



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 to approve the QLife 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