



TRWC Board of Directors Meeting

Monday, January 5, 2009, 10 am to 12 pm

Location: Town of Gilbert – Room 233
50 E. Civic Center Drive
Gilbert, AZ 85296

Agenda

1. 10:00 am – 10:10 am - Agenda Review

Topic Leader: Chairman Kross

2. 10:10 am – 10:20 am – Discussion/Possible Action on the 12/05/08 TRWC Board Meeting Minutes

Topic Leader: Chairman Kross

3. 10:20 am – 11:15 am – Discussion/Possible Action on the Fiscal Year 09/10 Budget

Topic Leader: Executive Director

Guest Speaker: Denny Fulton (Mesa Financial Services)

- Update on Capital Planning
- Operations Preliminary Budget
- Administrative Preliminary Budget
- Update on Budget Adoption Timeline

4. 11:15 am – 11:25 am – Discussion/Possible Action on the Proposed Billing Statement

Topic Leader: Executive Director

Guest Speaker: Denny Fulton (Mesa Financial Services)

5. 11:25 am – 11:35 am – Discussion/Update on Fountain Hills Impact Study

Topic Leader: Executive Director

6. 11:35 am to 11:55 am – Discussion/Possible Action on Rio Verde Interest in Becoming a Member of the TRWC

Topic Leader: Executive Director

Guest Speaker: Matt Phillips, Rio Verde Fire District Chief

- Background on Rio Verde Fire District
- Impact Study

7. 11:55 am – 12:00 pm – Meeting Summary and Next Meeting Preview

Topic Leader: Executive Director

8. 12:00 pm - Adjournment



TRWC Board of Directors Meeting Minutes

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Members Present: Chuck Zanella (AJ Fire District-Primary), Kathy Jeter (City of AJ-Primary), John Kross (Chairman, Town of Queen Creek-Primary), Alex Deshuk (City of Mesa-Primary), Dale Shaw (TRWC Executive Director), Shawn Woolley (Town of Gilbert-Alternate) Bill Anger(TRWC Attorney), Shane Dille (Town of Queen Creek-Alternate)

Guests: Bruce McGregor (Mesa), Cliff Puckett (Salt River Pima-Maricopa Indian Community), Bill Fleming (Motorola), Denny Fulton (Mesa), Jeff Toye (Mesa), Mike Brown (Mesa), Gary Bradbury (Mesa), Randy Roberts (Fountain Hills Fire), Ron Knight (Queen Creek Fire),

Recorder: Leslie Dibble

Minutes

Agenda Review

Topic Leader: Chairman Kross

Chairman Kross reviewed the agenda items with the Board.

Discussion/Possible Action on the 12/05/08 TRWC Board Meeting Minutes

Topic Leader: Chairman Kross

Chairman Kross asked for a motion for consideration on the minutes. A motion to approve by Chuck Zanella and Second by Alex Deshuk. All were in favor.

Discussion/Possible Action on the Fiscal Year 09/10 Budget

Topic Leader: Executive Director

Guest Speaker: Denny Fulton (Mesa Financial Services)

- Update on Capital Planning
 - Dale Shaw informed the board that there would be a roadmap-working session to develop a 5-yr TWRC capital investment projection with Motorola in Mesa on Wednesday, January 21st from 12:00 to 4:00 at the Communications Bldg. All interested TRWC board members were invited to attend. This meeting information will be posted to the website.
- Operations Preliminary Budget
 - Denny Fulton presented a high level summary of the operating costs for TRWC, operating and maintenance and proposed billing statement
- [Administrative Preliminary Budget](#)
- Update on [Budget Adoption Timeline](#)

Discussion/Possible Action on the Proposed Billing Statement

Topic Leader: Executive Director

Guest Speaker: Denny Fulton (Mesa Financial Services)

- Denny Fulton presented a [sample statement](#) and explained the details of the statement that TRWC will be sending out monthly to the partners.

Discussion/Update on Fountain Hills Impact Study

Topic Leader: Executive Director

- Dale Shaw updated the board on the contract work done so far to conduct the study. All contracts should be executed soon.

Discussion/Possible Action on Rio Verde Interest in Becoming a Member of the TRWC

Topic Leader: Executive Director

Guest Speaker: Matt Phillips, Rio Verde Fire District Chief

- Matt Phillips was unable to attend due to illness. Gary Bradbury of Mesa represented him by making the request to start the Impact Study.
- Background on Rio Verde Fire District was presented by Gary Bradbury.
- Impact Study
 - A motion to go forward with the Impact Study was made by Chuck Zanella; Second by Alex Deshuk. All were in favor. Dale Shaw will be contacting Rio Verde Fire District in the near future to start the process.

Meeting Summary and Next Meeting Preview

Topic Leader: Executive Director

Dale Shaw summarized each of the agenda topics.

Next Meeting

- The next meeting will be on Monday, February 2, 2009, 10:00 a.m. to 12:00 p.m. at the Town of Gilbert in Conference Room 233.

Adjournment

Motion to adjourn – Chuck Zanella

Second – Alex Deshuk

The meeting adjourned at 11:15 a.m.



3. Operations, Maintenance, and Administrative Preliminary Budget

January 5, 2009

TOPAZ SUBSCRIBER UNITS, NETWORK OPERATIONS AND MAINTENANCE COST, AND REVENUE ESTIMATES FISCAL YEAR 2009 - 2010 AND 5 YEAR FORECAST		PRELIMINARY 12-29-08 FULTON				
6. SUMMARY OF TOPAZ OPERATIONS AND MAINTENANCE COSTS						
TOTAL TOPAZ NETWORK OPERATIONS SUPPORT COSTS	\$480,540	\$492,969	\$509,473	\$526,242	\$543,799	\$561,650
TOTAL TOPAZ INFRASTRUCTURE & MICROWAVE SUPPORT COSTS	\$436,585	\$448,896	\$466,281	\$484,212	\$503,189	\$522,785
TOTAL TOPAZ ADMINISTRATIVE SUPPORT	\$361,502	\$372,610	\$389,149	\$406,413	\$424,841	\$444,096
TOTAL EXECUTIVE DIRECTOR COSTS	\$78,210	\$80,556	\$84,002	\$87,587	\$91,405	\$95,383
TOTAL TOPAZ OPERATIONS AND MAINTENANCE COSTS	\$1,356,837	\$1,395,031	\$1,448,904	\$1,504,454	\$1,563,235	\$1,623,915
8. SUBSCRIBER UNITS [AS OF DECEMBER 17,2008]						
TOTAL MESA	2,734	2,871	3,014	3,165	3,323	3,489
TOTAL TOWN OF GILBERT	712	748	785	824	865	909
TOTAL APACHE JUNCTION FIRE DISTRICT	74	78	82	86	90	94
TOTAL CITY OF APACHE JUNCTION	164	172	181	190	199	209
TOTAL TOWN OF QUEEN CREEK	4	4	4	5	5	5
TOTAL SUBSCRIBER UNITS	3,688	3,872	4,066	4,269	4,483	4,707
10. ANNUAL FEE PER SUBSCRIBER UNIT - TOPAZ OPERATIONS AND MAINTENANCE COSTS						
	\$368	\$360	\$356	\$352	\$349	\$345
MONTHLY FEE PER SUBSCRIBER UNIT - TOPAZ OPERATIONS AND MAINTENANCE COSTS	\$31	\$30	\$30	\$29	\$29	\$29
11. ANNUAL REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS						
MESA	\$1,005,855	\$1,034,169	\$1,074,106	\$1,115,286	\$1,158,862	\$1,203,846
TOWN OF GILBERT	\$261,949	\$269,323	\$279,723	\$290,448	\$301,796	\$313,511
APACHE JUNCTION FIRE DISTRICT	\$27,225	\$27,991	\$29,072	\$30,187	\$31,366	\$32,584
CITY OF APACHE JUNCTION	\$60,337	\$62,035	\$64,431	\$66,901	\$69,515	\$72,213
TOWN OF QUEEN CREEK	\$1,472	\$1,513	\$1,571	\$1,632	\$1,695	\$1,761
TOTAL ANNUAL REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS	\$1,356,837	\$1,395,031	\$1,448,904	\$1,504,454	\$1,563,235	\$1,623,915
12. MONTHLY REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS						
MESA	\$83,821	\$86,181	\$89,509	\$92,941	\$96,572	\$100,320
TOWN OF GILBERT	\$21,829	\$22,444	\$23,310	\$24,204	\$25,150	\$26,126
APACHE JUNCTION FIRE DISTRICT	\$2,269	\$2,333	\$2,423	\$2,516	\$2,614	\$2,715
CITY OF APACHE JUNCTION	\$5,028	\$5,170	\$5,369	\$5,575	\$5,793	\$6,018
TOWN OF QUEEN CREEK	\$123	\$126	\$131	\$136	\$141	\$147
TOTAL MONTHLY REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS	\$113,070	\$116,253	\$120,742	\$125,371	\$130,270	\$135,326

P.O. Box 968, Mesa, AZ 85211

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3. Fiscal Year 09/10 Budget Adjusted Adoption Timeline

January 5, 2009

Date	Action
12/9/2008	Presentation on Capital Improvements
1/5/2009	Presentation on Administrative & Operations/Maintenance
2/4/2009	Presentation on Adjusted Preliminary Budget
3/3/2009	Discussion/ Possible Action on Proposed Budget
4/1/2009 (revised from 3/3)	Adopt 09/10 Budget

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TOPAZ ACCOUNTING/BUDGET REVIEW

FISCAL YEAR 2009 – 2010

AND



FIVE (5) YEAR BUDGET
THRU FISCAL YEAR 2014/2015

JANUARY 5, 2009

PRELIMINARY

TOPAZ ACCOUNTING/BUDGET REVIEW

COST CATAGORIES



- 1. Subscriber Unit Fees** – Network fees include administration, operation & maintenance for the Network. Fees include communications data group, Motorola post warranty services, infrastructure & microwave support costs, site leases, executive director costs and depreciation.
- 2. Capital Unit Fees** --- Capital program currently being reviewed.
- 3. Special Assessment Fees** --- BOD assessed fees on an as needed basis covering: a. disaster recovery; b. costs of special projects that don't benefit all Members; c. additional subscriber units and talk groups, etc. No Special Assessment Fees budgeted FY 09-10.
- 4. Grant Fees** ---- Grant funding related towards a network wide project based on BOD approval. No Grant Fees budgeted FY 09-10.

TOPAZ ACCOUNTING /BUDGET REVIEW

SUBSCRIBER UNITS



		<u>FY09-10</u>	<u>FY10-11</u>	<u>FY11-12</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>FY14-15</u>
1.	MESA	2,734	2,871	3,014	3,165	3,323	3,489
2.	GILBERT	712	748	785	824	865	909
3.	AJFD	74	78	82	86	90	94
4.	APACHE JUNCTION	164	172	181	190	199	209
5.	QUEEN CREEK	4	4	4	5	5	5
6.	TOTAL	3,688	3,872	4,066	4,269	4,483	4,707
7.	PERCENTAGES						
1.	MESA	74%	74%	74%	74%	74%	74%
2.	GILBERT	19%	19%	19%	19%	19%	19%
3.	AJFD	2%	2%	2%	2%	2%	2%
4.	CAJ	4%	4%	4%	4%	4%	4%
5.	TQC	1%	1%	1%	1%	1%	1%
6.	TOTAL	100%	100%	100%	100%	100%	100%

TOPAZ ACCOUNTING/BUDGET REVIEW

FIVE (5) YEAR COST PROJECTIONS (000's)

SUBSCRIBER UNIT O & M FEES



	<u>FY09-10</u>	<u>FY10-11</u>	<u>FY11-12</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>FY14-15</u>
1. Network Operations	\$ 481	\$ 492	\$ 509	\$ 526	\$ 544	\$ 562
2. Infrastruc & Microwave	\$ 436	\$ 449	\$ 466	\$ 484	\$ 503	\$ 523
3. Administrative Support	\$ 362	\$ 373	\$ 389	\$ 406	\$ 425	\$ 444
4. Executive Director Costs	\$ 78	\$ 81	\$ 84	\$ 88	\$ 91	\$ 95
5. Network Depreciation	\$	\$	\$	\$	\$	\$
6. Total O&M Fees	\$1,357	\$1,395	\$1,449	\$1,504	\$1,563	\$1,624
7. Per Subscriber Unit	\$ 31	\$ 30	\$ 30	\$ 29	\$ 29	\$ 29

TOPAZ ACCOUNTING/BUDGET REVIEW

FIVE (5) YEAR COST PROJECTIONS (000's)

CAPITAL IMPROVEMENT COSTS



	<u>FY09-10</u>	<u>FY10-11</u>	<u>FY11-12</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>FY14-15</u>
1. Systems Upgrades, Installation, Hardware And Software	\$ 0**	\$0	\$0	\$0	\$0	\$0
2. Per Subscriber Unit	\$	\$	\$	\$	\$	\$

3. **NOTE: ** No specific capital projects have been identified.**

4. **Specific TOPAZ capital projects authorized by BOD and Executive Director.**

TOPAZ ACCOUNTING/BUDGET REVIEW

FIVE (5) YEAR COST PROJECTIONS (000's)



- 1. Special Assessment Fees** -- Based on Member needs. None budgeted.
- 2. Grant Fees** -- Based on specific Grant filing. None budgeted.

TOPAZ ACCOUNTING/BUDGET REVIEW

FIVE (5) YEAR COST PROJECTIONS (000's)

Monthly and Annual Operating Costs



	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
MESA	\$83/ Mo \$1,006/Year	\$86/ Mo \$1,034/Year	\$90/ Mo \$1,074/Year	\$93/ Mo \$1,115/Year	\$97/ Mo \$1,159/Year	\$100/ Mo \$1,204/Year
Town of Gilbert	\$22/ Mo \$262/Year	\$22/ Mo \$269/Year	\$23/ Mo \$280/Year	\$24/ Mo \$290/Year	\$25/ Mo \$302/Year	\$26/ Mo \$315/Year
AJ Fire District	\$2/ Mo \$27/Year	\$2/ Mo \$28/Year	\$2/ Mo \$29/Year	\$3/ Mo \$30/Year	\$3/ Mo \$31/Year	\$3/ Mo \$33/Year
City of AJ	\$5/ Mo \$60/Year	\$5/ Mo \$62/Year	\$5/ Mo \$64/Year	\$6/ Mo \$67/Year	\$6/ Mo \$70/Year	\$6/ Mo \$72/Year
Town of QC	\$.1/ Mo \$1.5/Year	\$.1/ Mo \$1.5/Year	\$.1/ Mo \$1.6/ Year	\$.1/ Mo \$1.6/Year	\$.1/ Mo \$1.7/Year	\$.1/ Mo \$1.7/year

***TOPAZ ACCOUNTING/BUDGET REVIEW
FIVE (5) YEAR COST PROJECTIONS (000's)
Monthly and Annual Capital Costs***



	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
MESA						
Gilbert						
AJ Fire District						
City of AJ						
Town of Queen Creek						

TOPAZ ACCOUNTING/BUDGET REVIEW
FIVE (5) YEAR COST PROJECTIONS (000's)
Monthly and Annual Capital Costs



QUESTIONS

TOPAZ SUBSCRIBER UNITS, NETWORK OPERATIONS AND MAINTENANCE COST, CAPITAL IMPROVEMENT COSTS AND REVENUE ESTIMATES

[SUBSCRIBER UNITS, TOPAZ % SPLIT AND LABOR PER COMMUNICATIONS]

[USE 08/09 BUDGET FOR NON LABOR, ESCALATE FOR 09/10 PER BUDGET]

[USE 08/09 BUDGET SALARIES FOR PRELIMINARY BUDGET, DO NO ESCALATE FOR 09/10 PER BUDGET]

**PRELIMINARY 12-29-08
FULTON**

		800 Mhz %		3.10%	4.50%	4.50%	4.60%	4.60%	
1. TOPAZ NETWORK OPERATIONS SUPPORT COSTS		FY 08/09 BUDGET	Support	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
LABOR									
DATA GROUP:									
SR. COMMUNICATIONS NETWORK TECHNOLOGIST	4669	\$105,658	55%	\$58,112	\$59,913	\$62,609	\$65,427	\$68,437	\$71,585
COMMUNICATIONS NETWORK TECHNOLOGIST	1671	\$96,398	55%	\$53,019	\$54,662	\$57,122	\$59,693	\$62,439	\$65,311
COMMUNICATIONS NETWORK TECHNOLOGIST	1168	\$110,830	55%	\$60,957	\$62,846	\$65,674	\$68,630	\$71,787	\$75,089
TOTAL DATA GROUP LABOR				\$172,087	\$177,422	\$185,406	\$193,749	\$202,662	\$211,984
MOTOROLA POST WARRANTY SERVICES:									
SSA (Software Service Agreement)		\$239,532	100%	\$246,239	\$251,902	\$258,704	\$265,430	\$272,331	\$279,140
MOTOROLA SERVICES		\$60,519	100%	\$62,214	\$63,645	\$65,363	\$67,063	\$68,806	\$70,526
TOTAL MOTOROLA POST WARRANTY SERVICES				\$308,453	\$315,547	\$324,067	\$332,493	\$341,137	\$349,666
TOTAL TOPAZ NETWORK OPERATIONS SUPPORT COSTS				\$480,540	\$492,969	\$509,473	\$526,242	\$543,799	\$561,650
2. TOPAZ INFRASTRUCTURE & MICROWAVE SUPPORT COSTS									
LABOR									
SYSTEMS GROUP:									
COMMUNICATIONS TECHNICIAN III	0982	\$72,112	50%	\$36,056	\$37,174	\$38,847	\$40,595	\$42,462	\$44,415
COMMUNICATIONS TECHNICIAN III	1364	\$83,398	50%	\$41,699	\$42,992	\$44,926	\$46,948	\$49,108	\$51,367
COMMUNICATIONS TECHNICIAN III	1167	\$69,637	50%	\$34,819	\$35,898	\$37,513	\$39,201	\$41,005	\$42,891
COMMUNICATIONS TECHNICIAN III	0804	\$91,348	50%	\$45,674	\$47,090	\$49,209	\$51,423	\$53,789	\$56,263
COMMUNICATIONS SYSTEMS COORDINATOR	0805	\$96,988	55%	\$53,343	\$54,997	\$57,472	\$60,058	\$62,821	\$65,711
WIRELESS COMMUNICATIONS ADMINISTRATOR	3358	\$89,947	50%	\$44,974	\$46,368	\$48,454	\$50,635	\$52,964	\$55,400
OVERTIME		\$54,275	50%	\$27,138	\$27,979	\$29,238	\$30,554	\$31,959	\$33,429
TOTAL SYSTEMS GROUP LABOR				\$283,702	\$292,497	\$305,659	\$319,414	\$334,107	\$349,476
COMMODITIES & OTHER SERVICES									
72820 TRAINING		\$27,000	45%	\$12,151	\$12,431	\$12,766	\$13,098	\$13,439	\$13,775
74220 REPLACEMENT PARTS & MATERIALS		\$127,627	25%	\$31,908	\$32,642	\$33,523	\$34,395	\$35,289	\$36,171
74250 SOFTWARE		\$6,147	45%	\$2,767	\$2,831	\$2,907	\$2,983	\$3,060	\$3,137
72360 MISCELLANEOUS CONTRACT REPAIR		\$65,100	25%	\$16,276	\$16,650	\$17,100	\$17,545	\$18,001	\$18,451
7220 SPARE EQUIPMENT SHIPPING		\$615	40%	\$247	\$253	\$260	\$266	\$273	\$280
74210 TOOLS & EQUIPMENT		\$31,500	45%	\$14,176	\$14,502	\$14,894	\$15,281	\$15,678	\$16,070
72260 VEHICLES		\$44,750	50%	\$22,376	\$22,891	\$23,509	\$24,120	\$24,747	\$25,366
72210 LEASED CIRCUITS		\$600	50%	\$301	\$308	\$316	\$324	\$333	\$341
72270 TRAVEL		\$11,600	75%	\$8,701	\$8,901	\$9,141	\$9,379	\$9,623	\$9,864
72720 OTHER SUBSCRIPTIONS & MEMBERSHIPS		\$4,200	60%	\$2,521	\$2,579	\$2,649	\$2,718	\$2,788	\$2,858
72180 PROFESSIONAL SERVICES OTHER		\$12,600	50%	\$6,301	\$6,446	\$6,620	\$6,792	\$6,969	\$7,143
TOTAL COMMODITIES & OTHER SERVICES				\$117,725	\$120,433	\$123,685	\$126,900	\$130,200	\$133,455
SITE LEASES									
THOMPSON PEAK (CAP)		\$34,200	100%	\$35,158	\$35,966	\$36,937	\$37,898	\$38,883	\$39,855
TOTAL TOPAZ INFRASTRUCTURE & MICROWAVE SUPPORT COSTS				\$436,585	\$448,896	\$466,281	\$484,212	\$503,189	\$522,785



4. Proposed Billing Statement

January 5, 2009

EXAMPLE OF BILLING TO MEMBERS					
	TOTAL O&M	SUBSCRIBER UNITS	BUDGET AMOUNT	MONTHLY BUDGET	ANNUAL BUDGET
1. BUDGET	<u>\$1,400,000</u>	2,700 COM		\$86,443	\$1,037,322
		700 TOG		\$22,411	\$268,935
		75 AJFD		\$2,401	\$28,814
		165 AJ		\$5,283	\$63,392
		4 TQC		\$128	\$1,537
		<u>3,644</u>	\$32	<u>\$116,667</u>	<u>\$1,400,000</u>
2. ACTUAL COSTS BILLED TO MEMBERS EACH MONTH					
TOTAL MONTHLY COSTS BILLED TO PROJECT 8113 WITH UNIQUE WORK ORDERS ASSIGNED TO THE PROJECT NUMBER:					
	WORK ORDER NO. 1		WORK ORDER NO. 2		WORK ORDER NO. 3
	LABOR \$30,000		LABOR \$20,000		LABOR \$10,000
	NON-LABOR \$15,000		NON-LABOR \$10,000		NON-LABOR \$5,000
	TOTAL FOR MONTH <u>\$45,000</u>		TOTAL FOR MON <u>\$30,000</u>		TOTAL FOR MONTH <u>\$15,000</u>
					TOTAL COSTS FOR MONTH
					LABOR \$60,000
					NON-LABOR \$30,000
					TOTAL FOR MONTH <u>\$90,000</u>
		SUBSCRIBER UNITS			
		2,700 COM			
		700 TOG			
		75 AJFD			
		165 AJ			
		4 TQC			
		<u>3,644</u>			
			ACTUAL MO. COST PER UNIT	BILLING TO EACH MEMBER	
BILLING TO MEMBERS: [DOES NOT INCLUDE OVERHEAD CHARGES]			\$24.70	2,700 COM \$66,684.96	
				700 TOG \$17,288.69	
				75 AJFD \$1,852.36	
				165 AJ \$4,075.19	
				4 TQC \$98.79	
				<u>3,644</u> <u>\$90,000.00</u>	

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