

AGENDA

REGULAR CITY COUNCIL MEETING

May 10, 2010

5.30 p.m.

CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

- 1 CALL TO ORDER
2. ROLL CALL OF COUNCIL
- 3 PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
- 5 PRESENTATIONS/PROCLAMATIONS
6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

7. CITY MANAGER REPORT
8. CITY ATTORNEY REPORT
9. CITY COUNCIL REPORTS
10. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

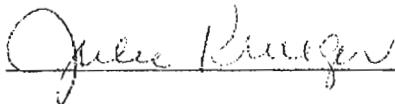
OFFICE OF THE CITY MANAGER

COUNCIL AGENDA

- A. Approval of April 26, 2010 Regular City Council Meeting Minutes
- 11. CONTRACT REVIEW BOARD ACTIONS
 - A. Award Contract for Wastewater Treatment Plant Roof Replacement [Agenda Staff Report #10-032]
- 12. ACTION ITEMS
 - A. Approval of QualityLife Intergovernmental Agency Budget for Fiscal Year 2010-11 [Agenda Staff Report #10-033]
- 13. DISCUSSION ITEMS
 - A. Discussion Regarding Request for Proposals for Lease or Sale of Second Street Breezeway [Agenda Staff Report #10-034]
- 14. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk

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**CITY of THE DALLES**

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 10, 2010	Consent Agenda 10, A	N/A

TO: Honorable Mayor and City Council

FROM: Julie Krueger, MMC, City Clerk

THRU: Nolan K. Young, City Manager

DATE: April 28, 2010

ISSUE: Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

A. ITEM: Approval of April 26, 2010 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the April 26, 2010 regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the April 26, 2010 regular City Council meeting.

MINUTES

REGULAR COUNCIL MEETING
OF
APRIL 26, 2010
5:30 P.M.
CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Dan Spatz, Brian Ahier

COUNCIL ABSENT: Council Position #1 Vacant

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Finance Director Kate Mast, Community Development Director Dan Durow, Police Chief Jay Waterbury, Associate Planner Dawn Hert, Engineer Dale McCabe

CALL TO ORDER

Mayor Wilcox called the meeting to order at 5:30 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; all Councilors present, Position #1 vacant.

PLEDGE OF ALLEGIANCE

Mayor Wilcox invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Wilcox asked the City Council to add approval of an OLCC New Outlet Application for Cruz Thru Grocery to the Consent Agenda.

It was moved by Wood and seconded by Spatz to approve the agenda as amended. The motion carried unanimously, Position #1 vacant.

OATH OF OFFICE

City Clerk Krueger administered the Oath of Office to Mayor Wilcox.

PRESENTATIONS/PROCLAMATIONS

Presentation by Alex Jara Regarding Cultural Concerns

Alex Jara, 4405 Highway 30, The Dalles, and Angelica Perez, 1605 East 12th Street, The Dalles, addressed the City Council with concerns regarding violations of civil rights of the Hispanic community.

Ms. Perez read a statement into the record, saying the Hispanic community did not receive impartial justice or any civil rights. She said when Hispanics were stopped for traffic violations, they were intimidated and shown no respect by police officers. She said there needed to be programs in place to educate about civil rights and that programs were needed to educate Hispanics regarding the laws.

Mr. Jara said he had met with officials over the past year and brought families to meet with the police regarding their concerns and had held a public forum, providing ten points which the Hispanic community asked to have addressed by government officials. He said a reply had been received by the City Manager, but that points #5 and #10 had not been addressed. He questioned whether the reply from the City Manager reflected the views of the City Council. Mr. Jara said there were continued instances of harassment. He said the police officers didn't speak Spanish and that the translator at the Police Department was not certified and that if she didn't like someone, she had a conflict of interest. He said officers went to people's homes with no translator or warrant. Jara said when complaints were made to the Police Chief, the answer was always that the officers had acted correctly. He asked for an outside investigation of the Department.

Mr. Jara said his group had written letters to the Attorney General, Governor, State representatives and the Commission on Hispanic Affairs, calling for an investigation of the local agencies, including the District Attorney's abuse of power and the regional jail. Jara said the jail was funded by private investors and that should be revealed. He accused local agencies of racial profiling and said no Hispanics were selected for juries. He said he was tired of the poor

MINUTES (Continued)
Regular Council Meeting
April 26, 2010
Page 3

treatment of Hispanics and that they were afraid. Jara said justice was needed and the corruption needed to be stopped. He distributed a newspaper which he said contained an article about the District Attorney.

Mayor Wilcox said he had read that publication and it was all innuendo with very few facts. Wilcox said the City Council had no control of the District Attorney and court systems. He said he had met with the group, with staff and with the Commission on Hispanic Affairs. Wilcox said many of things Mr. Jara said were not true and said that an outside investigation of the Police Department had already been conducted and there was no truth to the allegations presented.

City Manager Young said the City Manager was responsible to make sure the laws and policies were followed and the City Attorney's responsibility to provide legal advice. He said a claim of sexual harassment had been filed which was investigated by an outside agency and was resolved. Young said the City did investigate issues brought to their attention.

Young said the group had requested implementation of a Latino oversight committee, but that in a small city, an additional layer of committees to oversee departments was not necessary or appropriate. He recommended against the formation of a committee.

Young said staff had met with the Hispanic Affairs Commission representatives and had an additional meeting scheduled with them in May. He said many of the claims made at this meeting were personal attacks and not related to City government. Young recommended the City Council take no action until after staff had their next meeting with this group and the Hispanic Affairs Commission to see what could be resolved.

Councilor Ahier thanked the group for attending the meeting and assured them the City Council took their concerns seriously. Ahier said he was pleased to hear the Mayor and staff were already involved in a process to resolve the issues. He asked if item #10 was nearly completed.

Police Chief Waterbury reported the pamphlet to educate rights of students had been completed and would be printed within the week, then distributed to the schools.

Councilor Spatz said he would not be opposed to the formation of an ad-hoc committee of limited duration, to ensure the issues were resolved.

Eloy Pando, The Dalles, said he thought it would be helpful to have some educational opportunities for Hispanics to learn about the laws and for the Anglos to learn about the Hispanic culture.

Carlos Perez, The Dalles, said he wanted a better community and to help solve the problems. He said they were not criminals and should be treated better. Perez said many Hispanics didn't speak English and didn't understand the laws.

Mayor Wilcox said it was their responsibility to learn the laws and compared it to himself visiting a foreign country and expecting to obey their laws while in their country. He said they needed to take the responsibility to learn the laws.

Councilor Dick said he had appreciated the presentation, but noted that many issues raised were not within the control of the City Council.

Councilor Wood said she also appreciated hearing the concerns and suggested much education could come from working with local churches and schools.

AUDIENCE PARTICIPATION

Doug Hattenhauer, 3205 Doane Road, The Dalles, said the roundabout was looking great and the project nearing completion. He said the City Council should consider providing a subsidy to the Cannon Packer store for the loss of business they suffered through the project and suggested the City give them a rebate on their rent.

Bob McFadden, 2472 Mountain View Drive, The Dalles, thanked the staff for attending a recent meeting of the Port District to discuss transportation systems development charges. He said the subject would be discussed later in the agenda, but he wanted to let the Council know that the Port would be willing to have a representative on a committee if one was formed.

CITY MANAGER REPORT

None.

CITY ATTORNEY REPORT

City Attorney Parker reported he had been working with staff on several urban renewal issues. He said he would be attending a City Attorney conference on Friday.

In response to a question, Parker said he was working on possible amendments to the Sign Ordinance.

MINUTES (Continued)
Regular Council Meeting
April 26, 2010
Page 5

CITY COUNCIL REPORTS

Councilor Spatz reported on his attendance at the Columbia Gorge Transportation Summit and provided a written summary (attached as Exhibit "A").

Mayor Wilcox reminded the City Council of their Airport tour and Master Plan meeting, scheduled for May 19th.

CONSENT AGENDA

It was moved by Spatz and seconded by Wood to approve the Consent Agenda as amended. The motion carried unanimously, Position #1 vacant.

Items approved by Consent Agenda were: 1) approval of April 12, 2010 regular City Council meeting minutes; 2) authorization for City Clerk to endorse OLCC Change in Ownership application for Ninth Street Sugar Bowl; and 3) authorization for City Clerk to endorse OLCC New Outlet application for Cruz Thru Grocery.

CONTRACT REVIEW BOARD ACTIONS

Award Contract to Oregon Department of Transportation (ODOT) for Upgrade of Webber Street Traffic Signals

Public Works Director Anderson reviewed the staff report. He said staff had been working with Mid Columbia Fire and Rescue District to ensure the proper preemption system was included in the project. He said this project would also link with the system at West Sixth and Cherry Heights Road intersection to ensure proper sequencing.

Dan Hammel and Joel Brown, Mid Columbia Fire and Rescue District, both addressed the Council regarding the importance of including a preemption system to provide for better response time to emergencies and for the public's safety.

It was moved by Spatz and seconded by Ahier to authorize the agreement with ODOT for the upgrade of Webber Street traffic signals in an amount not to exceed \$78,500. The motion carried unanimously, Position #1 vacant.

MINUTES (Continued)
Regular Council Meeting
April 26, 2010
Page 6

Award Contract for Periodic Review Work Program and Planning Services With Winterbrook Planning

Community Development Director Durow reviewed the staff report. He said this process had been slowed down because of the time it took to respond to the Friends of the Gorge objections.

It was moved by Ahier and seconded by Wood to approve the Periodic Review Work Program and contract with Winterbrook Planning in an amount not to exceed \$190,000. The motion carried unanimously, Position #1 vacant.

ACTION ITEMS

Approval to Sign a Grant in the Amount of \$4,350 for Historic Landmarks Commission Certified Local Government

The staff report was reviewed by Associate Planner Dawn Hert.

It was moved by Wood and seconded by Dick to approve the recommended projects and grant request for the Pioneer Cemetery workshop and Rock Fort preservation and maintenance plan in the amount of \$8,700; \$4,350 in State Historic Preservation Office (SHPO) grants; \$2,350 in-kind; \$1,500 from the General Fund; \$500 donated labor. The motion carried unanimously, Position #1 vacant.

Resolution No. 10-007 Establishing Public Improvement Requirements for Local Streets in Residential Zones

The staff report was reviewed by Community Development Director Durow.

City Manager Young said if there were streets found not to be included in the report, staff would make corrections and report any changes to the City Council.

It was moved by Ahier and seconded by Wood to adopt Resolution No. 10-007 establishing public improvement requirements for local streets in residential zones. The motion carried unanimously, Position #1 vacant.

Approval of Employee Compensation Plan for Non-Union Employees

City Manager Young reviewed the staff report. He noted staff had sent a memo to the City Council regarding changing the position of Building and Grounds Worker to Maintenance Worker, which better reflected the work being done by the employee. Young acknowledged the

MINUTES (Continued)
Regular Council Meeting
April 26, 2010
Page 7

work of Finance Director Kate Mast in her re-organization proposal, saying she had acted very professionally.

It was moved by Wood and seconded by Ahier to approve the reorganization of the Finance Department and Maintenance Worker positions as recommended by staff. The motion carried unanimously, Position #1 vacant.

Councilor Ahier he had some discomfort providing cost of living increases for public sector employees while private sector employees were cutting salaries, positions, and benefits. He said he also was not comfortable in not awarding a salary adjustment to the exempt employee group when the unions were already guaranteed increases through their contracts. Ahier said the previous salary study had shown some of the exempt positions as being well behind in salary and he believed those positions should at least receive an increase.

Councilor Spatz said he would support a 3% increase, saying the salary plan approved by the Council had been delayed for at least 18 months due to the economy and those positions were only getting further behind. He said it was important to recognize the work and value of this professional staff.

Councilor Dick said he could support a 3% increase.

Councilor Wood said she too could support a 3% increase.

Mayor Wilcox said he supported the staff and believed they did a good job, but that if they didn't get a salary increase, they would not quit their jobs. He said the City should not give salary increases during a poor economy. Wilcox suggested the Council hold off giving any increases, but continue to pay the current insurance benefit.

Councilor Ahier said the Council was not following the pay plan they adopted in 2007 because of the economy but that it was important to address the underpaid positions at a minimum.

Councilor Dick said if staff recommended a 3% increase, he was comfortable that it was affordable and within the budget and that it was important to morale and the employees deserved to be rewarded for their work.

Councilor Wood said the City did lose good employees many years ago because of pay issues. She said it was reasonable to give a pay increase to reward the work of this group.

Mayor Wilcox expressed concern that the salary increases may not be sustainable and could lead to lay offs in the future.

MINUTES (Continued)
Regular Council Meeting
April 26, 2010
Page 8

Councilor Ahier said he was not supporting the proposal because he was afraid employees would leave but because it was right to reward the employees for their work. He said he would support a 3.2% increase and ask staff to revisit the salary study in the near future.

Wilcox said the bargaining units would be negotiating contracts next year and they would expect salary increases then. He said it needed to be stopped now.

It was moved by Ahier to authorize a 3.2% salary adjustment for exempt employees. The motion died for lack of a second.

It was moved by Wood to authorize a 2.5% salary adjustment for exempt employees. The motion died for lack of a second.

It was moved by Spatz and seconded by Dick to authorize a 3% salary adjustment for exempt employees effective July 1, 2010 and continue the current insurance premium payment formula.

The City Manager was directed to investigate salary comparisons and insurance premium options in the Fall, to be considered at a later time.

The motion to authorize a 3% salary adjustment for exempt employees effective July 1, 2010 and continue the current insurance premium payment formula was voted on and carried unanimously. Position #1 vacant.

Approval of Chamber of Commerce Tourism Promotion Scope of Work and Budget for Fiscal Year 2010-11

City Manager Young reviewed the staff report.

Chamber of Commerce Executive Director Dana Schmidling reported on the success of the recent Cherry Festival and Cherry Blossom Cycling Classic, saying all the hotel rooms in town had been booked over the weekend. She said the GeoCaching program had brought over 2,000 people to the area and was very popular. Schmidling reported on the recognition by National Geographic, saying The Dalles was included on their map of the Cascades due to the Discovery Center and that the Columbia River Gorge was also listed in the top ten global destinations.

Councilor Ahier commended the Chamber for their use of social media, saying it was very well done.

MINUTES (Continued)
Regular Council Meeting
April 26, 2010
Page 9

Schmidling reported that the staff was currently working on a program called 36 hours in the Gorge, where families or single people would be provided with lists of things to do on a short visit to the area. She said they were also working on a way to promote the hidden gems of our community.

It was moved by Wood and seconded by Dick to approve the proposed fiscal year 2010-11 Work Scope and budget for the Community Marketing Program as presented by the Chamber of Commerce. The motion carried unanimously, Position #1 vacant.

DISCUSSION ITEMS

Discussion Regarding Process to Review Transportation Systems Development Charges

Mayor Wilcox provided a list of possible questions regarding the topic (attached as Exhibit "B"). He said he hoped these questions would help with discussion and review by staff and a committee of the transportation systems development charges (SDC's).

City Manager Young reviewed the staff report.

Councilor Ahier said if fees were raised too much, no one would buy a service, so revenues would be decreased. He said if fees were reduced, it would stimulate economic development and increase revenue to the City.

Mayor Wilcox said he had not heard any complaints about the water, storm and sewer SDC's, but that transportation SDC's needed to be reviewed. He asked the Council to consider an expedited review, but to ensure good public input, including the creation of a committee of both staff and citizens. He suggested a small group of three to four citizens and whatever staff the City Manager selected.

Councilor Wood expressed concern about changing the adopted methodology or formula to establish the SDC's.

City Manager Young said the methodology should not be changed and said doing so would cause a much longer delay because there was a 90 day notification period involved in that. He recommended the review include using the base information and working toward a balance between new development and change in development.

Councilor Dick asked that staff review the credit procedure as well. He said new development should pay the normal SDC's, but people who had already established businesses and wanted to increase or move their business should not be penalized.

MINUTES (Continued)
Regular Council Meeting
April 26, 2010
Page 10

It was the consensus of the Council to include Port and Mid Columbia Economic Development District representation on the committee. It was also suggested a Planning Commission member be included, as well as a representative of Crestline Construction.

Staff was directed to begin reviewing the transportation systems development charges using an expedited review process, but including the formation of a staff and citizen committee.

OTHER BUSINESS

Election of a City Council President

Mayor Wilcox said with his appointment to the position of Mayor, the Council should elect a new Council President.

It was moved by Dick and seconded by Spatz to elect Councilor Brian Ahier as Council President. The motion carried; Ahier abstaining, Position #1 vacant.

ADJOURNMENT

Being no further business, the meeting adjourned at 8:15 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

Columbia Gorge Transportation Summit – April 22, 2010
Pioneer Center – White Salmon
Organized by Mid-Columbia Economic Development District

Strategic Recommendations:

Public transit:

1. Assign MCEDD lead role to study regional coordination of current providers, exploring such options as:
 - a. Centralized drop-off and pick-up points
 - b. Fixed-route networks
 - c. Ride coordination through software solution to link existing carriers
 - d. Central dispatch
 - e. Long-term consolidation into a single network for both states and multiple counties?
2. Political support for efforts to re-establish Amtrak on Oregon side, and improve Amtrak service on Washington side
3. Investigate opportunities for EV vans and coordinated EV network

Bicycles and pedestrians:

1. Organize tour of public officials for on-site inspection of possible system improvement
2. Complete Transportation System Plan (TSP) in coordination with safe routes to schools
3. Offer fixed-route transportation across Columbia River bridges
4. Complete restoration of the Historic Columbia River Highway

Van pool and ride sharing:

1. Improved coordinated with existing public transit providers; MCEDD lead role
2. Create a “family plan” discount for van services
3. Investigate subsidy grants available through National Transit Data Systems, which recognize reduced road maintenance requirements resulting from efficient mass transportation
4. Improve marketing and education outreach, including social media, and coordination with anticipated Tri-State van database (this will start soon)
5. Create van pool demonstration project (contingent upon item 6 below)
6. Conduct marketing study to determine van pool feasibility

TRANSPORTATION SYSTEM DEVELOPMENT CHARGE (TSDC) QUESTIONS

- 1) When is application of TSDC triggered on existing buildings?
 - a) any building permit
 - b) \$ value threshold of building permit
 - c) Existing business moving to new existing address
 - d) Any change of use/expansion of business
- 2) What credit is given to existing business if moving to pre-existing space?
 - a) credit for business preceding new business
 - b) credit for new business in old location

System Development Charges are also known as 'Impact Fees'.

What impact do the TSDC fees have on a businesses ability to justify the initial capital investment?

What is the net impact of an existing business moving from one location to another?

What is the impact of a business choosing locate in another community?

What is the impact of an existing business not expanding?

Arc measurements consistent? (rentable space vs floor space)

Are we using the most appropriate measurements?

When researching other communities fees, remember that some communities use SDCs to inhibit growth.



CITY OF THE DALLES
Department of Public Works
1215 West First Street
The Dalles, Oregon 97058

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 10, 2010	Contract Review Board 11, A	10-032

TO: Honorable Mayor and City Council

FROM: Dale S. McCabe, City Engineer

THRU: Nolan K. Young, City Manager *NK*

DATE: April 28, 2010

ISSUE: **WASTEWATER TREATMENT PLANT ROOF REPLACEMENT
CONTRACT NO. 2010-011**

RELATED CITY COUNCIL GOAL: None

BACKGROUND: The City of The Dalles Public Works Department advertised for bids for the Wastewater Treatment Plant Roof Replacement, Contract No. 2010- 011. The scope of work for the project was stated as follows: "The work to be performed shall consist of furnishing all materials, labor, and equipment necessary in the construction of a PMMA resin membrane roofing system, SBS modified bitumen membrane roofing system and removal of the old roofing systems. All work will be conducted in accordance with the contract documents."

In conjunction with the Wastewater Treatment Plant manager, Kim Barte of OMI, the Public Works Department developed a schedule and contract for replacing the existing roofs of the wastewater treatment plant maintenance room, laboratory building, and pump house. The existing roofing systems of all three buildings consist of a single ply membrane system. When the initial discussions and planning/budgeting process for the replacement of the roofing systems occurred, it was anticipated that we would contract out for the replacement of the existing single ply membrane roofing system with a new single ply membrane system. With that assumption, a total amount of \$30,000 was budgeted for Fund 57, line item 7510 for the 2009/2010 fiscal year.

During the development of the Wastewater Treatment Plant Roof Replacement Contract, questions began being raised about performance of the single ply membrane roofing system and to whether or not that was the best roofing system for the Wastewater Treatment Plant facilities. We had numerous discussions with several contractors and eventually manufacture representatives for other roofing systems. The results of those discussions and the research we performed led us to become convinced that the single ply membrane system was not the best roofing system and that a PMMA resin membrane roofing system and a SBS modified bitumen membrane roofing system would be the best system to replace the existing roofing systems.

We felt that the membrane systems would be the best system for the Wastewater Treatment Plant Facilities because of the materials that are used, the methods that are used for installation, the involvement of the manufacturer of overseeing the contractors performance and the 15 year, no dollar limit warranty supplied by the manufacturer. During the contract bidding period, we required both the roofing system and the contractor to meet pre-qualification requirements and be pre-qualified to perform the work with the appropriate system.

The bid opening for the contract was held on April 22nd at 2:00 p.m. for which we received three bids (all contractors had met the pre-qualification requirements). The bids received were as follows.

1. Brown Roofing, in the amount of \$163,357.50.
2. Anderson Roofing, in the amount of \$164,279.00.
3. Snyder Roofing, in the amount of \$201,355.00.

The bids were reviewed by City staff to make sure that the proper material was submitted and the bids were deemed complete.

BUDGET IMPLICATIONS: Although the bids far exceed that of the original \$30,000 that was budgeted, the funds are available in the Wastewater Fund 57, Line 7510, where over \$2,100,000 is budgeted for Wastewater Treatment Plant improvements.

ALTERNATIVES:

- a. **Staff Recommendation:** Authorize the City Manager to enter into contract for the Wastewater Treatment Plant Roof Replacement with Brown Roofing, in an amount not to exceed \$163,357.50.
- b. Provide additional research in response to questions raised by City Council.
- c. Not to proceed with the contract.



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
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AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 10, 2010	Action Items 12, A	10-033

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager 

DATE: April 28, 2010

ISSUE: Approval of the Fiscal Year 2010-11 QualityLife Intergovernmental Agency Budget

BACKGROUND: Section 2.3.2 of the QualityLife Intergovernmental Agency (QLife) amended Intergovernmental Agreement addresses financial matters of the Agency (copy of section attached). It states that *"Approval of the Annual Budget...require the affirmative authorization of each party to be bound, such authorization to be expressed by Resolution, Ordinance or other binding commitment of the party's governing body"* Attached is the Budget approved by the QLife Budget Committee. Final Board adoption of the Budget is scheduled for the June 15, 2010 QLife Board Meeting.

Section 2.5 of the Agency Agreement (attached) addresses the work scope. The financial policies adopted by the Board are attached (page 5 of the budget). The approved Budget fully meets Financial Priorities #1-9. The work scope covered by the Budget includes seven areas:

1. Maintenance and Operation of the current looped system, including managing current agreements for maintenance and operation of the system and for administrative services.
2. Making debt payment on loans used to construct the system and connect to the LS Network.
3. Construction of minor line extensions and electronic upgrades to meet the needs of current and future customers.
4. Completion of system redundancy and bisector strengthening projects.
5. Creation of a \$100,000 reserve for expansion, modernization or replacement

of the system.

6. Hire Marketing/Sales consultant to expand the business.
7. Reserve for engineering or extension into underserved areas of Wasco County.

Approval of this Budget by the City Council includes authorization for the QLife Board to proceed with all seven areas under the Scope of Work. Approval by Wasco County is also required for this Budget and Scope of Work to be implemented.

BUDGET IMPACT: The QLife Budget does not require any specific financial expenditure by the City of The Dalles. The City is proposed to receive up to \$20,000 for financial, clerical and administrative services and receives \$3,132 for rent of the QLife rooms in City Hall, and \$12,774 from the right of way fees.

COUNCIL ALTERNATIVES:

1. Staff Recommendation: Approve the Fiscal Year 2010-11 QLife Budget and Work Scope as presented.
2. Amend and then approve the QLife Budget.
3. Postpone action on the QLife Budget until June to allow for additional research.

to discuss at the IGA meeting. The President shall perform the duties and responsibilities of the IGA in accordance with the obligations and limitations set forth in this Agreement. The President shall not otherwise hold herself or himself out to have the authority to bind the members of the IGA to any financial or other obligations.

2.2.2 Duties of Vice President. The Vice President shall perform the duties of the President in the absence or the incapacity of the President. In the case of the resignation or the death of the President, the Vice President shall perform the duties of the President until such time as the Board shall elect a new President.

2.2.3 Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes and the official records of the IGA and perform such other duties required of a Secretary/Treasurer. The Secretary/Treasurer shall be responsible for the fiscal administration of all funds of the IGA. The Secretary/Treasurer and either the President or the Vice President shall act as co-signers of checks drawn upon the accounts of the IGA. The Secretary/Treasurer may delegate the administrative functions of her or his office to another person or persons who need not be on the Board.

2.2.4 Additional Duties. The Officers of the IGA shall perform such other duties and functions as may from time to time be required by the IGA bylaws, or other rules and regulations.

2.3 Voting Rights. Except as otherwise expressly provided in this Agreement, the Board shall exercise its voting rights in the following manner:

2.3.1 Manner of Acting. A majority vote of the Board shall be necessary to decide any issue except that a unanimous vote of the Board shall be required to decide financial matters described in Section 2.3.2, for the addition of new members pursuant to Section 2.3.3, for the acceptance of or amendment to the scope of work pursuant to Sections 2.5.1 and 2.5.2, and for the dissolution of the IGA pursuant to Section 3.1;

2.3.2 Financial Matters. Any decision of IGA involving the approval of the annual budget, the procurement of goods or services outside the adopted budget, or the incurrence of any financial obligation, including the issuance or sale of bonds, securities or other forms of indebtedness, exclusive of expenditures within the budget, shall require the affirmative authorization of each individual Party to be bound, such authorization to be expressed by resolution, ordinance or other binding commitment of the Party's governing body. Parties not affirmatively authorizing such actions shall in no instances be liable. The procurement of goods and services outside the budget shall be performed by resolution or separate agreement which specifies (1) the apportionment of fees, costs, or revenue derived from the functions and activities; and (2) the manner in which such revenue shall be accounted for. Such resolution or

separate agreement may or may not involve the participation of the IGA; however, such participation of the IGA shall not create liability for a Party that has not affirmatively authorized such action;

2.3.3. New Members. The Board may authorize a new Party to join the IGA only if approved by a unanimous vote of the Board;

2.4 Insurance. The IGA shall provide for adequate insurance to cover the directors, officers, employees, staff, agents and activities undertaken by the IGA.

2.5 Scope of Work. A scope of work shall be presented for each specific task or project, not previously approved and adopted in the budget, to be undertaken by the IGA. The scope of the work shall contain a reasonably detailed description of the activities to be undertaken by IGA, a description of any necessary contractual arrangements, an itemization of the costs to be incurred in pursuing these activities, an allocation of costs, in-kind services and ownership interest in the Project among the participating Parties, a plan for project governance, an estimate of the expected revenues from such activities and an allocation of such revenues among the participating Parties.

2.5.1 Acceptance. Each scope of work shall be negotiated on a case-by-case basis and if approved by each Party shall be attached as an addendum to this Agreement.

2.5.2 Amendments. No change in a scope of work shall occur without each Party's written consent.

ARTICLE III

TERM AND TERMINATION

3.1 Term. The term of this Agreement shall be perpetual unless, by a unanimous vote, the Parties act to dissolve the IGA.

3.1.1. Dissolution. Upon dissolution, each Party to the IGA on the date of dissolution shall remain liable solely for its individual share of any IGA expenditure that has been specifically incurred by the Party in accordance with the terms of this Agreement or by other resolutions or separate agreements of the Party. Upon dissolution, the assets of the IGA shall be distributed to the members on the basis of the rights and obligations of each party to the assets held as of the date of the dissolution.

3.2 Voluntary Withdrawal by a Party. Any Party may elect to terminate their participation in this Agreement and withdraw from the IGA by giving written notice to the President and each member of the IGA. Withdrawal shall be effective forty-five (45) days from

QLife Network
QualityLife Intergovernmental Agency

FISCAL YEAR 2010-11

PROPOSED BUDGET

of the

**QUALITYLIFE INTERGOVERNMENTAL
AGENCY**



A Partnership of

Wasco County, Oregon

City of The Dalles, Oregon

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Fiscal Year 2010-11

Proposed BUDGET

Presented to the QLife Budget Committee
by
QLife Budget Officer

QLife Agency, Budget Committee Members

Agency Board: President, Dan Ericksen
Vice President, Dan Spatz
Secretary/Treasurer, Erick Larson
Member, Bill Lennox
Member, Brian Ahier

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

Staff Support

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

Agency Partners

Wasco County
City of The Dalles

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Proposed Fiscal Year 2010-11

BUDGET INDEX

BUDGET MESSAGE	1
FINANCIAL PRIORITIES POLICY	5
BUDGET SUMMARY TABLE	7
BUDGET OVERVIEW	8
EXPENDITURE / REVENUE PIE CHART	9
CUSTOMER USER FEE CHART	10
OPERATING FUND BUDGET	11
CAPITAL PROJECTS FUND BUDGET	13
DEBT SUMMARY	14
10 YEAR PROJECTION	17

BUDGET MESSAGE

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Fiscal Year 2010-11

The following narrative describes the Budget Officer's budget for the Quality Life Intergovernmental Agency. The budget amounts shown here represent two funds: Operating Fund and Capital Fund. The budget documents have numbers in four columns. The QLife System has been operational since December 2003.

This budget is prepared based on the Financial Priority Policy adopted by the Agency Board for 2010. 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 - \$: The proposed Maintenance and Operation budget is based on a fully operational system. This will be our fifth full year of operation.

A. Resources: This funds revenue primarily comes from customer-generated sources.

1. Beginning Fund Balance (\$83,913) – This is our asset increase (revenue over expenditures). It is up this year because of increased revenue both last year and the current year.
2. User Fees (\$425,800) – 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 of page 10 shows the customer type by use. We are estimating a 17% increase in user fees based on new connection sold in the last half of the current year and continuing inquiries.
3. LSN Credits (\$66,000) - The assistance LSN provides us to retire initial debt based on customers we provide them.
4. Connect Charges (\$2,250) - These are the fees that new customers pay to connect to our broadband system.
5. E-Rate Payment (\$60,000) – 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 six 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 (\$5,000) – GIS System support
 - c. Outside Plant Maintenance (\$28,000) - 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 a City street project our costs doubled in this area so we have increased the budget \$10,000.
 - d. Legal Services - (\$6,000)
 - e. Network System Management (\$46,000) – QLife has a contract with a consulting firm to provide the following (Because of increased activity this line item is up \$6,700.)
 - ✓ 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 (\$12,000) – We contract with Erik Orton who has been with us from the beginning of the system for routine engineering and assistance with new customers.
2. Other Services (\$20,000) Financial Priority #8 is to “Hire marketing and Sales consultant to expand business.”
 3. Pole Contracts (\$7,600) for pole contact fees with Northern Wasco County PUD and CenturyLink. This has increased by \$1,600 for a new performance bond required by the PUD.
 4. 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.
 5. ROW Fee - (\$12,774) Payment of a right of way equal to 3% of customer fees.
 6. Scholarship (\$2,000) New line item this year for scholarships in the technology fields at Columbia Gorge Community College.
 7. (Transfers Out (\$326,077)) - Only a portion of all fees (Transport & LSN Credits) are expended in this fund (34%). The remaining 66% is transferred to the Capital Projects Fund for current debt retirement (\$191,949) and system improvements (\$134,128).

8. Contingency (\$47,000) \$15,000 is an operating contingency. The remaining \$32,000 is to fund Board priority #4, a cash reserve approximately equaling one month of user fees.

II. Fund #2 - Capital Projects (\$445,153): The Capital Projects Fund is for debt retirement and projects for new customers and system enhancement.

A. Revenue:

1. Beginning Fund Balance (\$48,076) This includes \$42,500 to complete the remaining 25% of the redundancy and bisector projects.
2. Enterprise Zone Payments (\$50,000)- for the next 13 years QLife will receive \$50,000 from Enterprise Zone Payments. This is designated for the CRB loan payment.
3. Transfer from Operating Fund (\$326,077) – User fee to help with Debt Retirement (\$191,949) and system improvements (\$134,128).

B. Expenditures:

1. Telecom Equipment (\$50,487) \$5,000 for new customer switches and two projects held over from FY 2009-10 are in this line item.
 - a. System redundancy project (\$30,000) 25% of project remaining
 - b. WiFi hot spots (\$15,487) carry over from 2009-10
2. Outside Plant Primary (\$12,500) 25% carryover bisector strengthening project to create a full figure 8 and downtown system improvements
3. Outside Plant – Secondary (\$37,500) –
 - a. \$17,500 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. General Debt Payments (\$191,696) – The payment of loan principal and interest due this fiscal year on QLife loans. The Table on page 14 summarizes QLife’s debts.
5. Reserve for System Improvements (\$100,000) New item. Priority #7 “Create a reserve for future expansion, modernization or replacement of system.” During the year the Board will determine which projects it may pursue as opportunities become apparent.
6. Reserve for Expansion into Wasco County (\$20,000) New item Priority #9 Create a reserve for engineering and extension of fiber optic service to other parts of Wasco County. This year we have only budgeted enough for engineering if a construction opportunity develops we can use the

Improvement resource.

7. Contingency (\$13,717) For unforeseen 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 2010-11

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.
6. Up to \$20,000 to assist new customers with build out of connection.
7. Create a reserve for future expansion, modernization, or replacement of system
8. Hire marketing and sales consultant to expand the business.
9. The creation of a reserve to engineer and extend fiber optic service to other parts of Wasco County.
10. 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 for three years
 - \$34,500 for four years
 - \$27,600 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 23, 2010

Dan Ericksen, President

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10-11
Prior Year Comparison Summary

	FY07/08 Actual	FY08/09 Actual	FY09/10 Budget	FY010/11 Proposed
Beginning Balance	89,718	158,066	245,492	131,989
Customer Fees	400,710	418,984	445,200	515,050
Other Sources	1,383,242	404,151	371,806	436,877 *
Total Resources	1,873,671	981,201	1,062,498	1,083,916
QLIFE - General Fund	347,178	474,844	492,166	591,763
QLIFE - Capital Fund	62,457	74,386	323,335	119,487
Debt Service	1,305,969	194,725	194,726	191,949
Reserves	-	-	-	120,000
Contingency	-	-	52,271	60,717
Total Expenditures	1,715,605	743,955	1,062,498	1,083,916
Ending Balance	158,066	237,246	-	-

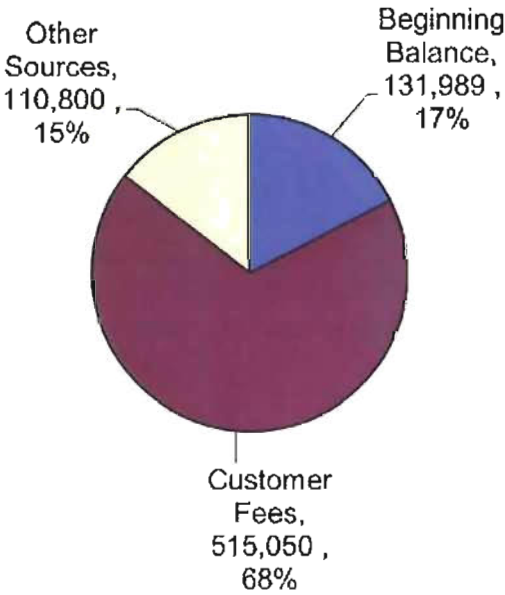
* Includes Interfund Transfers of \$326,077

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10-11
Overview Summary

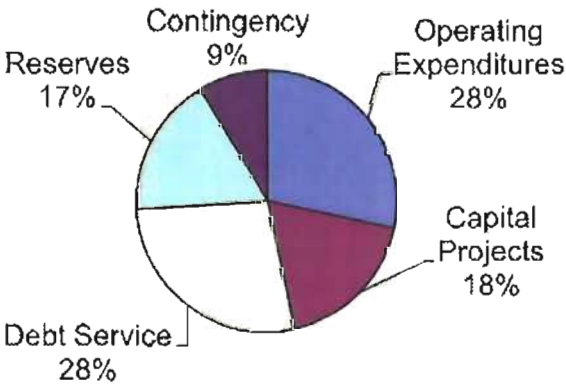
	Agency General Fund	Capital Fund	Total Proposed FY10/11
Beginning Balance	83,913	48,076	131,989
Customer Fees	494,050	21,000	515,050
Other Sources	60,800	50,000	110,800
Grants / Loans	-	-	-
Transfers In	-	326,077	326,077
Total Resources	638,763	445,153	1,083,916
Operating Expenditures	185,686	12,000	197,686
Capital Projects	20,000	107,487	127,487
Debt Service	-	191,949	191,949
Reserves	-	-	-
External Transfers	60,000	-	60,000
Internal Transfers Out	326,077	-	326,077
Reserves	-	120,000	120,000
Contingency	47,000	13,717	60,717
Total Expenditures	638,763	445,153	1,083,916

QualityLife Intergovernmental Agency
Proposed Budget FY 2010-11
Revenues and Expenditures by Source

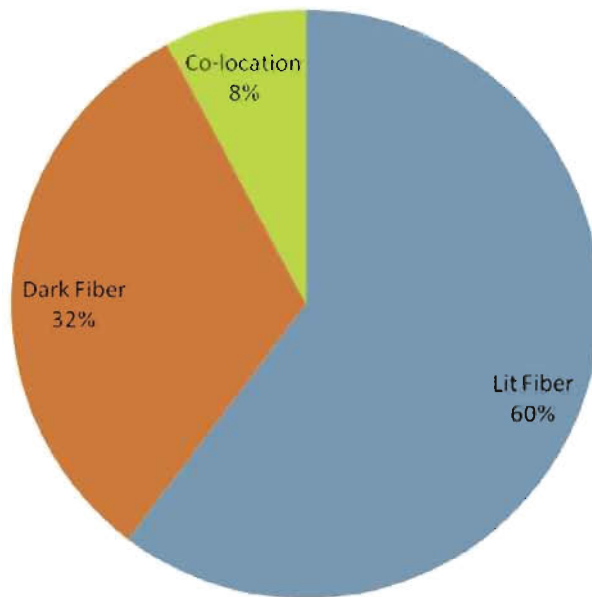
Revenues - Total FY10/11



Expenditures - Total FY10/11



CUSTOMER USER FEE BY TYPE
(As of 4/12/10)



CUSTOMER USER FEE BY TYPE
(As of April 12, 2010)

Type	Revenue	Percent
Lit Fiber	\$ 244,500	60.3
Dark Fiber	\$ 129,240	31.9
Co-location	\$ 31,800	7.8

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10/11

Account #	Description	FY07/08 Actual	FY08/09 Actual	FY09/10 Budget	FY10/11 Proposed	FY10/11 Approved
QLIFE AGENCY FUND 600						
REVENUES						
600-0000-300.00-00	Beginning Balance	65,300	63,842	41,466	83,913	
600-0000-371.90-00	Misc Sales and Services	-	-	-	-	
600-0000-344.10-00	Utility Service Charges	284,995	340,846	355,950	425,800	
600-0000-344.15-00	LSN Credits	60,048	65,009	66,000	66,000	
600-0000-344.20-00	Connect Charges	3,150	4,335	2,250	2,250	
600-0000-361.00-00	Interest Revenues	-	870	500	800	
600-0000-369.00-00	Other Misc Revenues	(7,130)	435	-	-	
600-0000-369.20-00	E-Rate Reimbursements	4,657	28,999	60,000	60,000	
600-0000-392.00-00	Sale of Fixed Assets	-	-	-	-	
TOTAL REVENUES		411,020	504,336	526,166	638,763	-

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10/11

Account #	Description	FY07/08 Actual	FY08/09 Actual	FY09/10 Budget	FY10/11 Proposed	FY10/11 Approved
EXPENDITURES						
Materials & Services						
600-6000-660.31-10	Administrative Services	12,937	10,757	20,000	20,000	
600-6000-660.31.15	Contractual Svc - County	1,380	-	5,000	5,000	
600-6000-660.31-20	Outside Plant Maint	1,820	27,138	16,000	28,000	
600-6000-660.31-90	Other Services	-	-	-	20,000	
600-6000-660.32-10	Audit	5,040	5,600	5,800	5,800	
600-6000-660.32-20	Legal Services	5,713	9,350	7,200	6,000	
600-6000-660.34-10	Engineering Services	12,585	5,416	19,400	12,000	
600-6000-660.34-30	Network System Mgmt	31,680	43,760	39,300	46,000	
600-6000-660.34-50	Special Studies /Reports	-	-	-	-	
600-6000-660.43-10	Buildings & Grounds	1,750	-	2,000	2,000	
600-6000-660.43-25	Network Equipment	1,503	3,295	4,600	4,600	
600-6000-660.43-40	Office Equipment	-	-	-	-	
600-6000-660.43-71	Spec Utility Equipment	-	-	-	-	
600-6000-660.43-86	Lines Maint & Supplies	-	-	-	-	
600-6000-660.43.87	Utilities Locates	384	223	1,000	1,000	
600-6000-660.44-10	Office Space Rental	2,527	3,132	3,132	3,132	
600-6000-660.52-10	Liability Insurance	5,043	4,763	5,500	5,500	
600-6000-660.52-30	Property Insurance	-	280	300	300	
600-6000-660.53-20	Postage	174	174	200	200	
600-6000-660.53-30	Telephone	654	522	650	480	
600-6000-660.53-40	Legal Notices	161	133	400	400	
600-6000-660.54-00	Advertising	16	-	1,000	1,000	
600-6000-660.57-10	Permits	-	375	400	400	
600-6000-660.58-10	Travel, Food & Lodging	2,405	191	800	400	
600-6000-660.58-50	Trainings & Conferences	5,600	-	200	200	
600-6000-660.58-70	Memberships/Dues/Subs	150	40	300	200	
600-6000-660.58-80	Scholarships	-	-	-	2,000	
600-6000-660.60-10	Office Supplies	7	81	500	200	
600-6000-660.69-50	Misc Expenses	225	400	500	500	
600-6000-660.69-60	Pole Connection Fees	5,410	6,368	6,000	7,600	
600-6000-660.69-70	Right of Way Fees	-	-	10,678	12,774	
600-6000-660.69-80	Assets < \$5000	-	-	-	-	
Total Materials & Services		97,165	121,998	150,880	185,686	-
Capital Outlay						
600-6000-660.74-20	Telecom Equipment	7,011	-	20,000	20,000	
600-6000-660.78-50	Fixed Asset Reclass Acct	-	-	-	-	
Total Capital Outlay		7,011	-	20,000	20,000	-
Other						
600-9500-600.81.62	IF Pmt to Capital Fund	-	-	22,000	-	
600-9500-600.81-91	QLife Capital Fund	238,345	323,847	239,306	326,077	
600-9500-600.83-10	ESD E-Rate Transfers	4,657	28,999	60,000	60,000	
600-9500-600.88-00	Contingency	-	-	34,000	47,000	
600-9500-600.89-00	Unappropriated Ending Fund Balance	-	-	-	-	
Total Other		243,002	352,846	355,306	433,077	-
TOTAL EXPENDITURES		347,178	474,844	526,166	638,763	-
REVENUES LESS EXPENSES		63,842	29,491	-	-	-

QUALITY LIFE INTERGOVERNMENTAL AGENCY
Proposed Budget for FY10/11

Account #	Description	FY07/08 Actual	FY08/09 Actual	FY09/10 Budget	FY10/11 Proposed	FY10/11 Approved
QLIFE CAPITAL FUND 601						
REVENUES						
601-0000-300.00-00	Beginning Balance	24,418	94,224	204,026	48,076	
601-0000-344.20-00	Connect Charges	52,517	8,795	21,000	21,000	
601-0000-369.00-00	Other Misc Revenues	17,392	-	-	-	
601-0000-369.10-00	Enterprise Zone Payment	50,000	50,000	50,000	50,000	
601-0000-391.60-00	IF Pmt from Agency Fund	-	-	22,000	-	
601-0000-391.90-01	Qlife Operating Fund	238,345	323,847	239,306	326,077	
601-0000-393.10-00	Loan/Bond Proceeds	1,079,978	-	-	-	
TOTAL REVENUES		1,462,651	476,866	536,332	445,153	-
EXPENDITURES						
Materials & Services						
601-6000-660.34-10	Engineering Services	1,920	2,200	12,000	10,000	
601-6000-660.34-90	Other Services	2,700	-	20,000	-	
601-6000-660.43-86	Lines, Maint & Supplies	-	27,891	2,000	2,000	
601-6000-660.57-10	Permits	-	-	-	-	
Total Materials & Services		4,620	30,091	34,000	12,000	-
Capital Outlay						
601-6000-660.72-20	Buildings	3,170	-	2,000	2,000	
601-6000-660.74-10	Computer Equipment	1,615	-	-	-	
601-6000-660.74-20	Telecom Equip	500	24,248	147,487	50,487	
601-6000-660.76-10	Primary	7,236	3,177	50,000	12,500	
601-6000-660.76-20	Secondary	45,316	16,870	84,848	37,500	
601-6000-660.76-30	Pole Make Ready Costs	-	-	5,000	5,000	
Total Capital Outlay		57,837	44,295	289,335	107,487	-
Debt Service						
601-6000-660.79-50	Loan Principal Payments	547,722	50,704	142,693	147,014	
601-6000-660.79-51	CRB Principal Payments	675,124	87,021	-	-	
601-6000-660.79-60	Interest Payments	83,123	57,000	52,033	44,935	
601-6000-660.79-90	Loan Reserve/Future Pmts	-	-	-	-	
Total Debt Service		1,305,969	194,725	194,726	191,949	-
Other						
601-9500-600.84-10	Reserve for Sys Imprvmnts	-	-	-	100,000	
601-9500-600.84-20	Reserve for Co Expansion	-	-	-	20,000	
601-9500-600.88-00	Contingency	-	-	18,271	13,717	
	Unappropriated Ending					
601-9500-600.89-00	Fund Balance	-	-	-	-	
Total Other		-	-	18,271	133,717	-
TOTAL EXPENDITURES		1,368,426	269,111	536,332	445,153	-
REVENUES LESS EXPENSES		94,224	207,755	-	-	-

**QLife Debt Summary
By Fiscal Year**

Fiscal Year	OIB Phase I-IV	OIB Phase V & VI	Mt Hood Alliance	Columbia State Bank	TOTAL
2010-11	\$7,030	\$2,783	\$44,200	\$137,331	\$191,344
2011-12	\$7,030			\$137,331	\$144,361
2012-13	\$3,915			\$137,331	\$141,246
2013-14				\$137,331	\$137,331
2014-15				\$137,331	\$137,331
2015-16				\$137,331	\$137,331
2016-17				\$137,331	\$137,331
2017-18				\$125,894	\$125,894
2018-19				\$0	\$0
TOTAL	\$17,975	\$2,783	\$44,200	\$1,087,211	\$1,152,169

QLIFE LONG TERM DEBT
July 1, 2010

QLife has the following loans currently:

OIB Phase I – IV Loan \$42,552 – Seven (7) years @ \$4% interest.

OIB LOAN PHASE I-IV				
Date	Total	Principal	Interest	Balance
FY 09-10 Total	\$ 7,029.58	\$ 6,181.02	\$ 848.56	
12/31/2010	3,514.88	3,183.54	331.34	13,383.69
6/30/2011	3,514.88	3,247.21	267.67	10,136.48
FY 10-11 Total	\$ 7,029.76	\$ 6,430.75	\$ 599.01	
12/31/2011	3,514.87	3,312.15	202.72	6,824.30
6/30/2012	3,514.78	3,378.29	136.49	3,445.94
FY 11-12 Total	\$ 7,029.65	\$ 6,690.44	\$ 339.21	
12/31/2012	3,514.86	3,445.94	68.92	-

OIB Phases V & VI, \$25,000 – Five (5) year loan @ 4% Interest.

OIB LOAN				
Date	Total	Principal	Interest	Balance
12/31/2009	2,783.16	2,622.63	160.53	5,509.98
6/30/2010	2,783.18	2,728.62	108.07	2,726.82
FY 09-10 Total	\$ 5,566.34	\$ 5,351.25	\$ 268.60	
12/31/2010	2,783.19	2,726.82	54.51	-
FY 10/11 Total	\$ 2,783.19	\$ 2,726.82	\$ 54.51	

- 5) Mt. Hood Alliance, \$200,000 – Over Five (5) Years @ 4% Interest. Monthly payments starting July 2006.

Fiscal Year	\$ Principal	\$ Interest	\$ Balance
FY 2010-11	43,256.91	942.69	-

- 6) Columbia State Bank Refinance— In May 2008 refinanced NoaNet line of credit at CSB and State of Oregon SPWF loans

QLife Refinance Amortization Schedule

Fiscal Year	Principal	Interest	Total	New Balance
				\$987,643.70
2009-10	\$89,926.12	\$48,003.20	\$137,929.32	\$897,717.58
2010-11	\$94,592.27	\$43,337.05	\$137,929.32	\$803,125.31
2011-12	\$99,398.83	\$38,532.49	\$137,931.32	\$703,728.48
2012-13	\$104,658.18	\$33,269.14	\$137,927.32	\$599,070.30
2013-14	\$110,088.77	\$27,804.95	\$137,893.72	\$488,981.53
2014-15	\$115,801.18	\$22,128.14	\$137,929.32	\$373,180.35
2015-16	\$121,768.80	\$16,160.52	\$137,929.32	\$251,411.55
2016-17	\$128,128.43	\$9,800.90	\$137,929.33	\$123,283.12
2017-18	\$122,983.12	\$3,152.44	\$126,135.56	\$0.00

Columbia State Bank (formerly Columbia River Bank)— The original line of credit debt was for LightSpeed Networks (LSN). They have agreed to use part of the revenues we generate through our partnership with LSN up to \$10,258 (an amount equal to a seven (7) year amortization of the debt) to pay principal and interest on the debt. We combined this debt with the SPWF loan into a fully amortized 10 year loan in May 2008.

QLife Ten Year Projection Chart

	FY 10-11	2	3	4	5	6	7	8	9	10
Begin Balance	\$132,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000
Local Line Charges	\$425,800	\$451,348	\$478,429	\$507,135	\$537,563	\$569,816	\$604,005	\$640,246	\$678,661	\$719,380
LSN Credits	\$66,000	\$66,000	\$66,000	\$66,000	\$13,750					
Total Operating Rev	\$491,800	\$517,348	\$544,429	\$573,135	\$551,313	\$569,816	\$604,005	\$640,246	\$678,661	\$719,380
Insurance	\$5,800	\$6,032	\$6,273	\$6,524	\$6,785	\$7,057	\$7,339	\$7,632	\$7,938	\$8,255
Maintenance/Operation	\$45,386	\$47,201	\$49,069	\$51,053	\$53,095	\$55,219	\$57,426	\$59,725	\$62,114	\$64,598
Management	\$58,000	\$60,320	\$62,733	\$65,242	\$67,852	\$70,566	\$73,389	\$76,324	\$79,377	\$82,552
Administration	\$36,500	\$37,960	\$39,478	\$41,058	\$42,700	\$44,408	\$46,184	\$48,032	\$49,953	\$51,951
Total Operating Expend.	\$145,686	\$151,513	\$157,574	\$163,877	\$170,432	\$177,249	\$184,339	\$191,713	\$199,381	\$207,357
Contingency	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000
e-Zone Revenue	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Funds Available	\$481,114	\$415,835	\$438,655	\$459,258	\$430,881	\$442,567	\$469,666	\$498,533	\$529,279	\$562,024
Debt Service	\$191,364	\$144,361	\$141,246	\$137,331	\$137,331	\$137,331	\$137,331	\$125,894	\$0	\$0
Planned Capital Improv.	\$103,000									
Funds For Projects/Rese	\$186,750	\$271,474	\$295,609	\$321,927	\$293,550	\$305,236	\$332,335	\$372,639	\$529,279	\$562,024



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 10, 2010	Discussion Items 13, A	10-034

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager *NKY*

DATE: April 26, 2010

ISSUE: Request for Proposals for Sale or Lease of Second Street Breezeway

BACKGROUND: At the recommendation of the Riverfront Task Force, the City Council has amended its intent of reopening the Second Street Breezeway to a goal of once again turning it into a vibrant storefront that retains the historic feel of the facility, while adding to the overall vitality of the downtown business district. Attached is a proposed advertisement, Request for Proposals, and response sheet to be used for presenting proposals.

If the Council approves this proposal, we propose to follow the following schedule:

May 15, 2010	Advertisement in The Dalles Chronicle
June 15 2pm	Bid Opening
June 28	City Council review of proposals

If the Council selects a proposal to sell the property they will have to hold a public hearing to consider declaring the property surplus to the City's needs.

BUDGET IMPLICATIONS: Revenue from the sale or lease of the property will be provided as additional revenue to the General Fund.

COUNCIL ALTERNATIVES:

1. **Staff Recommendation:** Authorize staff to proceed with the Request For Proposal for the Second Street Breezeway as presented.
2. Amend and then approve the Request For Proposals for the Second Street Breezeway.
3. Postpone this item to allow for additional research and consideration.

ADVERTISEMENT FOR SECOND STREET BREEZEWAY LEASE OR PURCHASE RFP

The City of The Dalles is requesting proposals from prospective lessees or purchasers of the property known as the Second Street Breezeway, located at 313 East Second Street in The Dalles. The property measures 2,750.04 square feet and is zoned "CBC"- Central Business Commercial District. Interested persons may call the City Clerk's Office at 541-296-5481 Ext 1119 to request a Request for Proposals Packet or to schedule an appointment to tour the property. Proposals must be submitted to the City Clerk's office, 313 Court Street, The Dalles, OR 97058 by 2pm on June 15, 2010. Proposals must be in a sealed envelope marked "Proposal for Second Street Breezeway"

**REQUEST FOR PROPOSALS
SALE OR LEASE OF SECOND STREET BREEZEWAY**

The City of The Dalles is requesting proposals from prospective tenants or purchasers of the property known as the Second Street Breezeway. The property is located at 313 East Second Street in The Dalles, Oregon, and is also described as Assessor's Map No. 1N 13 3BD, Tax Lot 2700. The property measures 2,750.04 square feet, and is zoned "CBC" – Central Business Commercial District.

Interested persons may call the City Clerk's office at 541-296-5481 Ext. 1120 to request a Request for Proposals Packet. Proposals can also be obtained at the City's website www.thedalles.org. Proposals must be submitted by 2pm on 15th day of June 2010 to the City Clerk's office, 313 Court Street, The Dalles, Oregon 97058. Proposals must be marked in a sealed envelope marked "Proposal for Second Street Breezeway". Proposals must either be on the City Form attached to this RFP or a similar format.

Tours of the property are available by appointment by calling Izetta Grossman at 541-296-5481 ext 1119.

It is the intent of the City Council to hold an executive session to review the written proposals. The Council has the option to reject any of all of the proposals, or to select a proposal, which in the opinion of the City Council is in the best interest of the City. Criteria for selection of the best proposal shall include, but not be limited to the type of use proposed for the use of the property, jobs created, the amount of purchase price or lease, any proposed improvements to the property, and term of any proposed lease.

Following the selection of the apparent best proposal, the City shall enter into negotiations with the selected proposer for a lease or sales agreement. If a lease agreement is selected, it shall include the standard conditions used by the City in lease agreements. Those standard conditions include provisions for termination of the lease, payment of utility costs and real property taxes by the tenant, and proof of a commercial general liability insurance policy with combined single limit coverage of \$500,000, naming the City as an additional insured. Any sales agreement negotiated with the selected proposer must be finally approved by the City Council following notice of the proposed sale and a public hearing as provided for by ORS 271.725. If the City cannot negotiate a lease or sales agreement with the selected proposer, the City reserves the right to proceed with negotiations with the second best proposer, or to submit a new advertisement for proposals.

Proposal Sheet for USE OF SECOND STREET BREEZEWAY
(Use additional sheets if needed)

PROPOSER CONTACT INFORMATION:

Name: _____

Address: _____

Email: _____

Phone: _____

Lease/Purchase PROPOSAL: (Circle one)

(A single proposer may submit both a lease proposal and a purchase proposal on separate forms)

Lease/purchase amount: _____ If Lease Term: _____

Proposed use of property:

Proposed Improvements (include any restoration):

Identify any improvements used to request lease credit:

Value of lease credit:

Special Considerations: (new business, new jobs created, historic restoration, public access, other community benefit)
