

QUALITYLIFE (QLIFE) INTERGOVERNMENTAL AGENCY

PROPOSED BUDGET FISCAL YEAR 2023

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QUALITYLIFE (QLIFE) INTERGOVERNMENTAL AGENCY

BUDGET MESSAGE

FISCAL YEAR 2023

I am pleased to present to you the QLife Proposed Budget for the Fiscal Year 2023 (FY23). This budget covers the period of July 1st, 2022 to Jun 30th 2021.

The QualityLife Intergovernmental Agency (QLife) is a partnership between the City of The Dalles and Wasco County. QLife is an intergovernmental agency consisting of the City of The Dalles and Wasco County, governed by a Board of Directors and run by an Administrator. QLife is a transport and dark fiber service provider that facilitates broadband, Ethernet, wide area networks, internet access, and virtual private networks through local internet service providers. QLife has been operational since December of 2003. The original mission and purpose of QLife was to bring a middle mile fiber solution to the City of The Dalles in an effort to meet certain needs of critical agencies for reliable high speed data services and to provide and promote an environment for successful economic development.

This narrative explains the proposed QLife budget for FY23. The budget encompasses three (3) funds: The Operating (General) Fund, the Capital Fund and the Maupin Fund. The Maupin Fund is for operations and capital bringing and building QLife services in the Maupin area. The intent is for the Maupin Fund to function without subsidy from the Operating fund serving The Dalles. The Maupin Fund started functioning in late FY19.

Func	Fund Name	FY22	FY23	Difference	%
		Adopted	Proposed		
6000	General Operations Fund	1,402,797	973,797	(429,000)	-30.6%
6010	Capital Fund	7,457,684	2,491,598	(4,966,086)	-66.6%
6020	Maupin Fund	126,670	78,751	(47,919)	-37.8%
Grand Total		8,987,151	3,544,146	(5,443,005)	-60.6%

- *The General Operations Fund is primarily for operations in The Dalles area*
- *The Capital Fund is used for system expansion in The Dalles area*
- *The Maupin Fund is used to provide services in the Maupin area*

Financial Health

The General (Operations) Fund for The Dalles area is in good shape. The projected resources are 973,797 for FY23. This includes a Beginning Fund Balance of \$271,325. Normal operations expenses are \$354,787 with an additional \$20,000 set aside each year for capital equipment. This fund is stable at this point. Part of the stability has been by building a budget basing the planned transfers to the Capital Fund base on expected revenue. For FY23, this amount will decrease \$271,020 – which was planned in FY22. FY22 intentionally reduced the fund balance by transferring significantly more to the Capital Fund

for future capital needs. The FY23 budgeted transfers (\$324,000) are equivalent to the prior level in FY20.

The Capital Fund starts FY23 with \$2,089,598 in Beginning Fund Balance. Another \$324,000 will be transferred in from the General (Operations) Fund. This puts the total resources of the fund at \$2,491,598. There is a small transfer budgeted to receive \$50,000 from the Maupin Fund. This is the 3rd scheduled payment against the \$156,000 loaned from the Capital Fund to the Maupin Fund. After this payment, the balance owed will be \$6,655. The Capital Fund has budgeted \$1,424,454 in capital outlay for equipment, primary system improvement/repair/expansion, and secondary line extensions. The remaining \$1,066,144 is split between Contingency and Reserve for System Improvements – the same as last fiscal year. (Both of these are effectively “Contingency” budgets, the reserved funds are just serving a more focused purpose.) The fund remains healthy and continues to grow. The fund appears to have under-performed the budget by \$5,000,000. Which is an accurate assessment due to not receiving the National Telecommunications and Information (NTIA) grant for \$5M. It was not received so the related spending was not executed.

This will be the 4th full fiscal year for the Maupin Fund of functioning on self-generated revenues. Total resources are \$78,751. The beginning fund balance is decreasing primarily due to the repayment of the Capital Fund advance received. After the FY23 budget, only \$6,655 should remain to be repaid. The grant requirement for maintaining the Wifi was completed with the end of the FY21 fiscal year. Future funding of the Wifi service past FY23 will need to be funded by incoming revenues.

Transfers

Transfers are used to move funds from one fund to another – this is not an exchange of funds for value but rather a reallocation of resources. The General (Operations) Fund is budgeted to transfer \$595,020 to the Capital Fund. This is to set resources aside for current and future capital needs. This allows the General Fund to operate with fewer spikes and smooths out the business cycle. The transfer budgeted for the Maupin Fund to the Capital Fund serves a different purpose. This transfer will be executed near the end of the fiscal year to continue repayment of the fund loan by the Capital Fund to the Maupin Fund and will be for \$50,000 of the \$106,655 still owed. A summary is shown below.

From Fund	To Fund	Amount	Purpose
General	Capital	\$324,000	Fund capital expenses and move excess fund balance
Maupin	Capital	\$50,000	Pay down the \$156,655 transferred in to initiate the Maupin project. Remaining balance of \$6,655 after this payment

Contingency and Reserves

Contingency amounts are appropriations included in the budget but cannot be spent – it is available to be transferred to an appropriate expense line by the governing body. The Qlife budget also uses Reserves which are an additional contingency amount but with a more focused intent. For Oregon Local

Budget Law application these funds are Contingency also. It is not a problem to have more than one Contingency line in a fund budget.

The General (Operating) Fund has a contingency of \$176,006 – an increase over FY22 of \$13,071. This is 49.6% of the budgeted operating cost of the fund not including the transfer to the Capital Fund. This is essentially six (6) months of expenses. This is considered a healthy level by management. Contingency funds were not utilized in FY22.

The Capital Fund has a contingency of \$391,019 and a reservation for \$675,125 – the total is \$1,066,144. The reservation is dedicated to system improvements. This is the same since FY21. Contingency funds were not utilized in FY22.

The Maupin Fund contingency is \$11,591 and no remaining balance in the Reservation for Wifi. The reservation was dedicated to providing WIFI service for the term of the private grant which has now been completed. The contingency did not have to be utilized in FY22.

Capital Outlay

The General (Operations) Fund has budgeted \$20,000 for capital outlay. This is to meet Item #3 of the agencies Financial Priorities Policy – specifically to have \$20,000 available for expansion and replacement of electronics in the system.

The Capital Fund has budgeted \$1,425,454 for capital outlay in FY23. This starts with \$80,000 for a generator replacement – this was budgeted since FY20 but has not happened yet. The primary system has \$1,045,454 budgeted to address potential projects. There is a list management utilizes that was originally created in 2016. However, as time passes, the priorities of each project can change as does the projected costs – which have not been updated. The process for QLife has been to bring all projects to the QLife Board for approval before moving forward. For this reason, the budget has been built to focus on giving the capacity for QLife to proceed on projects at the discretion of the board. Secondary line extension is the third category of capital outlay for the fund – this is \$300,000 and will be used for new connections requiring a line extension which increases the value of the system. No specific extensions are identified at this time.

The Maupin Fund has \$2,000 budgeted for capital outlay in FY23. There are funds in contingency to transfer in if necessary, but it is not expected. The \$2,000 is not dedicated to any specific item but rather for needs of the primary system. Since the completion of the project in FY20, capital outlay has decreased significantly.

Capital Outlay		
Fund	Purpose	Amount
General Operating	Telcome Equipment	\$ 20,000
Capital Fund	Equipment	80,000
	Primary System Maintenance	1,045,454
	Secondary Line Extension	300,000
Total Capital Fund		1,425,454
Maupin Fund	Primary System	2,000
Total Capital Outlay		1,447,454

Budget Appropriation

The Proposed Budget contains line item detail; however the legal level of control for the budget is at the Fund/Department level. This means for each fund, amounts will be appropriated at the legal level of control by Beginning Balance, Operations (materials & services plus capital), Pass-Through, Transfer In/Out, Reserve, Contingency and Unappropriated.

Future Economic Considerations

The Proposed Budget has taken the recovery from the COVID-19 lockdown and the rollout of the vaccination into account to the extent possible. The COVID-19 response of the community has not created significant barriers to operations. Growth of The Dalles specifically will impact which projects for capital development are prioritized. The Maupin Fund is still looking for sustainability as at the current rate, the recurring receipts are not enough to cover the cost of providing WiFi service. This will need to be examined.

QLife FY23 Budget Summary for Resolution
 Budget by Fund-Department

Fund	Department Classification	Budget Revenue/ Resources	Budget Expense/ Requirements
GENERAL (OPERATIONS)	OPERATIONS	973,797	374,787
	TRANSFERS		324,000
	CONTINGENCY		176,006
	UNAPPROPRIATED		99,004
TOTAL GENERAL		973,797	973,797
CAPITAL	OPERATIONS	2,117,598	1,425,454
	TRANSFERS	374,000	-
	CONTINGENCY		391,019
	UNAPPROPRIATED		675,125
TOTAL CAPITAL		2,491,598	2,491,598
MAUPIN	OPERATIONS	78,751	17,160
	TRANSFERS		50,000
	CONTINGENCY		11,591
	UNAPPROPRIATED		-
TOTAL MAUPIN		78,751	78,751
Total Appropriation		3,544,146	3,544,146
Unappropriated - for use in future fiscal periods		-	774,129
Appropriated for FY23 Use		3,544,146	2,770,017

Account Type	Organization	Object	Account Description	FY20 Actuals	FY21 Actuals	FY22 Projected	FY22 Budget	FY23 Proposed	FY23 Approved	FY23 Adopted
R	600Q54G1	400000	BEGINNING FUND BALANCE	(76,265.00)	(232,286.00)	(476,580.17)	(659,977.00)	(271,325.00)	-	-
R	600Q5416	414500	UTILITY SERVICE CHARGES	(712,091.28)	(902,344.22)	(700,566.00)	(740,420.00)	(700,572.00)	-	-
R	600Q5416	414501	CONNECT CHARGES	-	-	(200.00)	(1,000.00)	(1,000.00)	-	-
R	600Q5499	417100	INTEREST EARNED	(2,375.21)	(1,770.72)	(648.16)	(1,200.00)	(700.00)	-	-
R	600Q541D	421100	MISCELLANEOUS RECEIPTS	(1,200.00)	(1,200.00)	-	(200.00)	(200.00)	-	-
E	600Q541I	521100	ADVERTISING & PROMOTIONS	-	-	-	1,500.00	1,000.00	-	-
E	600Q541I	521120	LEGAL NOTICES & PUBLISHING	453.38	192.00	100.00	400.00	300.00	-	-
E	600Q541I	521125	POSTAGE	127.10	126.03	115.19	200.00	200.00	-	-
E	600Q541I	521140	SCHOLARSHIP	-	2,000.00	2,000.00	2,000.00	2,000.00	-	-
E	600Q541I	521205	TAXES/PERMITS/ASSESSMENTS	579.32	-	-	800.00	800.00	-	-
E	600Q541I	521500	CONTRACTED SERVICES - GENERAL	6,867.61	-	-	15,100.00	15,100.00	-	-
E	600Q541I	521505	CONTRACTED SERVICES - LEGAL	11,388.80	12,745.00	28,000.00	12,000.00	15,000.00	-	-
E	600Q541I	521515	CONTRACTED SERVICES - AUDIT	6,300.00	7,000.00	8,000.00	8,500.00	9,000.00	-	-
E	600Q541I	521560	CONTRACTED SERVICES - ENGINEER	36,094.06	52,676.99	55,000.00	55,000.00	60,000.00	-	-
E	600Q541I	521600	ADMINISTRATIVE COSTS	58,671.00	60,431.00	62,246.00	62,246.00	67,226.00	-	-
E	600Q541I	521610	POLE CONNECTION FEES	5,430.63	10,176.61	10,124.40	12,392.00	12,392.00	-	-
E	600Q541I	521720	CONTRACTED SERVICES - NETWORKS	59,976.57	76,512.17	79,500.00	79,500.00	79,500.00	-	-
E	600Q541I	522100	TELEPHONE	416.04	137.80	-	500.00	200.00	-	-
E	600Q541I	522131	UTILITIES - ELECTRICITY	672.02	688.30	592.63	800.00	800.00	-	-
E	600Q541I	523100	RENT - LAND/BUILDING	7,752.00	9,690.00	7,752.00	7,752.00	7,752.00	-	-
E	600Q541I	523500	MEALS LODGING & REGISTRATION	940.54	-	835.81	5,700.00	5,700.00	-	-
E	600Q541I	524100	DUES & SUBSCRIPTIONS	3,002.37	2,738.98	5,084.03	2,000.00	2,000.00	-	-
E	600Q541I	524500	INSURANCE & BONDS	17,580.52	17,541.50	18,282.00	20,000.00	20,000.00	-	-
E	600Q541I	525130	R&M - BUILDINGS GENERAL	226.25	1,960.54	-	1,600.00	1,600.00	-	-
E	600Q541I	525135	R&M - OUTSIDE PLANT MAINTENANC	1,976.97	11,011.82	12,000.00	20,000.00	20,000.00	-	-
E	600Q541I	526105	SUPPLIES - OFFICE	-	85.00	-	200.00	200.00	-	-
E	600Q541I	527100	RIGHT OF WAY FEES	21,362.74	21,688.03	21,016.98	20,016.00	21,017.00	-	-
E	600Q541I	527170	EQUIPMENT - NETWORK NON-CAPITA	-	-	-	5,000.00	5,000.00	-	-
E	600Q541I	527180	EQUIPMENT - NON-CAPITAL	-	-	1,000.00	5,000.00	5,000.00	-	-
E	600Q541I	529100	MISCELLANEOUS EXPENDITURES	0.05	18.00	-	1,000.00	1,000.00	-	-
E	600Q541I	529105	GENERAL GRANTS	-	-	-	2,000.00	2,000.00	-	-
E	600Q545J	532100	CAPITAL EQUIPMENT	-	-	-	20,000.00	20,000.00	-	-
E	600T54CL	556010	TRANSFER TO QLIFE CAPITAL	327,020.00	376,220.00	595,020.00	595,020.00	324,000.00	-	-
E	600C54DN	570000	CONTINGENCY	-	-	-	162,935.00	176,006.00	-	-
E	600U54EP	590000	UNAPPROPRIATED	-	-	-	283,636.00	99,004.00	-	-

Account Type	Organization	Object	Account Description	FY20 Actuals	FY21 Actuals	FY22 Projected	FY22 Budget	FY23 Proposed	FY23 Approved	FY23 Adopted
R	601Q54G1	400000	BEGINNING FUND BALANCE	(1,906,099.00)	(1,692,712.14)	(1,846,578.43)	(1,784,664.00)	(2,089,598.00)		
R	601Q5412	413200	CORONA VIRUS RELIEF FD #21.019	-	-	-	(5,000,000.00)	-		
R	601Q5416	414501	CONNECT CHARGES	-	(123,727.50)	(19,000.00)	(19,000.00)	(19,000.00)		
R	601Q5499	417100	INTEREST EARNED	(25,701.59)	(9,854.05)	(9,000.00)	(9,000.00)	(9,000.00)		
R	601Q541D	421100	MISCELLANEOUS RECEIPTS	-	-	-	-	-		
R	601T54CF	456000	TRANSFER FROM QLIFE OPERATING	(327,020.00)	(376,220.00)	(595,020.00)	(595,020.00)	(324,000.00)		
R	601T54CF	456020	TRANSFER FROM QLIFE MAUPIN FUN	-	(50,000.00)	(50,000.00)	(50,000.00)	(50,000.00)		
E	601Q541I	525115	R&M - EQUIPMENT	-	31,775.64	-	-	-		
E	601Q545J	532100	CAPITAL EQUIPMENT	-	-	80,000.00	80,000.00	80,000.00		
E	601Q545J	533100	BUILDINGS	-	-	-	-	-		
E	601Q545J	535100	PRIMARY SYSTEM	271,642.24	362,063.63	350,000.00	6,011,540.00	1,045,454.00		
E	601Q545J	535105	SECONDARY LINE EXTENSION	65,220.95	12,095.99	-	300,000.00	300,000.00		
E	601Q545J	535110	POLE MAKE READY	9,000.00	-	-	-	-		
E	601Q545J	537110	EASEMENTS	-	-	-	-	-		
E	601Q545J	539100	DEPRECIATION	3,777.00	-	-	-	-		
E	601Q545J	539200	CAPITALIZATION	(327,324.37)	-	-	-	-		
E	601C54DN	570000	CONTINGENCY	-	-	-	391,019.00	391,019.00		
E	601D54DO	581100	RESERVE FOR SYSTEM IMPROVEMENT	-	-	-	675,125.00	675,125.00		
E	601U54EP	590000	UNAPPROPRIATED	-	-	-	-	-		

Account Type	Organization	Object	Account Description	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY22 Projected	FY22 Budget	FY23 Proposed	FY23 Approved	FY23 Adopted
R	602Q54G1	400000	BEGINNING FUND BALANCE	(40,728.00)	(168,945.31)	(127,560.10)	(127,560.10)	(118,610.00)	(71,076.00)		
R	602Q5416	414104	CITY OF MAUPIN	(144,765.00)	-	-	-	-	-		
R	602Q5416	414504	CITY OF MAUPIN FRANCHISE FEES	-	-	(1,471.09)	-	-	-		
R	602Q5416	414505	CITY OF MAUPIN - GORGE.NET REC	(1,334.74)	(17,514.73)	(2,644.61)	(3,360.00)	(3,360.00)	(3,360.00)		
R	602Q5416	414506	CITY OF MAUPIN - LSN RECEIPTS	(3,516.39)	(5,086.60)	(3,190.09)	(4,000.00)	(4,000.00)	(4,000.00)		
R	602Q5499	417100	INTEREST EARNED	(2,191.99)	(949.58)	(236.69)	(315.59)	(700.00)	(315.00)		
E	602Q541I	521505	CONTRACTED SERVICES - LEGAL	72.00	-	-	-	1,500.00	500.00		
E	602Q541I	521560	CONTRACTED SERVICES - ENGINEER	-	-	-	-	-	-		
E	602Q541I	521600	ADMINISTRATIVE COSTS	-	-	-	-	-	-		
E	602Q541I	521610	POLE CONNECTION FEES	-	-	-	-	1,050.00	500.00		
E	602Q541I	521710	BROADBAND SUPPORT	-	-	-	-	-	-		
E	602Q541I	521715	CONTRACTED SERVICES - WIFI	10,822.53	14,936.12	10,811.16	14,160.00	14,160.00	14,160.00		
E	602Q545J	535100	PRIMARY SYSTEM	10,605.40	-	-	-	51,000.00	2,000.00		
E	602Q545J	539100	DEPRECIATION	25,824.28	-	-	-	-	-		
E	602Q545J	539200	CAPITALIZATION	(10,605.40)	-	-	-	-	-		
E	602T54CL	556010	TRANSFER TO QLIFE CAPITAL	-	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00		
E	602C54DN	570000	CONTINGENCY	-	-	-	-	8,960.00	11,591.00		
E	602D54EO	585105	RESERVE FOR WIFI	-	-	-	-	-	-		
E	602U54EP	590000	UNAPPROPRIATED	-	-	-	-	-	-		

Account Type	Organization	Object	Detail Type	Line	Quantity	Amount	Description
R	600Q54G1	400000	A	20	1	(271,325.00)	Projected Mike M 4/5/2022
R	600Q5416	414500	A	20	12	(700,572.00)	February 2022 monthly billing
R	600Q5416	414501	A	10	1	(1,000.00)	Estimated at just over 2 services added; Estimated connection fees are \$6,450; \$450 for Turn up fee \$1,000 for Electronic Switch and \$5,000 for service line
R	600Q5499	417100	A	10	1	(700.00)	estimated interest earned
R	600Q541D	421100	A	10	1	(200.00)	as title implies. not known
E	600Q541I	521100	A	10	1	1,000.00	Decreased from \$1500 due to trending
E	600Q541I	521120	A	10	1	300.00	Decreased from \$400 due to trending
E	600Q541I	521125	A	10	1	200.00	same as last year
E	600Q541I	521140	A	10	2	2,000.00	Scholarship paid to CGCC Foundation - two @ \$1,000
E	600Q541I	521205	A	10	1	800.00	Same as FY22
E	600Q541I	521500	A	10	1	2,100.00	OSP Insight estimate based off FY18
E	600Q541I	521500	A	20	1	3,000.00	tree trimming to clear hazard lines
E	600Q541I	521500	A	30	1	10,000.00	Need amount for Joe Fannel
E	600Q541I	521505	A	10	1	12,000.00	FY22 Budgeted amount
E	600Q541I	521505	A	20	1	3,000.00	Trending increase in legal costs; FY22 was abnormally high - expect \$15K going forward
E	600Q541I	521515	A	10	1	500.00	If the auditors are tasked with creating the financial statements.
E	600Q541I	521515	A	20	1	8,500.00	Expected audit fees; New auditors; Prior auditor had to either quit or increase cost 2x. This is due to the audit was done with the City (when Qlife was managed there) which allowed for savings. With the audit separate it causes duplication of work. New auditors are Wasco County's auditors so can realize savings
E	600Q541I	521560	A	10	1	5,000.00	Expected increase
E	600Q541I	521560	A	20	1	55,000.00	FY22 Budget
E	600Q541I	521600	A	10	1	4,980.00	Wage adjustments (step & Cost of Labor, Insurance & PERS) 6.5% increase
E	600Q541I	521600	A	20	1	62,246.00	includes City codes of Administrative Services, Financial Contract Services, and Contractual Services - County
E	600Q541I	521610	A	10	1	12,392.00	FY19 Actuals
E	600Q541I	521720	A	10	1	11,900.00	\$80/hr regular business time; \$160/hr outside normal hours. Historically \$24,000. New rates for FY22 are 19% increase over the prior \$10K
E	600Q541I	521720	A	20	1	17,000.00	Preventative Maintenance
E	600Q541I	521720	A	30	1	20,000.00	Buffer put in for FY21 and before; should keep it
E	600Q541I	521720	A	40	12	30,600.00	Basic Service \$2,550/mth
E	600Q541I	522100	A	10	1	200.00	Trending

Account Type	Organization	Object	Detail Type	Line	Quantity	Amount	Description
E	600Q541I	522131	A	10	1	800.00	based on trending - same as last FY
E	600Q541I	523100	A	10	1	7,752.00	Space rent of City Hall space. One room\$141/mth; second room \$121/mth; third addition\$176/mth; covered storage at City PW facility\$209/mth = \$646/mth
E	600Q541I	523500	A	10	1	700.00	keep the budget the same
E	600Q541I	523500	A	20	1	2,000.00	keep the budget the same
E	600Q541I	523500	A	30	1	3,000.00	Next 3 years will be in Ashland - not Hood River. To this point we have not needed to worry about hotel & meals.
E	600Q541I	524100	A	20	1	2,000.00	Based on FY17 Actual; Special Districts Association of Oregon & Oregon Joint Use Association and Actual Expens in FY18
E	600Q541I	524500	A	10	1	20,000.00	Trending
E	600Q541I	525130	A	10	1	1,600.00	keep the budget the same
E	600Q541I	525135	A	10	1	20,000.00	Repair of the fiber optic lines. Placing fiber on poles and repairing breaks. If new work or reimbursable by others it is in the capital fund.
E	600Q541I	526105	A	10	1	200.00	same as last FY
E	600Q541I	527100	A	10	1	21,017.00	Fee of 3% of customer revenues
E	600Q541I	527170	A	10	1	5,000.00	keep the budget the same
E	600Q541I	527180	A	10	1	5,000.00	equipment purchased that does not meet the definition of capital (capital is over \$5k and useful life exceeds 3 years)
E	600Q541I	529100	A	10	1	1,000.00	FY19 Budget keep same
E	600Q541I	529105	A	10	1	2,000.00	School robotics program
E	600Q545J	532100	A	10	1	20,000.00	Item #3 of the agencies Financial Priorities Policy is to reserve \$20,000 for expansion and replacement of the electronics of the system. Planned portion \$10K
E	600T54CL	556010	A	10	12	324,000.00	Transfer to Capital
E	600C54DN	570000	A	10	1	160,000.00	Set Contingency FY23
E	600C54DN	570000	A	20	1	1,006.00	to balance
E	600C54DN	570000	A	30	1	15,000.00	To balance
E	600U54EP	590000	A	20	1	99,004.00	for future periods

Account Type	Organization	Object	Detail Type	Line	Quantity	Amount	Description
R	601Q54G1	400000	A	20	1	(2,089,598.00)	Projected Mike M 4/5/22
R	601Q5416	414501	A	10	1	(19,000.00)	Based on trending - should be \$6,000 per newcustomer. This amount is just slightly about 3new customers - None in FY19 or FY20
R	601Q5499	417100	A	10	1	(9,000.00)	Interest has decreased to 0.6% from 2.75 lastyear.
R	601T54CF	456000	A	10	1	(324,000.00)	Transfer in from Operations
R	601T54CF	456020	A	10	1	(50,000.00)	Maupin Fund owed the Capital Fund \$156K, this isa partial payment. It is only possible becauseof the \$144,765 received from Maupin on the flowthrough grant. Not taking all as give time togrow and have capacity for fund to meetunexpected expenses. Should not transfer untilJune and evaluate at that time the capacity to doso.~Paid \$50K FY21, \$50K FY22 leaving \$56K of which \$50K will be paid in FY23
E	601Q545J	532100	A	10	1	80,000.00	Generator Replacement - Didn't happen yet in FY21 or FY22
E	601Q545J	535100	A	30	1	1,045,454.00	Available for capital projects
E	601Q545J	535105	A	10	1	100,000.00	increased funding due to fund balance growth inFY20
E	601Q545J	535105	A	20	1	200,000.00	As needed - no specific identified project atthis time
E	601C54DN	570000	A	10	1	391,019.00	The FY21 amount carried forward
E	601D54DO	581100	A	10	1	675,125.00	Board Priority #9: Create a reserve for futureexpansion, modernization or replacement ofsystems. - FY21 budget carried forward

Account Type	Organization	Object	Detail Type	Line	Quantity	Amount	Description
E	602C54DN	570000	A	20	1	\$11,591.00	FY23 balancing
R	602Q5416	414505	A	10	1	(\$3,360.00)	Keep flat from FY20 - used this logic in FY20budget:~Gorge.net projected revenue updated 4/18/19 100customers @ \$40/mth * 12 mths * 7% = \$3,360
R	602Q5416	414506	A	10	1	(\$4,000.00)	Keep level for FY21 - used this logic in FY20budget:~Created better labeled account, moved expectedrevenue from 414.306; used \$4,000 as placeholder- no better estimate at this time.
E	602Q541I	521505	A	10	1	\$500.00	Legal services - seems to have droppedsignificantly
E	602Q541I	521610	A	10	1	\$500.00	Trending
E	602Q541I	521715	A	10	1	\$14,160.00	Service to meet the requirements of the grantmoney received. 3 year commitment - this is yearthe 4th year so terms of the grant have been met; This amount was held in reserve fund balance inFY21 to fund this year
E	602Q545J	535100	A	10	1	\$2,000.00	FY23 Funding
R	602Q5499	417100	A	10	1	(\$315.00)	estimate on interest
R	602Q54G1	400000	A	20	1	(\$71,076.00)	Projected Mike M 4/5/22
E	602T54CL	556010	A	10	1	\$50,000.00	Start pay back of the \$156K. This is onlypossible due to the \$144,765 flow through grantreceived through Maupin. Not using all the fundsnow but this will be a start; FY21 pd \$50K; FY22 pd \$50K; FY23 will pay \$50K - leaving \$6K still due in FY24



MINUTES

QLife Budget Committee Meeting
Thursday, April 21, 2021
Via Google Hangouts

Call to Order President Hege calls the meeting to order at 12:01 PM.

Roll Call Scott Hege, Rod Runyon, Dale Lepper, Lee Weinstein, Jacob Dunaway, John Hutchinson, Taner Elliot, Steve Lawrence, Doug Quisenberry, John Amery, Tom McGowan, Keith Mobley, Carrie Pipinich, Joseph Franell, Dan McNeely, Kate Willis, Kristen Campbell, Tyler Stone, Stephanie Krell, Matthew Klebes, and Mike Middleton.

Nomination of Budget Committee Chair and Secretary

[[Mr. Hutchinson moves to nominate President Hege as Budget Committee Chair. Mr. Lawrence seconds the motion, which passes unanimously.]]

[[Mr. Hutchinson moves to nominate Mr. Runyon as Budget Committee Secretary. Mr. Weinstein seconds the motion, which passes unanimously.]]

Changes to the Agenda

There are no changes to the agenda.

[[Mr. Hutchinson moves to approve the agenda. Mr. Weinstein seconds the motion, which passes unanimously.]]

Approval of the Consent Agenda

[[Mr. Hutchinson moves to approve the consent agenda. Mr. Weinstein seconds the motion, which passes unanimously.]]

Budget Message/Budget Presentation

Mr. Middleton presents the budget message and presentation included in the packet and explains that it is prepared in compliance with budget law; however, the newspaper did not publish the hearing notice in time. We did publish the meeting notice online, Mr. Middleton informed the auditors, and he was assured that there would not be a finding.

Mr. Middleton explains that the purpose of the budget is to guide management, inform the public and authorizes spending. We want to build a resilient budget, which creates flexibility to bend but not break.

Mr. Middleton notes that the operations fund decrease was intentional. We are transferring out of the operations fund to the capital fund based on expected revenue. It is important to avoid taking on too many capital projects at once to avoid overspending. There is also a transfer to the capital fund from the Maupin fund, which represents the second scheduled repayment of the loan from the capital fund in 2017.

Mr. Middleton discusses the Maupin fund, which is in its second full fiscal year. Revenues are projected but not coming through as planned so he is working with staff to figure out where the kink in the system lies. Mr. Hutchinson asks how much of a variance Mr. Middleton has seen in revenues and Mr. Middleton responds that we have seen \$0 but budgeted for \$7,000. Mr. Lawrence wonders why this fund is separate from the Wasco County budget, which could create additional sustainable funding, and Mr. Middleton explains that QLife is legally a separate entity but believes it will be in a sustainable state once staff have identified the issue. Mr. Stone adds that the system in Maupin is owned by the city of Maupin so it is important to keep that fund separate from the QLife general fund.

Mr. Middleton notes that revenues have increased from last year and have been exceeding expenses; however, five account lines have been proposed for increase this year in materials and services -- administrative costs, legal, audit, engineering and network services. Mr. Hutchinson asks if legal counsel is increasing their fees and Mr. Middleton explains that there are no expanded legal issues, just more billable hours. Mr. Middleton informs the committee that we have engaged with a new auditor, the same company the county uses.

Mr. Hutchinson asks about a large fiber repair that was completed a few years ago and wonders if we anticipate any future repairs. Mr. Amery responds that we did have a section of bad fiber but it has had no further issues.

Mr. Lawrence wonders what we have planned for the transferred funds from general to capital and Mr. Middleton explains that we had anticipated replacing an \$80,000 generator in 2020, which is not come to fruition. Also, there are still projects under consideration from the 2016 capital improvement plan and potential broadband deployment opportunities coming in the next few months.

Expenses in the Maupin account remain the same from last year with Wi-Fi being the largest expense. We budgeted \$14,000 for the year and have used grant dollars to fund it, but at the end of FY22, we will have met our grant requirement.

Mr. Hutchinson asks if revenue flow is predictable for the near future and Mr. Middleton confirms that it is. Mr. Quisenberry wonders how difficult it is to transfer from fund to fund and Mr. Middleton responds that it is not difficult at all. Mr. Quisenberry wonders if it would be hard to transfer funds back and Mr. Middleton responds that if there is an issue with a transfer that it could be called off. Transfers are budgeted but not required and we typically wait until the end of the fiscal year to play it safe.

President Hege wonders how we would budget for broadband funding that is coming down the pike and Mr. Middleton explains that we would receive it in the capital fund and then schedule a budget change. President Hege remarks that the Port sometimes budgets higher in the event that grant opportunities arise and wonders if we should also budget opportunistically. Mr. Klebes wonders what limitations exist for grant funds down the road and Mr. Middleton responds that there are no limits on extra resources, only barriers to stay under budget.

Mr. Stone recommends that we add \$5M to a grant fund line in the capital fund so there is no need for another committee meeting if funding comes through. Ms. Pipinich adds that there is a lot of discuss of broadband funding coming down the line and makes sense to stay flexible so we can move quickly on opportunities. Mr. Hutchinson adds that the Port also allocated \$5M for the same reason. Mr. Dunaway agrees that if there is a reasonable chance of receiving grant finding, planning for it now makes sense. Mr. Runyon adds that the remainder of the budget is a road map and will not spend the funds if we do not receive any grants.

[[The budget committee is in consensus to increase the capital fund by \$5M for future grant opportunities.]]

Public Comment

There are no comments from the public.

Deliberation and Recommendation for FY 2021-22

[[Mr. Runyon makes a motion to approve the QLife budget for FY 2021-2022 for 8,987,151. Mr. Dunaway seconds the motion, which passes unanimously.]]

The Budget Committee Hearing is adjourned at 1:18 PM.

These minutes were approved by the QLife Board on _____.

Rod Runyon, Secretary