansion could fill
 - Optional: written survey and statistical analysis of residential market at additional cost



Task 2: FTTP high-level design & cost est.

- Our engineering team will develop a system-level design for expansion to FTTP and an associated cost estimate
- On-site fieldwork to understand specific factors re pole availability and make-ready costs, topology, etc.
- Detailed model with narrative discussion and full explanation of methodology



Task 3: Financial model for FTTP

- Our financial team will develop a comprehensive financial model for FTTP and pro forma with all relevant financial statements
- We will test multiple scenarios and sensitivities to help you fully understand risk
- We will provide you the model, along with detailed narrative discussion and description



Task 4: Valuation

- Understanding that one of area of investigation is potential sale, we will develop a valuation of the existing network
 - Based on current financial statements



Task 5: Report and recommendations

- Our final deliverable will be a comprehensive report with all prior work included and all analysis fully integrated
- The report will lay out the options and scenarios considered, and compare risk and opportunity



Proposed Fees

- Approximately 520 hours at an average billing rate of \$170
 - inclusive of travel for four individual trips to OR
- \$80,000 budget
 - Plus additional \$20,000 for written surveys/market research of residential market if you choose to add that task
- Six-month timeline

Maupin Project Update

- [No materials submitted – return to agenda](#)

Executive Session