

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

July 17,2008 Revised to reflect final FY 08/09 budget [Review with Mike Brown June 25, 2008, Subscriber Units review with Mike B.,Mike D., Jeff T. July 17,2008]
 October 15, 2008 Revised to reflect legal services addition.

		800 Mhz		5.42%	4.69%	4.73%	4.71%	
		%						
1. TOPAZ NETWORK OPERATIONS SUPPORT COSTS		FY 08/09 BUDGET	Support	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
LABOR								
DATA GROUP:								
SR. COMMUNICATIONS NETWORK TECHNOLOGIST	4669	\$105,658	50%	\$52,829	\$55,692	\$58,304	\$61,062	\$63,938
COMMUNICATIONS NETWORK TECHNOLOGIST	1671	\$96,398	50%	\$48,199	\$50,811	\$53,194	\$55,711	\$58,335
COMMUNICATIONS NETWORK TECHNOLOGIST	1168	\$110,830	50%	\$55,415	\$58,418	\$61,158	\$64,051	\$67,068
TOTAL DATA GROUP LABOR				\$156,443	\$164,922	\$172,657	\$180,824	\$189,341
MOTOROLA POST WARRANTY SERVICES:								
SSA				\$239,532	\$246,910	\$254,292	\$261,794	\$269,176
MOTOROLA SERVICES				\$204,469	\$210,767	\$217,069	\$223,472	\$229,774
TOTAL MOTOROLA POST WARRANTY SERVICES				\$444,001	\$457,676	\$471,361	\$485,266	\$498,950
TOTAL TOPAZ NETWORK OPERATIONS SUPPORT COSTS				\$600,444	\$622,598	\$644,018	\$666,090	\$688,291
		800 Mhz		5.42%	4.69%	4.73%	4.71%	
		%						
2. TOPAZ INFRASTRUCTURE & MICROWAVE SUPPORT COSTS		FY 08/09 BUDGET	Support	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
LABOR								
SYSTEMS GROUP:								
COMMUNICATIONS TECHNICAN III	0982	\$72,112	50%	\$36,056	\$38,010	\$39,793	\$41,675	\$43,638
COMMUNICATIONS TECHNICAN III	1364	\$83,398	50%	\$41,699	\$43,959	\$46,021	\$48,198	\$50,468
COMMUNICATIONS TECHNICAN III	1167	\$69,637	50%	\$34,819	\$36,706	\$38,427	\$40,245	\$42,140
COMMUNICATIONS TECHNICAN III	0804	\$91,348	50%	\$45,674	\$48,150	\$50,408	\$52,792	\$55,279
COMMUNICATIONS SYSTEMS COORDINATOR	0805	\$96,988	50%	\$48,494	\$51,122	\$53,520	\$56,052	\$58,692
WIRELESS COMMUNICATIONS ADMINISTRATOR	3358	\$89,947	50%	\$44,974	\$47,411	\$49,635	\$51,982	\$54,431
OVERTIME		\$54,275	50%	\$27,138	\$28,608	\$29,950	\$31,367	\$32,844
TOTAL SYSTEMS GROUP LABOR				\$278,853	\$293,966	\$307,753	\$322,310	\$337,491
COMMODITIES & OTHER SERVICES								
72820 TRAINING		\$27,000	45%	\$12,150	\$12,524	\$12,899	\$13,279	\$13,654
74220 REPLACEMENT PARTS & MATERIALS		\$127,627	25%	\$31,907	\$32,889	\$33,873	\$34,872	\$35,856
74250 SOFTWARE		\$6,147	45%	\$2,766	\$2,851	\$2,937	\$3,023	\$3,108
72360 MISCELLANEOUS CONTRACT REPAIR		\$65,100	25%	\$16,275	\$16,776	\$17,278	\$17,788	\$18,289
7220 SPARE EQUIPMENT SHIPPING		\$615	40%	\$246	\$254	\$261	\$269	\$276
74210 TOOLS & EQUIPMENT		\$31,500	45%	\$14,175	\$14,612	\$15,048	\$15,492	\$15,929
72260 VEHICLES		\$44,750	50%	\$22,375	\$23,064	\$23,754	\$24,455	\$25,144
72210 LEASED CIRCUITS		\$600	50%	\$300	\$309	\$318	\$328	\$337
72270 TRAVEL		\$11,600	75%	\$8,700	\$8,968	\$9,236	\$9,509	\$9,777
72720 OTHER SUBSCRIPTIONS & MEMBERSHIPS		\$4,200	60%	\$2,520	\$2,598	\$2,675	\$2,754	\$2,832
72180 PROFESSIONAL SERVICES OTHER		\$12,600	50%	\$6,300	\$6,494	\$6,688	\$6,886	\$7,080
TOTAL COMMODITIES & OTHER SERVICES				\$117,714	\$121,339	\$124,968	\$128,654	\$132,282
SITE LEASES								
THOMPSON PEAK (CAP)				\$34,200	\$35,253	\$36,307	\$37,379	\$38,433
TOTAL TOPAZ INFRASTRUCTURE & MICROWAVE SUPPORT COSTS				\$430,766	\$450,559	\$469,028	\$488,343	\$508,206

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		800 Mhz		5.42%	4.69%	4.73%	4.71%	
		FY 08/09 BUDGET	Support %	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
3. TOPAZ ADMINISTRATIVE SUPPORT & OVERHEAD COSTS								
LABOR								
ADMINISTRATION & WAREHOUSE SUPPORT								
ADMINISTRATION SUPPORT ASSISTANT III	1098	\$67,619	15%	\$10,143	\$10,693	\$11,194	\$11,724	\$12,276
PARTS & SUPPLY SPECIALIST	3936	\$50,916	10%	\$5,092	\$5,368	\$5,619	\$5,885	\$6,162
LEAD PARTS & SUPPLY SPECIALIST	1598	\$66,015	10%	\$6,602	\$6,959	\$7,286	\$7,630	\$7,990
COMMUNICATIONS PROJECT LIASION	0528	\$106,954	50%	\$53,477	\$56,375	\$59,019	\$61,811	\$64,722
COMMUNICATIONS PROJECT LIASION	2397	\$133,713	50%	\$66,857	\$70,480	\$73,786	\$77,276	\$80,915
COMMUNICATIONS PROJECT LIASION	0185	\$124,585	25%	\$31,146	\$32,834	\$34,374	\$36,000	\$37,696
COMMUNICATIONS ADMINISTRATOR	29312	\$136,757	25%	\$34,189	\$36,042	\$37,733	\$39,517	\$41,379
COMMUNICATIONS DISPATCHER - ENCRYPTION	5154	\$108,347	10%	\$10,835	\$11,422	\$11,958	\$12,523	\$13,113
TOTAL LABOR				\$218,340	\$230,174	\$240,969	\$252,367	\$264,253
COMMODITIES & OTHER SERVICES								
TRAINING		\$3,000	10%	\$300	\$309	\$318	\$328	\$337
MISCELLANEOUS		\$19,500	50%	\$9,750	\$10,050	\$10,351	\$10,656	\$10,957
COMMODITIES - ENCRYPTION		\$2,000	100%	\$2,000	\$2,062	\$2,123	\$2,186	\$2,248
TOTAL COMMODITIES & OTHER SERVICES				\$12,050	\$12,421	\$12,793	\$13,170	\$13,541
OVERHEAD CHARGES								
GENERAL SERVICES RATE		17.3097%		\$124,990	\$131,764	\$137,944	\$144,469	\$151,273
ENCRYPTION RATE		20.9118%		\$2,266	\$2,389	\$2,501	\$2,619	\$2,742
TOTAL OVERHEAD CHARGES				\$127,255	\$134,153	\$140,444	\$147,087	\$154,015
TOTAL TOPAZ ADMINISTRATIVE SUPPORT				\$357,645	\$376,748	\$394,206	\$412,624	\$431,810
4. EXECUTIVE DIRECTOR COSTS								
LABOR	3833	\$136,888	50%	\$68,444	\$72,154	\$75,538	\$79,111	\$82,837
LEGAL SERVICES		\$7,500	100%	\$7,500	\$7,907	\$8,277	\$8,669	\$9,077
OTHER SERVICES		\$2,000	100%	\$2,000	\$2,108	\$2,207	\$2,312	\$2,421
TOTAL EXECUTIVE DIRECTOR COSTS				\$77,944	\$82,169	\$86,022	\$90,091	\$94,334
5. NETWORK EQUIPMENT DEPRECIATION [10 YEAR LIFE]								
SYSTEM UPGRADES, INSTALL, HARDWARE, SOFTWARE		\$65,000	50%		\$32,500	\$65,000	\$97,500	\$130,000
7. SUMMARY OF TOPAZ OPERATIONS AND MAINTENANCE COSTS								
TOTAL TOPAZ NETWORK OPERATIONS SUPPORT COSTS				\$600,444	\$622,598	\$644,018	\$666,090	\$688,291
TOTAL TOPAZ INFRASTRUCTURE & MICROWAVE SUPPORT COSTS				\$430,766	\$450,559	\$469,028	\$488,343	\$508,206
TOTAL TOPAZ ADMINISTRATIVE SUPPORT				\$357,645	\$376,748	\$394,206	\$412,624	\$431,810
TOTAL EXECUTIVE DIRECTOR COSTS				\$77,944	\$82,169	\$86,022	\$90,091	\$94,334
TOTAL NETWORK EQUIPMENT DEPRECIATION				\$0	\$32,500	\$65,000	\$97,500	\$130,000
TOTAL TOPAZ OPERATIONS AND MAINTENANCE COSTS				\$1,466,800	\$1,564,574	\$1,658,274	\$1,754,647	\$1,852,641
10. CAPITAL IMPROVEMENT COSTS								
TYPES OF CAPITAL				FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
VARIOUS PROJECTS INCLUDING SYSTEM UPGRADES, INSTALLATION, HARDWARE AND SOFTWARE				\$650,000	\$650,000	\$650,000	\$650,000	\$650,000
TOTAL CAPITAL IMPROVEMENT COSTS				\$650,000	\$650,000	\$650,000	\$650,000	\$650,000

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	FY 08/09	5.00% FY 09/10	5.00% FY 10/11	5.00% FY 11/12	5.00% FY 12/13
8. SUBSCRIBER UNITS [AS OF JULY 1,2008]					
MESA					
MOBILES	804	844	886	931	977
PORTABLES	1,960	2,058	2,161	2,269	2,382
CONTROL STATIONS	56	59	62	65	68
TOTAL MESA	2,820	2,961	3,109	3,265	3,428
TOWN OF GILBERT					
MOBILES	243	255	268	281	295
PORTABLES	458	481	505	530	557
CONTROL STATIONS	21	22	23	24	26
TOTAL TOWN OF GILBERT	722	758	796	836	878
APACHE JUNCTION FIRE DISTRICT					
MOBILES	23	24	25	27	28
PORTABLES	44	46	49	51	53
CONTROL STATIONS	4	4	4	5	5
TOTAL APACHE JUNCTION FIRE DISTRICT	71	75	78	82	86
CITY OF APACHE JUNCTION					
MOBILES	57	60	63	66	69
PORTABLES	95	100	105	110	115
CONTROL STATIONS	5	5	6	6	6
TOTAL CITY OF APACHE JUNCTION	157	165	173	182	191
TOWN OF QUEEN CREEK					
MOBILES	7	7	8	8	9
PORTABLES	0	0	0	0	0
CONTROL STATIONS	0	0	0	0	0
TOTAL TOWN OF QUEEN CREEK	7	7	8	8	9
TOTAL SUBSCRIBER UNITS					
MOBILES	1,134	1,191	1,250	1,313	1,378
PORTABLES	2,557	2,685	2,819	2,960	3,108
CONTROL STATIONS	86	90	95	100	105
TOTAL SUBSCRIBER UNITS	3,777	3,966	4,164	4,372	4,591
9. SUBSCRIBER UNIT PERCENTAGE					
MESA	74.66%	74.66%	74.66%	74.66%	74.66%
TOWN OF GILBERT	19.12%	19.12%	19.12%	19.12%	19.12%
APACHE JUNCTION FIRE DISTRICT	1.88%	1.88%	1.88%	1.88%	1.88%
CITY OF APACHE JUNCTION	4.16%	4.16%	4.16%	4.16%	4.16%
TOWN OF QUEEN CREEK	0.19%	0.19%	0.19%	0.19%	0.19%
TOTAL SUBSCRIBER UNIT PERCENTAGE	100.00%	100.00%	100.00%	100.00%	100.00%

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11. ANNUAL FEE PER SUBSCRIBER UNIT - TOPAZ OPERATIONS AND MAINTENANCE COSTS	\$388	\$395	\$398	\$401	\$404
MONTHLY FEE PER SUBSCRIBER UNIT - TOPAZ OPERATIONS AND MAINTENANCE COSTS	\$32	\$33	\$33	\$33	\$34
12. ANNUAL REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS					
MESA	\$1,095,148	\$1,168,149	\$1,238,108	\$1,310,062	\$1,383,227
TOWN OF GILBERT	\$280,389	\$299,079	\$316,991	\$335,413	\$354,145
APACHE JUNCTION FIRE DISTRICT	\$27,573	\$29,411	\$31,172	\$32,984	\$34,826
CITY OF APACHE JUNCTION	\$60,971	\$65,035	\$68,930	\$72,936	\$77,009
TOWN OF QUEEN CREEK	\$2,718	\$2,900	\$3,073	\$3,252	\$3,434
TOTAL ANNUAL REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS	\$1,466,800	\$1,564,574	\$1,658,274	\$1,754,647	\$1,852,641
13. MONTHLY REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS					
MESA	\$91,262	\$97,346	\$103,176	\$109,172	\$115,269
TOWN OF GILBERT	\$23,366	\$24,923	\$26,416	\$27,951	\$29,512
APACHE JUNCTION FIRE DISTRICT	\$2,298	\$2,451	\$2,598	\$2,749	\$2,902
CITY OF APACHE JUNCTION	\$5,081	\$5,420	\$5,744	\$6,078	\$6,417
TOWN OF QUEEN CREEK	\$227	\$242	\$256	\$271	\$286
TOTAL MONTHLY REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS	\$122,233	\$130,381	\$138,190	\$146,221	\$154,387
14. ANNUAL FEE PER SUBSCRIBER UNIT - TOPAZ CAPITAL IMPROVEMENT COSTS					
MONTHLY FEE PER SUBSCRIBER UNIT - TOPAZ CAPITAL IMPROVEMENT COSTS	\$172	\$164	\$156	\$149	\$142
MONTHLY FEE PER SUBSCRIBER UNIT - TOPAZ CAPITAL IMPROVEMENT COSTS	\$14	\$14	\$13	\$12	\$12
15. ANNUAL REVENUE FROM SUBSCRIBER UNITS - CAPITAL IMPROVEMENT COSTS					
MESA	\$485,306	\$485,306	\$485,306	\$485,306	\$485,306
TOWN OF GILBERT	\$124,252	\$124,252	\$124,252	\$124,252	\$124,252
APACHE JUNCTION FIRE DISTRICT	\$12,219	\$12,219	\$12,219	\$12,219	\$12,219
CITY OF APACHE JUNCTION	\$27,019	\$27,019	\$27,019	\$27,019	\$27,019
TOWN OF QUEEN CREEK	\$1,205	\$1,205	\$1,205	\$1,205	\$1,205
TOTAL ANNUAL REVENUE FROM SUBSCRIBER UNITS - CAPITAL IMPROVEMENT COSTS	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000
16. MONTHLY REVENUE FROM SUBSCRIBER UNITS - CAPITAL IMPROVEMENT COSTS					
MESA	\$40,442	\$40,442	\$40,442	\$40,442	\$40,442
TOWN OF GILBERT	\$10,354	\$10,354	\$10,354	\$10,354	\$10,354
APACHE JUNCTION FIRE DISTRICT	\$1,018	\$1,018	\$1,018	\$1,018	\$1,018
CITY OF APACHE JUNCTION	\$2,252	\$2,252	\$2,252	\$2,252	\$2,252
TOWN OF QUEEN CREEK	\$100	\$100	\$100	\$100	\$100
TOTAL MONTHLY REVENUE FROM SUBSCRIBER UNITS - CAPITAL IMPROVEMENT COSTS	\$54,167	\$54,066	\$54,066	\$54,066	\$54,066

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FORECAST OF COST ASSIGNMENT TO TOPAZ MEMBERS FROM JANUARY 2009 THRU JUNE 2009

17. JANUARY THRU JUNE 2009 REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS

MESA	\$547,574	\$1,168,149	\$1,238,108	\$1,310,062	\$1,383,227
TOWN OF GILBERT	\$140,194	\$299,079	\$316,991	\$335,413	\$354,145
APACHE JUNCTION FIRE DISTRICT	\$13,786	\$29,411	\$31,172	\$32,984	\$34,826
CITY OF APACHE JUNCTION	\$30,486	\$65,035	\$68,930	\$72,936	\$77,009
TOWN OF QUEEN CREEK	\$1,359	\$2,900	\$3,073	\$3,252	\$3,434
TOTAL JANUARY THRU JUNE 2009 REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS	\$733,400	\$1,564,574	\$1,658,274	\$1,754,647	\$1,852,641

18. MONTHLY REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS

[JANUARY THRU JUNE 2009]

MESA	\$91,262	\$97,346	\$103,176	\$109,172	\$115,269
TOWN OF GILBERT	\$23,366	\$24,923	\$26,416	\$27,951	\$29,512
APACHE JUNCTION FIRE DISTRICT	\$2,298	\$2,451	\$2,598	\$2,749	\$2,902
CITY OF APACHE JUNCTION	\$5,081	\$5,420	\$5,744	\$6,078	\$6,417
TOWN OF QUEEN CREEK	\$227	\$242	\$256	\$271	\$286
TOTAL JANUARY THRU JUNE 2009 REVENUE FROM SUBSCRIBER UNITS - OPERATING COSTS	\$122,233	\$130,381	\$138,190	\$146,221	\$154,387

NOTE: CAPITAL COSTS DEFERRED UNTIL TOPAZ BOARD OF DIRECTORS REVIEW BUDGET. CAPITAL COSTS FOR FISCAL YEAR 2009/2010 MAY INCLUDE A "CATCH UP" PROVISION IF THE BOARD APPROVES.

D.Fulton
10/15/08