

QLife Network

Fiscal Year 2013-14

ADOPTED BUDGET

of the

**QUALITYLIFE INTERGOVERNMENTAL
AGENCY**



A Partnership of
Wasco County, Oregon
City of The Dalles, Oregon

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Fiscal Year 2013-14

ADOPTED BUDGET

Presented to the QLife Budget Committee
by
Nolan Young, QLife Budget Officer

QLife Agency, Budget Committee Members

Agency Board: President, Scott Hege
 Vice President, Bill Dick
 Secretary/Treasurer, Erick Larson
 Member, Carolyn Wood
 Member, Brian Ahier

Budget Committee
Members: Ken Farner
 David Karlson
 Kenneth Leibham
 Jim Broehl
 Chip Wood

Staff Support

Legal Counsel: Keith Mobley
Administrative: City of The Dalles City Manager, Nolan Young
Finance Director: City of The Dalles, Kate Mast
Secretarial: City of The Dalles, Izetta Grossman

Agency Partners

Wasco County
City of The Dalles

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Adopted Budget FY 2013-14

BUDGET INDEX

BUDGET MESSAGE1

FINANCIAL PRIORITIES POLICY5

BUDGET SUMMARY TABLE7

BUDGET OVERVIEW8

REVENUE & EXPENDITURE PIE CHARTS9

CUSTOMER REVENUE & USER FEE CHARTS10

OPERATING CONTRACTS CHART.....11

EXPENDITURES COMPARISON CHART.....11

OPERATING FUND BUDGET12

CAPITAL PROJECTS FUND BUDGET13

DEBT SUMMARY14

10 YEAR PROJECTION15

5 YEAR CAPITAL IMPROVEMENT PLAN16

RESOLUTION NO. 13-003 ADOPTING BUDGET17

QUALITYLIFE INTERGOVERNMENTAL AGENCY

BUDGET MESSAGE FY 2013-14

QLife is an intergovernmental agency, consisting of the City of The Dalles and Wasco County, governed by a Board of Directors. QLife provides broadband, ethernet, wide area networks, internet access, and virtual private networks through local internet service providers. The QLife System has been operational since December 2003.

The following narrative explains the proposed budget for the Quality Life Intergovernmental Agency for fiscal year 2013-2014. The budget amounts shown here represent two funds: Operating Fund and Capital Fund.

This budget is prepared based on the Financial Priority Policy adopted by the Agency Board for fiscal year 2013-2014. A list of those Financial Priorities follows this Budget Message. We were able to budget funding for Financial Priorities Items #1 through #9.

I. Fund #1 - Maintenance and Operation - \$722,202: The proposed Maintenance and Operation budget is based on past operations.

A. Resources: This fund's revenue primarily comes from customer-generated sources.

1. Beginning Fund Balance (\$97,223) This is our estimated net revenues over expenditures for FY12/13, the current fiscal year. This increase of \$30,374 from our actual FY12/13 beginning balance is due to more FY 12/13 beginning fund balance than originally budgeted and lower materials and services cost in FY12/13.
2. User Fees (\$572,229) These are the charges to customers to transport data on our fiber to other locations on our system or to the NoaNet Big Eddy Point of Presence (POP), collocation in our equipment room, and for dark fiber leases. The chart on page 10 shows customer type by use. We are estimating a 5% increase in user fees based on current orders.
3. LSN Credits (\$0) These credits are assistance that LSN provided us to retire initial debt based on the customers we provided them in FY12/13.
4. Connect Charges (\$2,250) These are the fees that new customers pay to connect to our broadband system.
5. E-Rate Payment (\$50,000) This is the assistance that our education customers receive from a support program. We budget an expenditure of an equal amount: as when we receive this money, we send it to the education agencies.

B. Expenditures:

1. Qlife is a contract operation with seven primary operating contracts.
 - a. Administrative Services (\$20,000) The City provides financial, management, and clerical services at actual cost of salary and benefits.
 - b. Contractual Service County (\$7,000) – GIS System support
 - c. Outside Plant Maintenance (\$58,000) - This is for overhead maintenance work that is needed including line repair and pole work mandated by those whose poles we are connected to. Because of capital improvement pole audit projects, this line item is up \$30,000 this fiscal year.
 - d. Legal Services - (\$8,400)
 - e. Network System Management (\$71,000) – QLife has a contract with a consulting firm to provide the following: (Because of increased activity this line item is up \$6,000.)
 - ✓ Technical maintenance of the system and its electronics;
 - ✓ Customer Service issues;
 - ✓ Sign up and connection of new customers;
 - ✓ Coordinate backbone and spur line repairs and manage the line maintenance contract;
 - ✓ Coordinate with LightSpeed Networks on Technical issues;
 - ✓ Report monthly to the QLife Board.
 - f. Engineering Services (\$23,800) – We contract with Erik Orton who has been with us from the beginning of the system for routine engineering and assistance with new customers. This item is up almost \$10,000 to assist with audit of outdoor plant.
 - g. Audit Services (\$5,180) – Merina & Company is our contracted accounting firm for audit services.
4. Office Space Rental (\$5,244) – For renting space at City Hall to house QLife facilities and equipment.
5. Pole Contracts (\$9,500) – for pole contact fees with Northern Wasco County PUD and CenturyLink. This is increased \$500 to reflect increased numbers of pole connections.
6. Network Equipment (\$4,600) – Covers the maintenance and repair of QLife network equipment.
7. Other Services (\$5,000) – QLife periodically contracts for clearing lines from trees and other hazards.
8. Electronics Reserve (\$20,000) – This meets Priority #3 of our Financial Priorities Policy for upgrading and replacement of the electronics of the system as needed.

9. ROW Fee (\$16,655) – Payment of a right of way equal to 3% of customer fees.
10. Scholarship (\$2,000) – This item was added in FY10/11 for scholarships in the technology fields at Columbia Gorge Community College.
11. Robotics Grant (\$2,000) – This item was added in FY12/13 to support local teams and competitions.
12. Insurance (\$5,855) – Includes general liability insurance and property insurance for equipment at City Hall.
13. Other Expenses (\$8,320) – Includes office supplies, utility locates, electricity, telephone service, advertising, legal notices, training, travel, and membership fees.
14. Transfers Out (\$321,933) – Only a portion of revenues for this fund are expended (44.7%) or held as contingency or unappropriated ending balance (10.7%). The remaining (44.6%) is transferred to the Capital Projects Fund for current debt retirement (\$201,551) and system improvements (\$120,982).
15. Contingency (\$27,247) – 10% of Materials and Services and Capital Outlay
16. Unappropriated Ending Balance (\$49,957) – To fund Board priority #4, a cash reserve equaling approximately one month of user fees, plus 10%.

II. Fund #2 - Capital Projects (\$528,769): The Capital Projects Fund is for debt retirement and projects for new customers and system enhancement.

A. Revenue:

1. Beginning Fund Balance (\$123,736) – Reduction of \$88,903 from FY 12/13 beginning balance reflects the use of carried over funds for the redundancy/bisector projects.
2. Enterprise Zone Payments (\$50,000) – for the next nine years QLife will receive \$50,000 from Enterprise Zone Payments. This is designated for the CSB loan payment.
3. Transfer from Operating Fund (\$321,933) – Resources used for current debt retirement (\$201,551) and system improvements (\$120,982).
4. Connect Charges (\$32,500) – These are charges for adding service to new customers. Based on the addition of 5 new customers.

B. Expenditures:

1. Telecom Equipment (\$0) – No telecom equipment identified in capital improvement plan.
2. Outside Plant Primary (\$0) – No primary system development identified in capital improvement plan.
3. Outside Plant – Secondary (\$32,500)

- a. \$12,500 paid by customers for service extensions
- b. \$20,000 Priority #6 “up to \$20,000 to assist new customers with build out of connection”
4. Materials and Services (\$19,000) – This includes engineering services and materials to extend lines to new customers.
5. Pole Make Ready Costs (\$5,000) – This is for work to utility poles to support QLife lines and equipment.
6. General Debt Payments (\$278,792) – The payment of loan principal and interest due this fiscal year on QLife loans, plus additional principal payment as funds allow (Priority #9). The Table on page 14 summarizes QLife’s current debts.
7. Reserve for System Improvements (\$140,000) – Priority #8 “Create a reserve of \$140,000 for future expansion, modernization or replacement of system.” During the year the Board will determine which projects it may pursue as opportunities arise.
8. Contingency (\$52,877) – For unanticipated needs

Future Budgets

Attached following the Debt Summaries is a ten (10) year projection based on current trends. It shows a bright future for QLife.

QUALITYLIFE NETWORK INTERGOVERNMENTAL AGENCY POLICY
Financial Priorities for Fiscal Year 2013-14

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:

A. Routine Costs:

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 in addition to contingency. Budgeted in Capital Fund: Outside Plant Primary

B. Discretionary Costs:

6. Capital Improvement Plan items 1-4 for plant audit and tagging.
7. Up to \$20,000 to assist new customers with build out of connection. Budgeted in Capital Fund: Outside Plant Secondary.
8. Maintain a reserve of \$140,000 for future expansion, modernization, or

replacement of system.

9. Use additional surplus funds to retire additional debt of the agency not yet due (2 year goal).
10. Splice case documentation.
11. Downtown service line grid construction \$170,000.
12. Additional Co-location space.
13. New QLife generator at City Hall.
14. Create a reserve to engineer and extend broadband services to other parts of Wasco County.
15. After all long term agency debt is retired and capital improvement is on target, establish 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.
16. After all long term agency debt is retired and capital improvement is on target, provide to City and County equal amounts.

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 February 28, 2013



Scott Hege, QLife President

QUALITYLIFE INTERGOVERNMENTAL AGENCY

PRIOR YEAR COMPARISON SUMMARY

	FY09/10 Actual	FY10/11 Actual	FY11/12 Actual	FY12/13 Budget	FY013/14 Adopted
Beginning Balance	237,246	222,282	380,186	269,562	220,959
Customer Fees	465,974	567,759	538,890	571,100	606,979
Other Sources	326,458	408,209	493,520	416,344	372,433
Total Resources	1,029,678	1,198,250	1,412,595	1,257,006	1,200,371
QLIFE - General Fund	427,634	503,036	608,056	584,538	644,998
QLIFE - Capital Fund	185,038	123,087	234,705	239,475	56,500
Debt Service	194,725	191,942	290,326	249,784	228,792
Reserves	-	-	-	88,000	140,000
Contingency	-	-	-	95,209	80,124
Unappropriated Ending Balance	-	-	-	-	49,957
Total Expenditures	807,397	818,064	1,133,086	1,257,006	1,200,371
Ending Balance	222,281	380,186	279,509	-	-

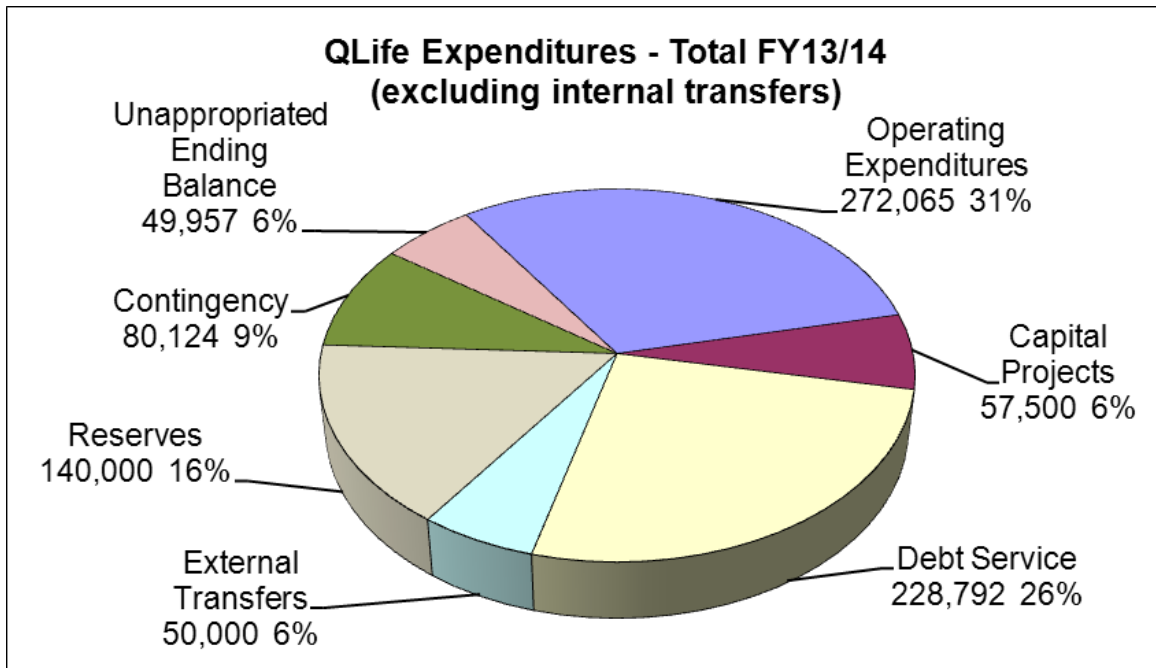
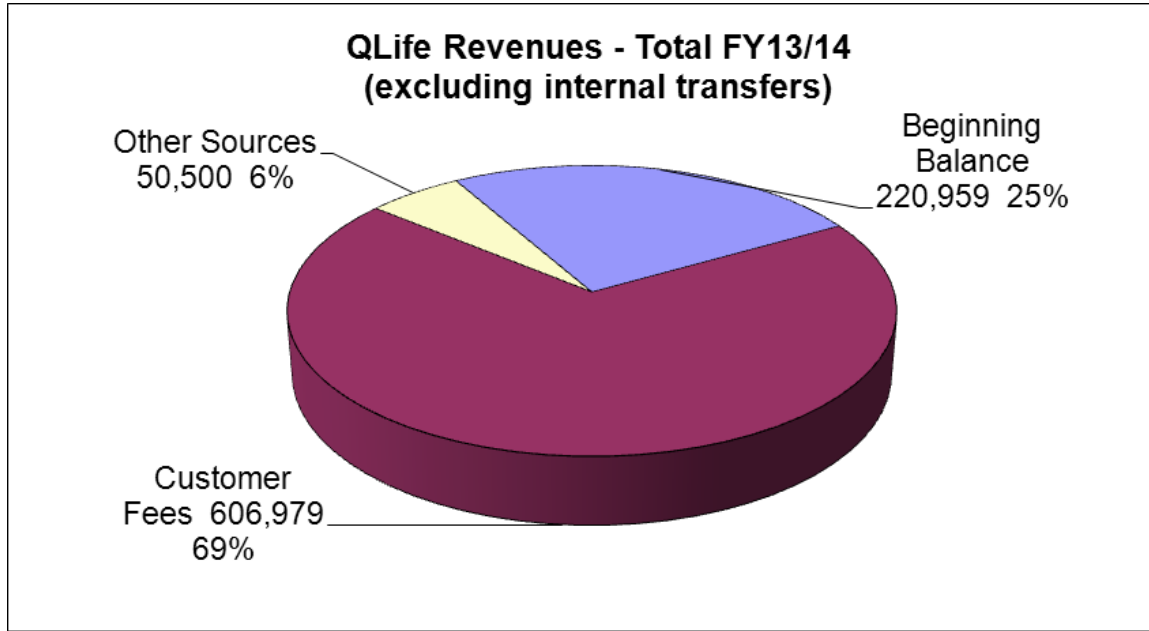
QUALITYLIFE INTERGOVERNMENTAL AGENCY

**OVERVIEW SUMMARY
Adopted Budget FY 2013-14**

	Agency General Fund	Capital Fund	Total Adopted FY13/14
Beginning Balance	97,223	123,736	220,959
Customer Fees	574,479	32,500	606,979
Other Sources Grants / Loans	50,500	-	50,500
	-	-	-
Transfers In	-	321,933	321,933
Total Resources	722,202	478,169	1,200,371
Operating Expenditures	253,065	19,000	272,065
Capital Projects	20,000	37,500	57,500
Debt Service	-	228,792	228,792
External Transfers	50,000	-	50,000
Internal Transfers Out	321,933	-	321,933
Reserves	-	140,000	140,000
Contingency	27,247	52,877	80,124
Unappropriated Ending Balance	49,957	-	49,957
Total Expenditures	722,202	478,169	1,200,371

QUALITYLIFE INTERGOVERNMENTAL AGENCY

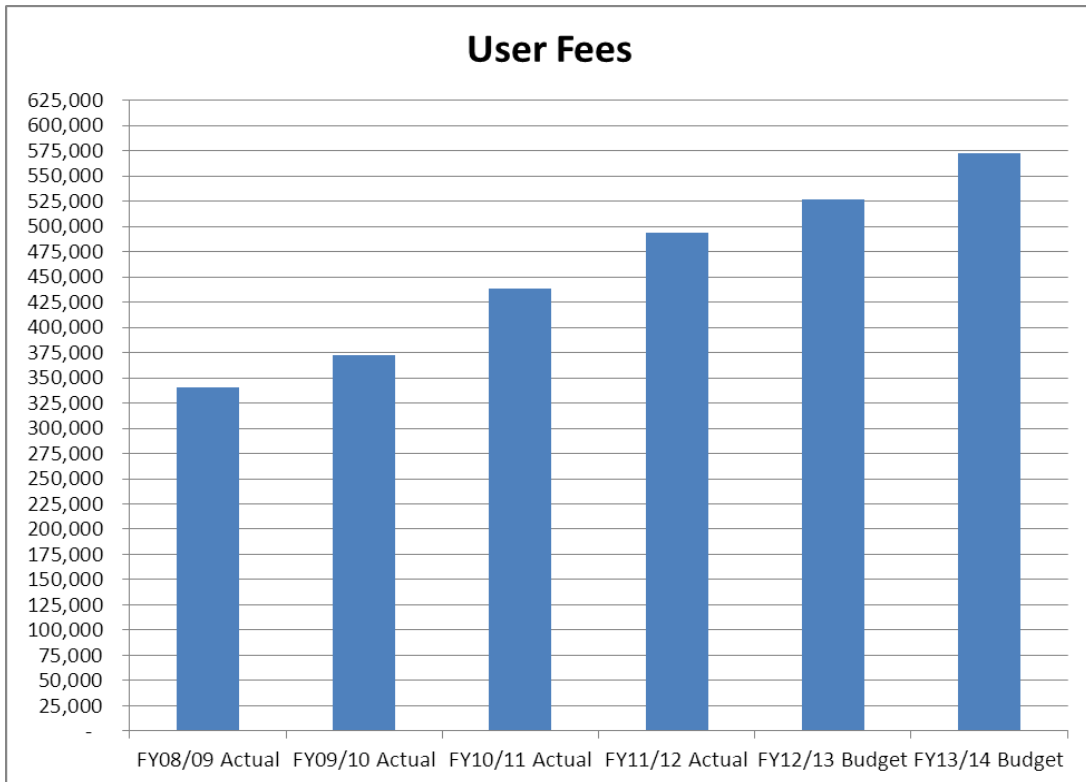
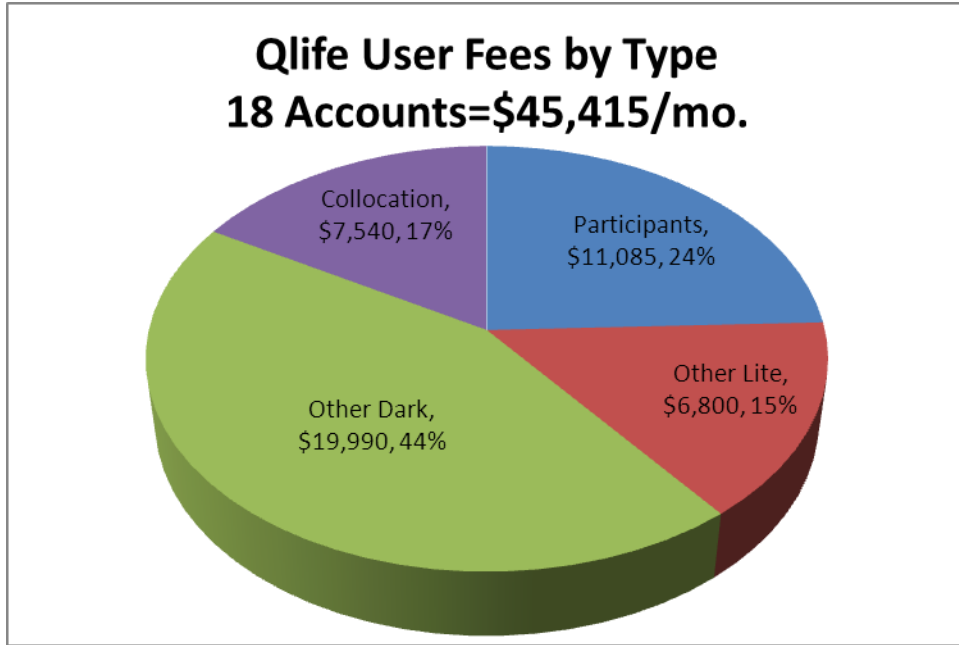
**REVENUES AND EXPENDITUES BY SOURCE
FY 2013-14**



QUALITYLIFE INTERGOVERNMENTAL AGENCY

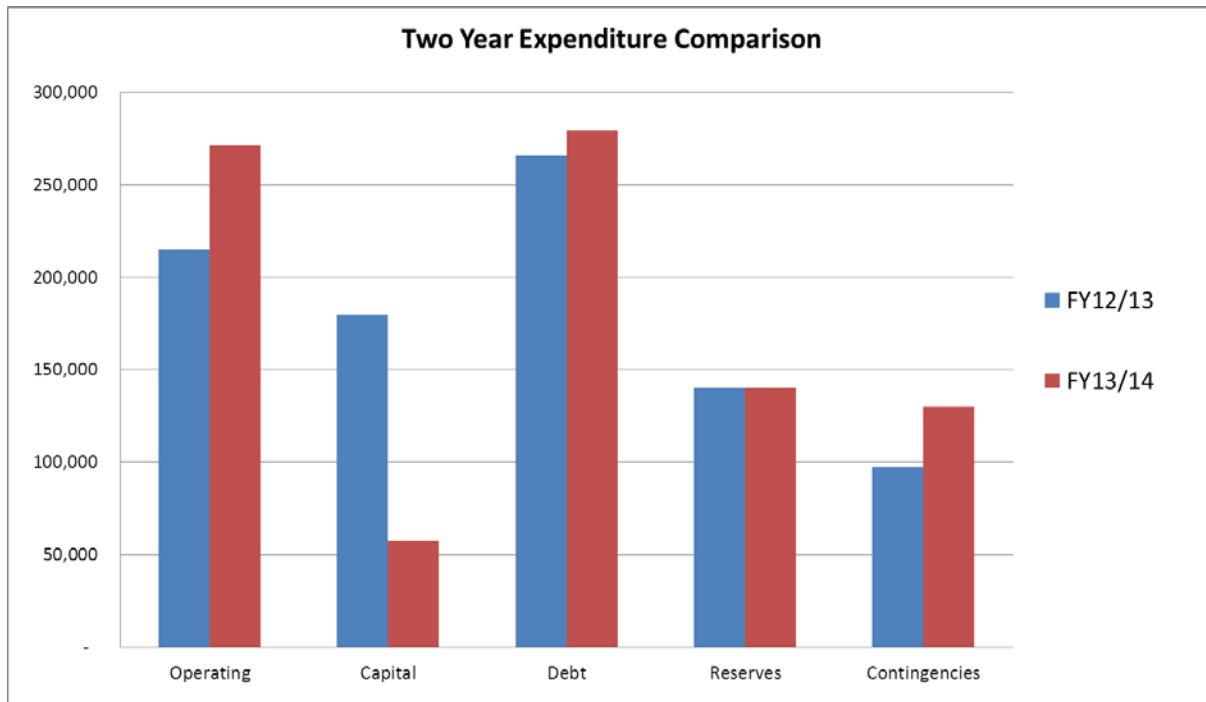
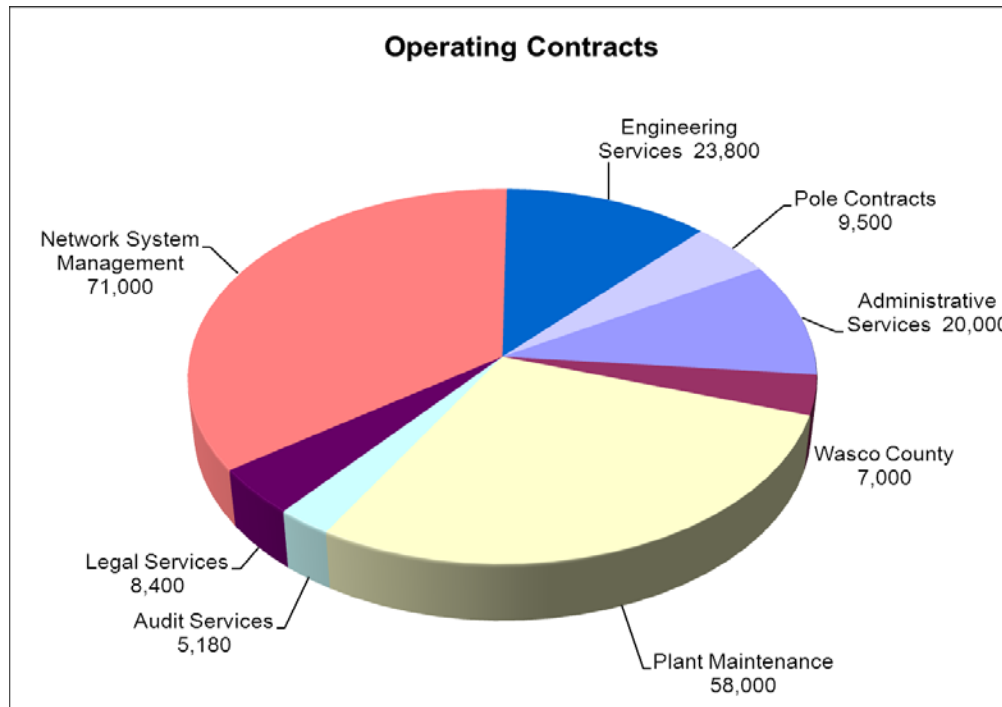
CUSTOMER REVENUES & USER FEES

As of April 1, 2013



QUALITYLIFE INTERGOVERNMENTAL AGENCY

OPERATING CONTRACTS FY 2013-14



QUALITYLIFE INTERGOVERNMENTAL AGENCY

Adopted Budget FY 2013-14

FY10/11 Actual	FY11/12 Actual	FY12/13 Budget	Account #	Description	FY13/14 Proposed	FY13/14 Approved	FY13/14 Adopted
QLIFE AGENCY FUND 600							
REVENUES							
83,450	120,561	50,438	600-0000-300.00-00	Beginning Balance	97,223	97,223	97,223
437,965	494,200	526,350	600-0000-344.10-00	Utility Service Charges	572,229	572,229	572,229
66,000	22,000	-	600-0000-344.15-00	LSN Credits	-	-	-
4,050	2,250	2,250	600-0000-344.20-00	Connect Charges	2,250	2,250	2,250
613	318	500	600-0000-361.00-00	Interest Revenues	300	300	300
-	138	-	600-0000-369.00-00	Other Misc Revenues	200	200	200
31,519	35,438	50,000	600-0000-369.20-00	E-Rate Reimbursements	50,000	50,000	50,000
-	-	-	600-0000-371.90-00	Misc Sales and Services	-	-	-
623,597	674,905	629,538	TOTAL REVENUES		722,202	722,202	722,202
EXPENDITURES							
Materials & Services							
14,700	15,597	20,000	600-6000-660.31-10	Administrative Services	20,000	20,000	20,000
-	10,000	7,000	600-6000-660.31-15	Contractual Svc - County	7,000	7,000	7,000
7,638	16,551	28,000	600-6000-660.31-20	Outside Plant Maint	58,000	58,000	58,000
-	-	-	600-6000-660.31-90	Other Services	5,000	5,000	5,000
5,600	4,850	5,000	600-6000-660.32-10	Audit	5,180	5,180	5,180
10,770	9,015	8,400	600-6000-660.32-20	Legal Services	8,400	8,400	8,400
14,705	9,136	12,000	600-6000-660.34-10	Engineering Services	23,800	23,800	23,800
56,320	60,196	64,000	600-6000-660.34-30	Network System Mgmt	71,000	71,000	71,000
-	-	-	600-6000-660.34-50	Special Studies /Reports	-	-	-
-	-	-	600-6000-660.41-40	Electricity	600	600	600
700	372	2,000	600-6000-660.43-10	Buildings & Grounds	500	500	500
1,190	2,494	4,600	600-6000-660.43-25	Network Equipment	4,600	4,600	4,600
89	-	1,000	600-6000-660.43-87	Utilities Locates	1,000	1,000	1,000
3,660	5,244	5,244	600-6000-660.44-10	Office Space Rental	5,244	5,244	5,244
5,181	4,985	5,500	600-6000-660.52-10	Liability Insurance	5,855	5,855	5,855
-	300	-	600-6000-660.52-30	Property Insurance	-	-	-
54	113	200	600-6000-660.53-20	Postage	200	200	200
393	331	360	600-6000-660.53-30	Telephone	420	420	420
455	307	400	600-6000-660.53-40	Legal Notices	400	400	400
403	1,532	1,300	600-6000-660.54-00	Advertising	1,300	1,300	1,300
-	-	400	600-6000-660.57-10	Permits	400	400	400
-	366	400	600-6000-660.58-10	Travel, Food & Lodging	2,000	2,000	2,000
150	665	700	600-6000-660.58-50	Trainings & Conferences	700	700	700
40	25	200	600-6000-660.58-70	Memberships/Dues/Subs	200	200	200
7	10	200	600-6000-660.60-10	Office Supplies	100	100	100
2,000	-	2,000	600-6000-660.63-80	Scholarships	2,000	2,000	2,000
-	-	2,000	600-6000-660.63-90	Robotics Grant	2,000	2,000	2,000
408	345	500	600-6000-660.69-50	Misc Expenses	500	500	500
7,838	7,733	9,000	600-6000-660.69-60	Pole Connection Fees	9,500	9,500	9,500
13,139	14,826	15,790	600-6000-660.69-70	Right of Way Fees	17,166	17,166	17,166
-	-	2,500	600-6000-660.69-80	Assets < \$5000	-	-	-
145,440	164,992	198,694	Total Materials & Services		253,065	253,065	253,065
Capital Outlay							
-	-	20,000	600-6000-660.74-20	Telecom Equipment	20,000	20,000	20,000
-	-	20,000	Total Capital Outlay		20,000	20,000	20,000
Other							
326,077	407,626	315,844	600-9500-600.81-91	QLife Capital Fund	321,933	321,933	321,933
31,519	35,438	50,000	600-9500-600.83-10	ESD E-Rate Transfers	50,000	50,000	50,000
-	-	45,000	600-9500-600.88-00	Contingency	27,247	27,247	27,247
-	-	-	600-9500-600.89-00	Unappropriated Ending Fund Balance	49,957	49,957	49,957
357,596	443,064	410,844	Total Other		449,137	449,137	449,137
503,036	608,056	629,538	TOTAL EXPENDITURES		722,202	722,202	722,202
120,561	66,849	-	REVENUES LESS EXPENSES		-	-	-

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Adopted Budget FY 2013-14

FY10/11 Actual	FY11/12 Actual	FY12/13 Budget	Account #	Description	FY13/14 Proposed	FY13/14 Approved	FY13/14 Adopted
			QLIFE CAPITAL FUND 601				
			REVENUES				
138,832	259,625	219,124	601-0000-300.00-00	Beginning Balance	123,736	123,736	123,736
59,744	20,440	42,500	601-0000-344.20-00	Connect Charges	32,500	32,500	32,500
-	-	-	601-0000-369.00-00	Other Misc Revenues	-	-	-
50,000	50,000	50,000	601-0000-369.10-00	Enterprise Zone Payment	50,000	50,000	-
326,077	407,626	315,844	601-0000-391.90-01	Qlife Operating Fund	321,933	321,933	321,933
-	-	-	601-0000-393.10-00	Loan/Bond Proceeds	-	-	-
574,654	737,690	627,468	TOTAL REVENUES		528,169	528,169	478,169
			EXPENDITURES				
			Materials & Services				
11,365	5,706	10,000	601-6000-660.34-10	Engineering Services	11,000	11,000	11,000
-	-	4,000	601-6000-660.34-70	Customer Connections	4,000	4,000	4,000
-	-	-	601-6000-660.34-90	Other Services	-	-	-
-	-	4,000	601-6000-660.43-86	Lines, Maint & Supplies	4,000	4,000	4,000
11,365	5,706	18,000	Total Materials & Services		19,000	19,000	19,000
			Capital Outlay				
-	6,685	15,500	601-6000-660.72-20	Buildings	-	-	-
28,225	80,521	71,500	601-6000-660.74-20	Telecom Equip	-	-	-
28,873	90,337	86,975	601-6000-660.76-10	Primary (System Maint)	-	-	-
54,174	51,381	42,500	601-6000-660.76-20	Secondary (Line Extensions)	32,500	32,500	32,500
450	75	5,000	601-6000-660.76-30	Pole Make Ready Costs	5,000	5,000	5,000
111,722	228,999	221,475	Total Capital Outlay		37,500	37,500	37,500
			Debt Service				
146,798	253,396	215,444	601-6000-660.79-50	Loan Principal Payments	265,622	265,622	215,622
45,144	36,929	34,340	601-6000-660.79-60	Interest Payments	13,170	13,170	13,170
191,942	290,326	249,784	Total Debt Service		278,792	278,792	228,792
			Other				
-	-	88,000	601-9500-600.84-15	Reserve for Sys Imprmnts	140,000	140,000	140,000
-	-	-	601-9500-600.84-20	Reserve for Co Expansion	-	-	-
-	-	-	601-9500-660.84-30	Reserve for Debt Retirement	-	-	-
-	-	50,209	601-9500-600.88-00	Contingency	52,877	52,877	52,877
-	-	138,209	Total Other		192,877	192,877	192,877
315,029	525,031	627,468	TOTAL EXPENDITURES		528,169	528,169	478,169
259,625	212,660	-	REVENUES LESS EXPENSES		-	-	-

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Long Term Debt as of July 1, 2013

QLife will have the following long term debt as of July 1, 2013:

1. Columbia State Bank Refinance: Columbia State Bank (formerly Columbia River Bank) provided a fully amortized ten (10) year loan at 5% interest in May 2008 to refinance the Columbia River Bank original line of credit debt for NoaNet Oregon that paid for the LightSpeed Networks (LSN) and the State of Oregon Special Public Works Funds (SPWF) loan. Under the terms of the loan, final payment is due May 13, 2018 and the current payment is \$11,494.11 per month (includes principal & interest)—due by the 13th of each month.

With an additional principal payment of \$107,340 in FY12/13, the anticipated balance as of July 1, 2013 is projected at \$344,554. Making regular monthly payments and the proposed additional principal payments in FY13/14, there will be approximately \$129,425 in principal outstanding as of July 1, 2014. If the additional principal payment is made in FY13/14, the loan should be paid off in June 2015 by making regular monthly payments in FY14/15.

This adopted budget includes an additional principal payment of \$90,865. The amortization table for the Columbia State Bank loan below shows that with this additional principal payment, this loan could be fully paid off in FY 2014-15.

Columbia State Bank Amortization Schedule as of 06/30/13

Fiscal Year	Principal	Interest	Total
FY 13/14	215,129	13,664	228,793
FY 14/15	129,425	3,363	132,788
Total	344,554	17,027	361,581

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Ten Year Projections

	FY 13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Beginning Balances ¹	\$220,959	\$150,098	\$154,451	\$158,935	\$163,553	\$168,309	\$173,208	\$178,255	\$183,452	\$188,806
Local Line Charges	\$572,229	\$589,396	\$607,078	\$625,290	\$644,049	\$663,370	\$683,271	\$703,769	\$724,883	\$746,629
Misc. Revenues	\$35,250	\$36,308	\$37,397	\$38,519	\$39,674	\$40,864	\$42,090	\$43,353	\$44,654	\$45,993
e-Zone Revenue	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Rev.	\$657,479	\$675,703	\$694,474	\$713,809	\$733,723	\$754,235	\$775,362	\$797,123	\$819,536	\$842,622
Insurance	\$5,855	\$6,031	\$6,212	\$6,398	\$6,590	\$6,788	\$6,991	\$7,201	\$7,417	\$7,639
Maintenance/Operation	\$112,830	\$116,215	\$119,701	\$123,292	\$126,991	\$130,801	\$134,725	\$138,767	\$142,930	\$147,218
Management	\$71,000	\$73,130	\$75,324	\$77,584	\$79,911	\$82,308	\$84,778	\$87,321	\$89,941	\$92,639
Administration	\$33,580	\$34,587	\$35,625	\$36,694	\$37,795	\$38,928	\$40,096	\$41,299	\$42,538	\$43,814
Unappropriated Ending Balance	\$49,957.00	\$54,027.95	\$55,648.79	\$57,318.26	\$59,037.80	\$60,808.94	\$62,633.21	\$64,512.20	\$66,447.57	\$68,441.00
Total Operating Expend.	\$273,222	\$283,991	\$292,511	\$301,286	\$310,325	\$319,634	\$329,223	\$339,100	\$349,273	\$359,751
Funds Available	\$605,216	\$541,811	\$556,415	\$571,457	\$586,951	\$602,910	\$619,347	\$636,277	\$653,716	\$671,677
Contingencies	\$80,124	\$82,528	\$85,004	\$87,554	\$90,180	\$92,886	\$95,672	\$98,542	\$101,499	\$104,544
Debt Service	\$278,792	\$78,711	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
System Expand/Repl.	\$56,500	\$58,195	\$59,941	\$61,739	\$63,591	\$65,499	\$67,464	\$69,488	\$71,573	\$73,720
Planned Capital Improvements Project	\$49,800	\$62,312	\$187,312	\$168,312	\$18,312	\$0	\$0	\$0	\$0	\$0
Funds/Reserves	\$140,000	\$260,065	\$224,158	\$253,853	\$414,867	\$444,525	\$456,211	\$468,247	\$480,644	\$493,414
Total Reserves²	\$140,000	\$400,065	\$624,223	\$878,076	\$1,292,943	\$1,737,468	\$2,193,679	\$2,661,926	\$3,142,570	\$3,635,984

¹ Combined balances of Operating and Capital Fund

² If funds dedicated to projects/reserves go unspent

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Five Year Capital Improvement Plan

CAPITAL IMPROVEMENT PLAN						
QLIFE						
Priority	PROJECT DESCRIPTION	13-14	14-15	15-16	16-17	17-18
1	Utility Pole Audits. * Required 1 time every 10 years	\$1,000				
2	Standardized Document location of Engineering/Technical Docs at City Hall	\$5,000	\$1,000	\$1,000	\$1,000	\$1,000
3a	Pole line audits. *Every 5 th year, to be performed by engineering vs technical management, thus higher cost	\$8,800	\$3,312	\$3,312	\$3,312	\$3,312
3b	Tree Trimming. *Over time costs should go down.	\$5,000	\$3,000	\$3,000	\$3,000	\$3,000
3c	Repairs from Pole line audit *Over time costs should go down.	\$20,000	\$15,000	\$10,000	\$10,000	\$10,000
4	Tagging of Fiber Optic facilities	\$10,000				
5	OSP/Insight splice Case Documentation	>	\$40,000			
6	Downtown Metro Loop		>	\$170,000		
7a	New Generator				\$100,000	
7b	Annual Generator Maintenance				\$1,000	\$1,000
7c	Additional Co Lo Space				\$50,000	
	Dry Hollow Bisector Project					TBD

QUALITYLIFE INTERGOVERNMENTAL AGENCY
doing business as
“QLife Network”

RESOLUTION NO. 13-003

**A RESOLUTION ADOPTING THE QUALITYLIFE (QLIFE)
INTERGOVERNMENTAL AGENCY BUDGET FOR FISCAL YEAR 2013-2014,
MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES.**

WHEREAS, the City of The Dalles and Wasco County have approved the Agency’s Budget for Fiscal Year 2013-2014;

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

Section 1. Adoption of the Budget. The Board of Directors hereby adopts the Fiscal Year 2013-2014 QLife budget in the total sum of **\$1,200,371**, as approved by the QLife Intergovernmental Agency Budget Committee, the City of The Dalles, and Wasco County, pursuant to the requirements of that Intergovernmental Agreement between these entities dated March 5, 2003, as amended.

Section 2. Making Appropriations. The amounts for the Fiscal Year beginning July 1, 2013 and for the purposes shown are hereby appropriated as follows:

<u>QLife Operating Fund (600)</u>		<u>QLife Capital Fund (601)</u>	
Materials & Services	\$ 253,065	Materials & Services	\$ 19,000
Capital Outlay	20,000	Capital Outlay	37,500
Interfund Transfers	321,933	Debt Service	228,792
Special Payments	50,000	Reserves	140,000
Contingency	<u>27,247</u>	Contingency	<u>52,877</u>
Sub-Total	\$ 672,245	Total	\$ 478,169
Unappropriated Fund Balance	<u>49,957</u>		
Total	\$ 722,202		

Section 3. Effective Date. This Resolution shall be effective as of 12:01 AM, July 1, 2013.

PASSED AND ADOPTED THIS 27th DAY OF JUNE, 2013

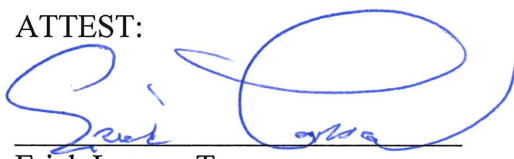
Voting Yes, Board Members: Dick, Larson, Wood, Hege
Voting No, Board Members: —
Absent, Board Members: Ahier
Abstaining, Board Members: —

SIGNED:



Scott Hege, Chair of the Board

ATTEST:



Erick Larson, Treasurer