

QLife Network

QualityLife Intergovernmental Agency

AGENDA

QLife Budget Committee Meeting

Tuesday, March 22, 2011

Conference Room City Hall

3:00pm

1. **Call to order**
2. **Approval of Agenda**
3. **Election of Officers**
4. **Workshop with Board**
 - a. **Report on Projected Year End Financial Position of Agency**
 - b. **Review of proposed Financial Priorities for FY 2011-12**
 - c. **Comments, Questions and Requests for information from Budget Committee**
5. **Next Meeting: Budget Committee April 26, 2011 3:00pm**



TO: QualityLife Intergovernmental Agency Budget Committee
FROM: Nolan Young, Administrator
DATE: March 9, 2011
SUBJECT: FY 2011-12 Financial Priorities

Each year based on the recommendation of the Budget Committee the Board adopts Financial Priorities to guide in the preparation of the annual budget.

Attached is a copy of the Draft list for the committee to review. Numbers 1 & 6 are items that are considered part of the routine operating budget. For the most part the changes are administrative in nature.

We are proposing to eliminate "Hire Marketing and Sales Consultant to expand business". It is felt that as a middle mile provider there to assist end customers providers that if we try to "expand the business" we may start to compete in those areas that we originally agreed to stay out of. We are currently getting a sufficient amount of new service inquiries with our current model.

QUALITYLIFE NETWORK INTERGOVERNMENTAL AGENCY POLICY
Financial Priorities for Fiscal Year 2011-12

DRAFT

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.

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:

1. Normal maintenance and operating costs of the QLIFE Agency as determined appropriate through the budgeting process.
2. Amounts needed for annual debt retirement responsibilities of the Agency incurred through formation of the Agency or by the construction of the original plant, or any expansions of that plant.
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. Up to \$15,000 for unexpected system plant repairs or alterations. Budgeted in Outside Plant Primary.
6. Up to \$20,000 to assist new customers with build out of connection. Budgeted in Outside Plant Secondary.
7. Create a reserve for future expansion, modernization, or replacement of system
8. ~~Hire marketing and sales consultant to expand the business.~~
98. The creation of a reserve to engineer and extend fiber optic service to other parts of Wasco County.
109. Develop a reserve equal to 1 year's loan payment (\$138,000)

10. ~~Pay early an An~~ amount to retire additional debt of the Agency not yet due.

11. The creation of a local Technology grant programs for public and non-profit organizations. The rules for expenditures from this fund will be established by the Board, subject to the approval of all partners to the agreement.

12. ~~Develop a reserve equal to 1 year's loan payment (\$138,000)~~

~~————— \$46,000 per year for three years~~

~~————— \$34,500 per year for four years~~

~~————— \$27,600 per year for five years~~

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 15, 2011

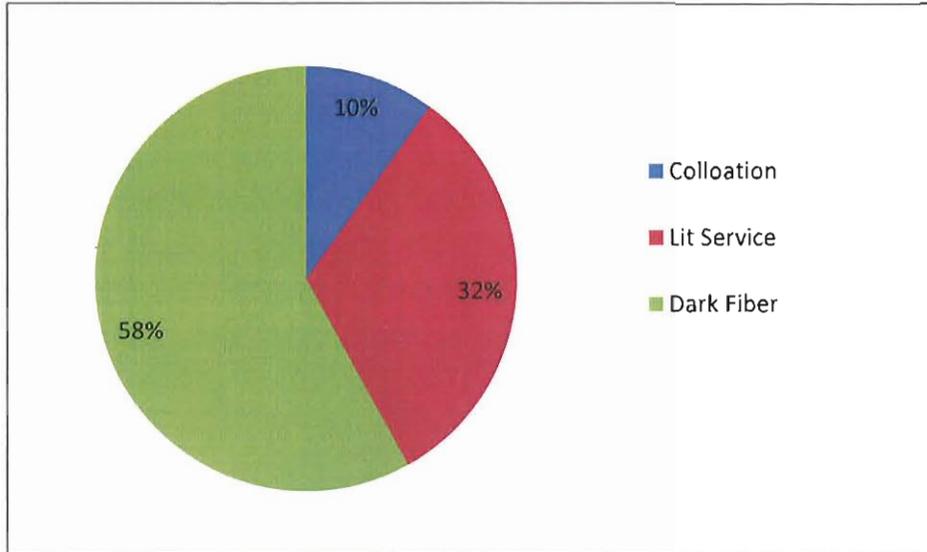
Dan Ericksen, President

Customer Revenue January 2011

Total: \$34,310

16 Customers

Colloation	10%
Lit Service	32%
Dark Fiber	58%



TO: Qlife Board
 Nolan Young, City Manager
 FR: Kate Mast, Finance Director
 RE: Financial Report for QLIFE – February 2011

BANKING:

QLife monies are deposited into a separate bank checking account. We opened a Money Market Account in December 2008 that we transfer excess funds into when possible to earn 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.

67% of the year has passed.

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, 2010 to February 28, 2011</u>			
	Budget	Actual	Percentage	
Beginning Balance	\$ 83,913	\$ 83,450	99.4%	* see below
Revenues	\$ 554,850	\$ 320,943	57.8%	
Expenditures	\$ 312,686	\$ 87,431	27.9%	
Transfers to Capital/Debt Fund	\$ 326,077	\$ 237,147	72.7%	
Cash at Month End	\$ 36,754.21			

Exceptions:

- 1) Beginning Balance: * *The Beginning Balance figures used here have been audited. The actual audited beginning balance is slightly less than budgeted, but we have sufficient contingency to cover the shortfall.*
- 2) Revenues:
 - a. Customer user fees are at 65.3% for the year.
- 3) Expenditures:
 - a. E-Rates in the amount of \$3,064.32 have been received and paid out to date this fiscal year.
 - b. In order to track capital project costs more accurately, we are posting design and engineering costs related to projects that will result in additions to our capital assets

to the Capital Outlay line items so that those costs can be included in the valuation of those capital asset additions. We have moved those specific engineering costs (\$3,291.25) out of the QLife Agency Fund (600) Materials & Services category and into the Capital Outlay category in the QLife Capital Fund (601) in accordance with this new asset tracking process.

- 4) Budget Changes: No budget changes have been made to this fund this fiscal year.

CAPITAL (601):

BUDGET COMPARISONS

	July 1, 2010 to February 28, 2011		
	Budget	Actual	Percentage
Beginning Balance	\$ 145,576	\$ 138,832	95.3% * see below
Transfers In	\$ 326,077	\$ 237,147	72.7%
Revenues	\$ 71,000	\$ 58,762	82.8%
M&S / Capital Outlay / Other	\$ 350,704	\$ 60,319	17.2%
Debt Expenditures	\$ 191,949	\$ 142,895	74.4%
Cash at Month End	\$ 231,527.08		

Exceptions:

- 1) Beginning Balance: * *The Beginning Balance figures used here have been audited. The actual audited beginning balance is less than budgeted, but we have sufficient contingency to cover the shortfall.*
- 2) Revenues:
 - a. We received the \$50,000 enterprise payment in January 2011.
- 3) Expenditures:
 - a. In order to track capital project costs more accurately, we are posting design and engineering costs related to projects that will result in additions to our capital assets to the Capital Outlay line items so that those costs can be included in the valuation of those capital asset additions. We have moved those specific engineering costs (\$3,291.25) out of the QLife Agency Fund (600) Materials & Services category and into the Capital Outlay category in the QLife Capital Fund (601) in accordance with this new asset tracking process. We have also moved specific engineering fees (\$6,821.00) out of the Materials & Services category of the QLife Capital Fund (601) and into the Capital Outlay category.
- 4) Budget Changes: No budget changes have been made to this fund this fiscal year.

City of The Dalles

FUND 600 QUALITYLIFE AGENCY FUND		***** CURRENT *****			***** YEAR-TO-DATE *****			ANNUAL	UNREALIZED
ACCOUNT	ACCOUNT DESCRIPTION	ESTIMATED	ACTUAL	%REV	ESTIMATED	ACTUAL	%REV	ESTIMATE	BALANCE
300	BEGINNING BALANCE								
300									
00 00		6,992	.00		55,936	83,450.11	149	83,913	462.89
300	**	6,992	.00		55,936	83,450.11	149	83,913	462.89
300	*** BEGINNING BALANCE	6,992	.00		55,936	83,450.11		83,913	462.89
340	CHARGES FOR SERVICES								
341	GENERAL GOVERNMENT								
90 00	MISC SALES AND SERVICES	0	.00		0	.00		0	.00
341	** GENERAL GOVERNMENT	0	.00		0	.00		0	.00
344	UTILITY SERVICES								
10 00	UTILITY SERVICE CHARGES	35,483	34,310.00	97	283,864	278,095.00	98	425,800	147,705.00
15 00	LSN CREDITS	5,500	5,500.00	100	44,000	38,500.00	88	66,000	27,500.00
20 00	CONNECT CHARGES	187	.00		1,496	900.00	60	2,250	1,350.00
344	** UTILITY SERVICES	41,170	39,810.00	97	329,360	317,495.00	96	494,050	176,555.00
340	*** CHARGES FOR SERVICES	41,170	39,810.00		329,360	317,495.00		494,050	176,555.00
360	OTHER REVENUES								
361	INTEREST REVENUES								
00 00	INTEREST REVENUES	66	52.48	80	528	384.13	73	800	415.87
361	** INTEREST REVENUES	66	52.48	80	528	384.13	73	800	415.87
369	OTHER MISC REVENUES								
00 00	OTHER MISC REVENUES	0	.00		0	.00		0	.00
20 00	E-RATE REIMBURSEMENT	5,000	.00		40,000	3,064.32	8	60,000	56,935.68
369	** OTHER MISC REVENUES	5,000	.00		40,000	3,064.32	8	60,000	56,935.68
360	*** OTHER REVENUES	5,066	52.48		40,528	3,448.45		60,800	57,351.55
390	OTHER FINANCING SOURCES								
392	SALE OF FIXED ASSETS								
00 00	SALE OF FIXED ASSETS	0	.00		0	.00		0	.00
392	** SALE OF FIXED ASSETS	0	.00		0	.00		0	.00
390	*** OTHER FINANCING SOURCES	0	.00		0	.00		0	.00
FUND TOTAL QUALITYLIFE AGENCY FUND		53,228	39,862.48		425,824	404,393.56		638,763	234,369.44

FUND 600 QUALITYLIFE AGENCY FUND			DEPT/DIV 6000 QLIFE/			*****CURRENT*****			*****YEAR-TO-DATE*****			ANNUAL	UNENCUMB.	%
BA	ELE	OBJ	ACCOUNT	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.	BUDGET	BALANCE	BDGT	
SUB	SUB		DESCRIPTION											
66			EXPENSE-ACCOUNT											
660			FINANCIAL OPERATIONS											
	02		MATERIALS & SERVICES											
	31	10	ADMINISTRATIVE	1666	.00	0	13328	6906.16	52	.00	20000	13093.84	35	
		15	COUNTY	416	.00	0	3328	.00	0	.00	5000	5000.00	0	
		20	OUTSIDE PLANT MAINTENACE	2333	3881.19	166	18664	4631.19	25	.00	28000	23368.81	17	
		90	OTHER SERVICES	1666	.00	0	13328	.00	0	.00	20000	20000.00	0	
	32	10	AUDIT	483	.00	0	3864	5600.00	145	.00	5800	200.00	97	
		20	LEGAL SERVICES	500	.00	0	4000	3135.00	78	.00	6000	2865.00	52	
	34	10	ENGINEERING SERVICES	1000	2107.50	211	8000	7777.50	97	.00	12000	4222.50	65	
		30	NETWORK SYSTEM MANAGEMENT	3833	.00	0	30664	31788.30	104	.00	46000	14211.70	69	
		50	SPECIAL STUDIES & REPORTS	0	.00	0	0	.00	0	.00	0	.00	0	
	43	10	BUILDINGS AND GROUNDS	166	.00	0	1328	.00	0	.00	2000	2000.00	0	
		25	NETWORK EQUIPMENT	383	.00	0	3064	1190.00	39	.00	4600	3410.00	26	
		40	OFFICE EQUIPMENT	0	.00	0	0	.00	0	.00	0	.00	0	
		71	SPCL UTILITY EQUIPMENT	0	.00	0	0	.00	0	.00	0	.00	0	
		86	LINE MNTNCE & SUPPLIES	0	.00	0	0	.00	0	.00	0	.00	0	
		87	UTILITIES LOCATES	83	.00	0	664	88.56	13	.00	1000	911.44	9	
	44	10	OFFICE SPACE RENTAL	261	.00	0	2088	1566.00	75	.00	3132	1566.00	50	
	52	10	LIABILITY	458	.00	0	3664	5181.00	141	.00	5500	319.00	94	
		30	PROPERTY	25	.00	0	200	.00	0	.00	300	300.00	0	
	53	20	POSTAGE	16	.00	0	128	53.87	42	.00	200	146.13	27	
		30	TELEPHONE	40	30.00	75	320	273.00	85	.00	480	207.00	57	
		40	LEGAL NOTICES	33	.00	0	264	240.00	91	.00	400	160.00	60	
	54	00	ADVERTISING	83	.00	0	664	403.27	61	.00	1000	596.73	40	
	57	10	PERMIT	33	.00	0	264	.00	0	.00	400	400.00	0	
	58	10	TRAVEL, FOOD & LODGING	33	.00	0	264	.00	0	.00	400	400.00	0	
		50	TRAINING AND CONFERENCES	16	.00	0	128	150.00	117	.00	200	50.00	75	
		70	MEMBERSHIPS/DUES/SUBSCRIP	16	.00	0	128	.00	0	.00	200	200.00	0	
		80	SCHOLARSHIPS	166	.00	0	1328	.00	0	.00	2000	2000.00	0	
	60	10	OFFICE SUPPLIES	16	.00	0	128	.00	0	.00	200	200.00	0	
	69	50	MISCELLANEOUS EXPENSES	41	.00	0	328	230.95	70	.00	500	269.05	46	
		60	POLE CONNECTION FEES	633	5949.20	940	5064	7838.28	155	.00	7600	238.28	103	
		70	RIGHT OF WAY FEES	1064	1029.30	97	8512	7313.55	86	.00	12774	5460.45	57	
		80	ASSETS <\$5000	0	.00	0	0	.00	0	.00	0	.00	0	
	02	**	MATERIALS & SERVICES	15463	12997.19	84	123704	84366.63	68	.00	185686	101319.37	45	
	03		CAPITAL OUTLAY											
		74	20 TELECOMMUNICATIONS EQUIP	1666	.00	0	13328	.00	0	.00	20000	20000.00	0	
		78	50 FIXED ASSET RECLASS ACCT	0	.00	0	0	.00	0	.00	0	.00	0	
	03	**	CAPITAL OUTLAY	1666	.00	0	13328	.00	0	.00	20000	20000.00	0	
	05		OTHER											
		87	00 DEPRECIATION EXPENSE	0	.00	0	0	.00	0	.00	0	.00	0	
	05	**	OTHER	0	.00	0	0	.00	0	.00	0	.00	0	
660	**	**	FINANCIAL OPERATIONS	17129	12997.19	76	137032	84366.63	62	.00	205686	121319.37	41	
66	**	**	EXPENSE-ACCOUNT	17129	12997.19	76	137032	84366.63	62	.00	205686	121319.37	41	

FUND 600 QUALITYLIFE AGENCY FUND		DEPT/DIV 9500 OTHER USES/			*****YEAR-TO-DATE*****			ANNUAL	UNENCUMB.	%	
BA ELE OBJ	ACCOUNT	*****CURRENT*****						BUDGET	BALANCE	BDGT	
SUB	DESCRIPTION	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.			
60	QLIFE FUND										
81 62	IF PMT TO OTHER FUNDS	0	.00	0	0	.00	0	.00	0	.00	
91	QLIFE CAPITAL FUND	27173	29643.36	109	217384	237146.88	109	.00	326077	88930.12	73
83 10	ESD E-RATE	5000	.00	0	40000	3064.32	8	.00	60000	56935.68	5
05 **	OTHER	32173	29643.36	92	257384	240211.20	93	.00	386077	145865.80	62
06	CONTINGENCY / UAFB										
88 00	CONTINGENCY	3916	.00	0	31328	.00	0	.00	47000	47000.00	0
89 00	UNAPROPRIATED ENDING BAL	0	.00	0	0	.00	0	.00	0	.00	0
06 **	CONTINGENCY / UAFB	3916	.00	0	31328	.00	0	.00	47000	47000.00	0
600 ** **	OTHER USES	36089	29643.36	82	288712	240211.20	83	.00	433077	192865.80	56
60 ** **	QLIFE FUND	36089	29643.36	82	288712	240211.20	83	.00	433077	192865.80	56
DIV 9500	TOTAL *****	36089	29643.36	82	288712	240211.20	83	.00	433077	192865.80	56
DEPT 95	TOTAL *****										
	OTHER USES	36089	29643.36	82	288712	240211.20	83	.00	433077	192865.80	56
FUND 600	TOTAL *****										
	QUALITYLIFE AGENCY FUND	53218	42640.55	80	425744	324577.83	76	.00	638763	314185.17	51

City of The Dalles

FUND 601 QLIFE CAPITAL FUND		***** CURRENT *****			***** YEAR-TO-DATE *****			ANNUAL	UNREALIZED
ACCOUNT	ACCOUNT DESCRIPTION	ESTIMATED	ACTUAL	%REV	ESTIMATED	ACTUAL	%REV	ESTIMATE	BALANCE
300	BEGINNING BALANCE								
300									
00 00		12,131	.00		97,048	138,832.34	143	145,576	6,743.66
300	**	12,131	.00		97,048	138,832.34	143	145,576	6,743.66
300	*** BEGINNING BALANCE	12,131	.00		97,048	138,832.34		145,576	6,743.66
330	INTERGOVERNMENTAL REVENUE								
331	FEDERAL REVENUES								
90 00	FEDERAL GRANTS-MISC	0	.00		0	.00		0	.00
331	** FEDERAL REVENUES	0	.00		0	.00		0	.00
330	*** INTERGOVERNMENTAL REVENUE	0	.00		0	.00		0	.00
340	CHARGES FOR SERVICES								
344	UTILITY SERVICES								
20 00	CONNECT CHARGES	1,750	.00		14,000	8,761.25	63	21,000	12,238.75
344	** UTILITY SERVICES	1,750	.00		14,000	8,761.25	63	21,000	12,238.75
340	*** CHARGES FOR SERVICES	1,750	.00		14,000	8,761.25		21,000	12,238.75
360	OTHER REVENUES								
369	OTHER MISC REVENUES								
00 00	OTHER MISC REVENUES	0	.00		0	.00		0	.00
10 00	ENTERPRISE ZONE PAYMENT	4,166	.00		33,328	50,000.00	150	50,000	.00
369	** OTHER MISC REVENUES	4,166	.00		33,328	50,000.00	150	50,000	.00
360	*** OTHER REVENUES	4,166	.00		33,328	50,000.00		50,000	.00
390	OTHER FINANCING SOURCES								
391	OPERATING TRANSFERS IN								
40 00	IF PMT FROM OTHER FUNDS	0	.00		0	.00		0	.00
90 01	QLIFE OPERATING FUND	27,173	29,643.36	109	217,384	237,146.88	109	326,077	88,930.12
391	** OPERATING TRANSFERS IN	27,173	29,643.36	109	217,384	237,146.88	109	326,077	88,930.12
393	PROCEEDS- LT LIABILITIES								
10 00	LOAN/BOND PROCEEDS	0	.00		0	.00		0	.00
393	** PROCEEDS- LT LIABILITIES	0	.00		0	.00		0	.00
390	*** OTHER FINANCING SOURCES	27,173	29,643.36		217,384	237,146.88		326,077	88,930.12
FUND TOTAL QLIFE CAPITAL FUND		45,220	29,643.36		361,760	434,740.47		542,653	107,912.53

