



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 4/28/2022.

Rod Runyon, Secretary