

QUALITYLIFE (QLIFE) INTERGOVERNMENTAL AGENCY

PROPOSED BUDGET FISCAL YEAR 2025

TABLE OF CONTENTS

1. Budget Message	1
2. Budget Summary	4
3. QLife General (Operating) Fund Budget Line Item (6000).....	5
4. QLife Capital Fund Budget Line Item (6010).....	6
5. QLife Maupin Fund Budget Line Item (6020).....	7
6. Budget Detail & Notes by Account (Fund 6000).....	8
7. Budget Detail & Notes by Account (Fund 6010).....	10
8. Budget Detail & Notes by Account (Fund 6020).....	11
9. Draft Minutes FY24 Budget Committee	12
10. LB-1 (to be added after Budget Committee).....	xx

QUALITYLIFE (QLIFE) INTERGOVERNMENTAL AGENCY

BUDGET MESSAGE

FISCAL YEAR 2025

I am pleased to present to you the QLife Proposed Budget for the Fiscal Year 2025 (FY25). This budget covers the period of July 1st, 2024 to Jun 30th 2025.

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 FY25. 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.

Fund	Fund Name	FY25 Proposed			
		FY24 Budget	Budget	Difference	%
6000	General Operations Fund	1,069,813	1,294,266	224,453	21%
6010	Capital Fund	2,837,128	7,968,036	5,130,908	181%
6020	Maupin Fund	55,538	62,917	7,379	13%
Grand Total		3,962,479	9,325,219	5,362,740	135%

- *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 1,294,266 for FY25. This includes a Beginning Fund Balance of \$424,104. Normal operations expenses are \$566,697 with an additional \$20,000 set aside each year for capital equipment. This is 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 FY25, this amount will increase \$120,000. FY25 increases the transfer as fund balance is projected to increase \$70,513 for FY25.

The Capital Fund starts FY24 with \$2,439,521 in Beginning Fund Balance. Another \$480,000 will be transferred in from the General (Operations) Fund. Additionally, the intent is to apply for a Broadband

Equity grant – this is an unknown but has been budgeted as \$5,000,000. This puts the total resources of the fund at \$7,968,036. The Capital Fund has budgeted \$6,901,892 in capital outlay for equipment, primary system improvement/repair/expansion, and secondary line extensions. This is assuming \$5,000,000 in spending if the Broadband Equity grant is received. (If it is not received, the funds will not be spent.) The remaining \$1,066,144 is split between Contingency and Reserve for System Improvements – the same as last fiscal year. (Reserve for System Improvements is being treated as Unappropriated.) The fund remains healthy and continues to grow.

The Maupin Fund has resources totaling \$62,917. No expenses are projected to be paid out in FY24 – except the final transfer to the Capital Fund - which allows the fund balance to grow.

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 \$480,000 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. A summary is shown below.

From Fund	To Fund	Amount	Purpose
General	Capital	\$360,000	Fund capital expenses and move excess fund balance

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 treated as Unappropriated (Appropriated for use in a future fiscal period).

The General (Operating) Fund has a contingency of \$207,478 – an increase over FY23 of \$31,472. This is 51.4% 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 FY23.

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 FY24.

The Maupin Fund contingency is \$11,591. The contingency did not have to be utilized in FY24.

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 \$6,901,892 for capital outlay in FY25. The primary system has \$1,401,892 budgeted to address potential projects with an additional \$5,000,000 budgeted in case the Broadband Equity grant is received. 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 \$500,000 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 \$35,326 budgeted for capital outlay in FY25. There are funds in contingency to transfer in if necessary, but it is not expected. The \$35,326 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	Telcomm Equipment	\$ 20,000
Capital Fund	Primary System Maintenance	1,401,892
	Primary System - Broadband Equity Grant	5,000,000
	Secondary Line Extension	500,000
Total Capital Fund		<u>6,901,892</u>
Maupin Fund	Primary System	35,326
Total Capital Outlay		\$ 6,957,218

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 presents a strong path for the next fiscal year. The pursuit of the Broadband Equity grant has the potential to allow the organization to grow significantly. Even without the potential grant, the budget is growing. Growth of The Dalles specifically will impact which projects for capital development are prioritized. The Maupin Fund is looking sustainable if the current trends continue. Leadership is exploring additional ways to expand the customer base to continue the growth into the future.

QLife FY25 Budget Summary for Resolution
 Budget by Fund-Department

Fund	Department Classification	Budget Revenue/ Resources	Budget Expense/ Requirements
GENERAL (OPERATIONS)	OPERATIONS	1,294,266	586,697
	TRANSFERS		480,000
	CONTINGENCY		128,565
	UNAPPROPRIATED		99,004
TOTAL GENERAL		1,294,266	1,294,266
CAPITAL	OPERATIONS	7,488,036	6,901,892
	TRANSFERS	480,000	-
	CONTINGENCY		391,019
	UNAPPROPRIATED		675,125
TOTAL CAPITAL		7,968,036	7,968,036
MAUPIN	OPERATIONS	62,917	51,326
	TRANSFERS		-
	CONTINGENCY		11,591
	UNAPPROPRIATED		-
TOTAL MAUPIN		62,917	62,917
Total Appropriation		9,325,219	9,325,219
Unappropriated - for use in future fiscal periods		-	774,129
Appropriated for FY25 Use		9,325,219	8,551,090

Organization	Object	Account Description	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY24 Projected	FY24 Budget	FY25 Proposed	FY25 Approved	FY25 Adopted
600Q54G1	400000	BEGINNING FUND BALANCE	(476,580)	(273,788)	(329,037)	(329,037)	(353,591)	(424,104)		
600Q5414	412101	STATE GRANT/REIMBURSEMENT	-	-	-	-	-	(100,000)		
600Q5416	414500	UTILITY SERVICE CHARGES	(705,555)	(708,224)	(708,959)	(827,769)	(712,860)	(766,800)		
600Q5416	414501	CONNECT CHARGES	(200)	-	(9,000)	(9,000)	(1,000)	(1,000)		
600Q5499	417100	INTEREST EARNED	(597)	(4,314)	(1,982)	(2,642)	(2,162)	(2,162)		
600Q541D	421100	MISCELLANEOUS RECEIPTS	(3,207)	-	(22,187)	(22,187)	(200)	(200)		
600Q541I	521100	ADVERTISING & PROMOTIONS	-	-	-	-	1,000	11,000		
600Q541I	521110	BANK CHARGES	-	-	36	48	-	-		
600Q541I	521120	LEGAL NOTICES & PUBLISHING	176	267	-	270	300	300		
600Q541I	521125	POSTAGE	112	113	163	200	200	200		
600Q541I	521140	SCHOLARSHIP	2,000	2,000	1,000	1,000	2,000	2,000		
600Q541I	521205	TAXES/PERMITS/ASSESSMENTS	-	-	-	-	800	800		
600Q541I	521500	CONTRACTED SERVICES - GENERAL	-	-	-	15,100	15,100	75,100		
600Q541I	521505	CONTRACTED SERVICES - LEGAL	27,772	21,252	17,518	23,357.67	15,000	50,000		
600Q541I	521515	CONTRACTED SERVICES - AUDIT	8,000	-	9,100	13,600	9,000	9,200		
600Q541I	521560	CONTRACTED SERVICES - ENGINEER	53,981	35,432	59,694	79,592	60,000	115,000		
600Q541I	521600	ADMINISTRATIVE COSTS	62,246	67,226	74,503	74,503	72,206	75,816		
600Q541I	521610	POLE CONNECTION FEES	10,124	12,118	14,179	14,179	12,392	15,000		
600Q541I	521720	CONTRACTED SERVICES - NETWORKS	67,696	129,214	81,791	119,620	99,620	105,000		
600Q541I	522100	TELEPHONE	-	26	352	469	200	150		
600Q541I	522131	UTILITIES - ELECTRICITY	618	762	455	607	800	800		
600Q541I	523100	RENT - LAND/BUILDING	3,876	9,690	5,814	7,752	7,752	7,752		
600Q541I	523500	MEALS LODGING & REGISTRATION	1,106	2,607	1,627	2,170	5,700	5,700		
600Q541I	524100	DUES & SUBSCRIPTIONS	5,084	10,697	3,053	4,071	5,075	5,075		
600Q541I	524500	INSURANCE & BONDS	18,282	19,986	24,351	24,351	20,000	30,000		
600Q541I	525130	R&M - BUILDINGS GENERAL	-	-	-	-	1,600	1,600		
600Q541I	525135	R&M - OUTSIDE PLANT MAINTENANC	9,582	2,040	5,318	20,000	20,000	20,000		
600Q541I	526105	SUPPLIES - OFFICE	98	(117)	12	200	200	200		
600Q541I	527100	RIGHT OF WAY FEES	23,713	19,908	11,527	24,833	21,386	23,004		
600Q541I	527170	EQUIPMENT - NETWORK NON-CAPITA	-	-	-	5,000	5,000	5,000		
600Q541I	527180	EQUIPMENT - NON-CAPITAL	450	-	-	5,000	5,000	5,000		
600Q541I	528100	SUPPORTED AGENCY/FLOWTHROUGH	-	-	-	-	-	-		
600Q541I	529100	MISCELLANEOUS EXPENDITURES	277	(89)	-	1,000	1,000	-		
600Q541I	529105	GENERAL GRANTS	-	-	-	3,000	2,000	3,000		
600Q545J	532100	CAPITAL EQUIPMENT	-	-	-	16,122	20,000	20,000		
600Q545J	537110	EASEMENTS	-	-	21,000	21,000	-	-		
600T54CL	556010	TRANSFER TO QLIFE CAPITAL	595,020	324,000	360,000	360,000	360,000	480,000		
600C54DN	570000	CONTINGENCY	-	-	-	-	207,478	128,565		
600U54EP	590000	UNAPPROPRIATED	-	-	-	-	99,004	99,004		
		Net	(295,926)	(329,195)	(379,671)	(353,591)	-	-		

Organization	Object	Account Description	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY24 Projected	FY24 Budget	FY25 Proposed	FY25 Approved	FY25 Adopted
601Q54G1	400000	BEGINNING FUND BALANCE	(1,846,578)	(2,222,177)	(2,414,234)	(2,414,234)	(2,422,613)	(2,439,521)		
601Q5412	413122	BROADBAND EQUITY #11.035	-	-	-	-	-	(5,000,000)		
601Q5416	414501	CONNECT CHARGES	(28,093)	-	-	-	(19,000)	(19,000)		
601Q5499	417100	INTEREST EARNED	(7,646)	(39,294)	(54,543)	(72,723.84)	(29,515)	(29,515)		
601Q541D	421100	MISCELLANEOUS RECEIPTS	(132,146)	(56,160)	(57,687)	(57,687)	-	-		
601T54CF	456000	TRANSFER FROM QLIFE OPERATING	(595,020)	(324,000)	(360,000)	(360,000)	(360,000)	(480,000)		
601T54CF	456020	TRANSFER FROM QLIFE MAUPIN FUN	(50,000)	(50,000)	-	(6,000)	(6,000)	-		
601Q545J	532100	CAPITAL EQUIPMENT	-	-	-	-	80,000	-		
601Q545J	535100	PRIMARY SYSTEM	409,049	256,407	200,035	465,713.99	1,390,984	6,401,892		
601Q545J	535105	SECONDARY LINE EXTENSION	1,287	20,990	16,739	22,318.41	300,000	500,000		
601C54DN	570000	CONTINGENCY	-	-	-	-	391,019	391,019		
601D54DO	581100	RESERVE FOR SYSTEM IMPROVEMENT	-	-	-	0	675,125	675,125		
		Net	(2,249,149)	(2,414,234)	(2,669,690)	(2,422,613)	-	-	-	-

Organization	Object	Account Description	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY24 Projected	FY24 Budget	FY25 Proposed	FY25 Approved	FY25 Adopted
602Q54G1	400000	BEGINNING FUND BALANCE	(127,560)	(70,772)	(36,104)	(36,104)	(40,938)	(46,517)		
602Q5416	414104	CITY OF MAUPIN	-	3,201	-	-	-	-		
602Q5416	414505	CITY OF MAUPIN - GORGE.NET REC	(8,003)	(8,122)	-	(4,036)	(9,000)	(9,000)		
602Q5416	414506	CITY OF MAUPIN - LSN RECEIPTS	(4,817)	(9,026)	(1,525)	(4,325)	(5,000)	(5,000)		
602Q5499	417100	INTEREST EARNED	(368)	(1,385)	(1,855)	(2,473)	(600)	(2,400)		
602Q5411	521505	CONTRACTED SERVICES - LEGAL	-	-	-	-	500	500		
602Q5411	521610	POLE CONNECTION FEES	-	-	-	-	500	500		
602Q5411	521725	CONTRACTED SERVICES - CUSTOMER	-	-	-	-	15,000	15,000		
602Q545J	535100	PRIMARY SYSTEM	-	-	-	-	21,947	35,326		
602T54CL	556010	TRANSFER TO QLIFE CAPITAL	50,000	50,000	50,000	6,000	6,000	-		
602C54DN	570000	CONTINGENCY	-	-	-	-	11,591	11,591		
		Net	(90,748)	(36,104)	10,516	(40,938)	-	-	-	-

Account Type	Organization	Object	Detail Type	Year	Line	Quantity	Amount	Description
R	600Q54G1	400000	A	2025	20	1	(424,104)	Projected by Mike M 2/6/2024
R	600Q5414	412101	A	2025	10	1	(100,000)	Grant from Business Oregon in process BTAP - Broadband Fiscal Assistance Program
R	600Q5416	414500	A	2025	20	12	(766,800)	Feb 2024 monthly billing
R	600Q5416	414501	A	2025	10	1	(1,000)	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	2025	10	1	(2,162)	Interest is has increased
R	600Q541D	421100	A	2025	10	1	(200)	as title implies. not known
							(1,294,266)	Total Resources
E	600Q5411	521100	A	2025	10	1	1,000	Regular budgeted amount
E	600Q5411	521100	A	2025	20	1	10,000	Promotion for project
E	600Q5411	521120	A	2025	10	1	300	Keep flat
E	600Q5411	521125	A	2025	10	1	200	same as last year
E	600Q5411	521140	A	2025	10	2	2,000	Scholarship paid to CGCC Foundation - two @ \$1,000
E	600Q5411	521205	A	2025	10	1	800	Same as FY22
E	600Q5411	521500	A	2025	10	1	12,100	Continuous budgeted balance
E	600Q5411	521500	A	2025	20	1	3,000	tree trimming to clear hazard lines
E	600Q5411	521500	A	2025	30	1	50,000	Financial Advisor and Contract with PUD
E	600Q5411	521500	A	2025	40	1	10,000	MCEDD for County Contract assistance
E	600Q5411	521505	A	2025	10	1	15,000	Expected normal level
E	600Q5411	521505	A	2025	20	1	35,000	Increased legal fees due to project and contract with PUD
E	600Q5411	521515	A	2025	10	1	9,200	Audit costs
E	600Q5411	521560	A	2025	10	1	115,000	FY25 BUDGET
E	600Q5411	521600	A	2025	20	1	75,816	includes City codes of Administrative Services, Financial Contract Services, and Contractual Services - County
E	600Q5411	521610	A	2025	10	1	15,000	Trending
E	600Q5411	521720	A	2025	10	1	11,900	\$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	600Q5411	521720	A	2025	20	1	17,000	Preventative Maintenance
E	600Q5411	521720	A	2025	40	12	30,720	Basic Service \$2,560/mth
E	600Q5411	521720	A	2025	50	1	45,380	Trending adjustment in FY25
E	600Q5411	522100	A	2025	10	1	150	Trending
E	600Q5411	522131	A	2025	10	1	800	based on trending - same as last FY
E	600Q5411	523100	A	2025	10	1	7,752	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	600Q5411	523500	A	2025	10	1	700	keep the budget the same
E	600Q5411	523500	A	2025	20	1	2,000	keep the budget the same
E	600Q5411	523500	A	2025	30	1	3,000	Next 3 years will be in Ashland - not Hood River. To this point we have not needed to worry about hotel & meals.
E	600Q5411	524100	A	2025	20	1	600	OJUA Membership

Account Type	Organization	Object	Detail Type	Year	Line	Quantity	Amount	Description
E	600Q541I	524100	A	2025	30	1	2,700	OSPINSIGHT International renewal
E	600Q541I	524100	A	2025	40	1	100	Oregon Public Utility Commissioner annual fee statement
E	600Q541I	524100	A	2025	50	1	350	Oregon Ethics Commission
E	600Q541I	524100	A	2025	60	1	700	Special District Insurance SDAO Membership
E	600Q541I	524100	A	2025	70	1	50	Wasco County UCC Membership
E	600Q541I	524100	A	2025	80	1	90	ICONECTIV Local number portability Charge
E	600Q541I	524100	A	2025	90	1	25	Annual fee for numbering
E	600Q541I	524100	A	2025	100	1	360	Interstate TRS Fund -
E	600Q541I	524100	A	2025	110	1	100	Sec of State - assumed business name
E	600Q541I	524500	A	2025	10	1	30,000	Trending
E	600Q541I	525130	A	2025	10	1	1,600	keep the budget the same
E	600Q541I	525135	A	2025	10	1	20,000	Repair of the fiber optic lines. Placing fiberon poles and repairing breaks. If new work orreimbursable by others it is in the capital fund.
E	600Q541I	526105	A	2025	10	1	200	same as last FY
E	600Q541I	527100	A	2025	10	1	23,004	Fee of 3% of customer revenues 766,800*3%=23,004.00
E	600Q541I	527170	A	2025	10	1	5,000	keep the budget the same
E	600Q541I	527180	A	2025	10	1	5,000	equipment purchased that does not meet thedefinition of capital (capital is over \$5k andusefull life exceeds 3 years)
E	600Q541I	529100	A	2025	10	1	-	Eliminate as not needed
E	600Q541I	529105	A	2025	10	1	2,000	School robotics program
E	600Q541I	529105	A	2025	20	1	1,000	Increased by \$1,000 at request from school program; OKed by Matt
E	600Q545J	532100	A	2025	10	1	20,000	Item #3 of the agencies Financial PrioritiesPolicy is to reserve \$20,000 for expansion andreplacement of the electronics of the system.Planned portion \$10K
E	600T54CL	556010	A	2025	10	12	480,000	Transfer to Capital
E	600C54DN	570000	A	2025	10	1	129,565	Set Contingency FY25
E	600C54DN	570000	A	2025	20	1	(1,000)	Increased Robotic sponsorship by \$1000
E	600U54EP	590000	A	2025	20	1	99,004	for future periods
							1,294,266	Total Requirements

Account Type	Organization	Object	Detail Type	Year	Line	Quantity	Amount	Description
R	601Q54G1	400000	A	2025	20	1	(2,439,521)	Projected by Mike M 2/06/2024
R	601Q5412	413122	A	2025	10	1	(5,000,000)	BEAD - Broadband Equity Access & Deployment Grant in the process of applying. Amount to be determined but \$5M is placeholder
R	601Q5416	414501	A	2025	10	1	(19,000)	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	2025	10	1	(29,515)	Interest is has increased
R	601T54CF	456000	A	2025	10	12	(480,000)	Transfer in from Operations
							(7,968,036)	Total Resources
E	601Q545J	532100	A	2025	10	1	-	Generator Replacement - Didn't happen yet in FY21 as Zeroed out as not needed a repair was done
E	601Q545J	535100	A	2025	30	1	1,401,892	Available for capital projects
E	601Q545J	535100	A	2025	40	1	5,000,000	BEAD - Broadband Equity Access & Deployment Grant - Amount TBD - using \$5M as placeholder
E	601Q545J	535105	A	2025	10	1	300,000	To be used as needed - no specified projects at this time
E	601Q545J	535105	A	2025	20	1	200,000	As needed - no specific identified project atthis time
E	601C54DN	570000	A	2025	10	1	391,019	The FY21 amount carried forward
E	601D54DO	581100	A	2025	10	1	675,125	Board Priority #9: Create a reserve for futureexpansion, modernization or replacement ofsystems. - FY21 budget carried forward
							7,968,036	Total Requirements

Account Type	Organization	Object	Detail Type	Year	Line	Quantity	Amount	Description
R	602Q54G1	400000	A	2025	20	1	(46,517.00)	Projected by Mike M 2/6/2024
R	602Q5416	414505	A	2025	10	1	(9,000.00)	Trending
R	602Q5416	414506	A	2025	10	1	(5,000.00)	Trending
R	602Q5499	417100	A	2025	10	1	(2,400.00)	Interest is has increased
							(62,917.00)	Total Resources
E	602Q541I	521505	A	2025	10	1	500.00	Legal services - seems to have droppedsignificantly
E	602Q541I	521610	A	2025	10	1	500.00	Trending
E	602Q541I	521725	A	2025	10	1	15,000.00	Potential Contracts
E	602Q545J	535100	A	2025	10	1	35,326.00	FY25 Funding - no specific project identified yet
E	602C54DN	570000	A	2025	20	1	11,591.00	FY23 balancing
							62,917.00	Total Requirements



MINUTES

QLife Budget Committee Meeting
Thursday, May 18, 2023
Deschutes Conference Room
and Google Hangouts

Call to Order President Weinstein calls the meeting to order at 12:04 PM.

Roll Call Lee Weinstein, Scott Hege, Scott Randall, Dale Lepper, John Amery, John Hutchinson, Jennifer Toepke, Taner Elliot, Carrie Pipinich, Keith Mobley, Josh Pool, Tyler Stone, Matthew Klebes, Mike Middleton and Stephanie Krell.

Changes to the Agenda

There are no changes to the agenda.

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

Approval of 2022 Budget Committee Meet Minutes

[[Mr. Hutchinson moves to approve the minutes from 2022 included in the packet. Mr. Hege seconds the motion, which passes unanimously.]]

Nomination of Budget Committee Chair and Secretary

[[Mr. Hutchinson moves to nominate President Weinstein as committee chair and Mr. Hutchinson as Secretary. Mr. Hege seconds the motion, which passes unanimously.]]

Budget Message

Mr. Middleton presents the budget message and presentation included in the packet and explains that it is prepared in compliance with budget law to inform the public, guide the agency and authorize spending. We strive for the budget to be sound, resilient and adaptable. We budget for known projects and capacity for capital projects.

He explains that there is an intentional draw down and transfers to the Capital fund, which will allow us to put most of what we earn into that fund to be used for future projects. He notes that Materials and Services have been increased since last fiscal year.

The Capital Fund is growing consistently year over year and he remarks that we need to make sure not to take on too many projects at one time for the health of the fund.

The Maupin fund has started back paying the Capital fund and \$6,000 remains, which will be paid back in FY24. Interest is projected to increase significantly due to the trend. Recurring revenues appear to be more stable.

Mr. Middleton brings attention to certain account lines that will be changing this fiscal year. Most account lines in the Operations fund are budgeted to remain the same with the exception of four lines: Administrative Costs, Contracted Services (Network Management), Dues and Subscriptions and Right of Way (ROW) fees.

Administrative Costs is increasing due to salary increases, Contracted Services is due to rate increase, Dues and Subscriptions are due to the OSPInsight renewal increase and ROW is based on the percentage of utility services change. Mr. Hege asks if ROW fees are franchise fees and Mr. Middleton responds that they are used to pay the city for the use of right of way.

Transfers out are budgeted at \$360,000 because of the increasing fund balance. Contingency is also up a bit from FY23 so Mr. Middleton feels confident moving it to the Capital fund.

The Capital fund has been increased by \$345,000 from last fiscal year based on projections and trends and only expects to see capital expenses coming out of this fund. Capital Outlay has been increased from FY23 and Equipment for a generator replacement, which has not yet been replaced. Mr. Middleton refers to the Primary System line, which is based on the Capital Improvement Plan from 2016. It is dated but still under consideration.

The Maupin fund had a decrease from FY23 due to repayment to the Capital fund. Interest is up because of current trends. Contracted Services and Capital Outlay are budgeted for just in case there is a need for repairs. Mr. Hutchinson asks if revenue sources are stable and Mr. Middleton confirms that they are. Mr. Hutchinson asks who the biggest customers are and Mr. Klebes responds that Blue Mountain Networks and LS Networks are the two customers.

Mr. Hutchinson asks about a repair of the fiber line we discussed last year and wonders about the status of the repair. Mr. Amery responds that we plan to reroute a customer based on recurring outages related to trees and have a plan in place. It had been put on hold when we transitioned engineering companies. Mr. Hutchinson wonders if there are other areas of concern but Mr. Amery confirms that he has none.

President Weinstein opens the floor for public comment. There is none.

[[Mr. Randall moves approve I move to adopt resolution # 23-02, approving the budget for fiscal year 2023-2024 in the total amount of \$3,962,479. Mr. Hutchinson seconds the motion, which passes unanimously.]]

The meeting is adjourned at 12:56 PM

These minutes were approved by the QLife Board on _____.

Scott Randall, Secretary