Date: December 12, 2024

To: Topaz Regional Wireless Cooperative (TRWC) Board of Directors

From: Dale Shaw, TRWC Executive Director
Rob Duggan, TRWC Executive Committee Co-chairman
Jason King, TRWC Executive Committee Co-chairman

Subject: Fiscal Year 2025/2026 Budget

Recommendation

The TRWC Executive Director and Executive Committee recommends the review and consideration of the Preliminary TRWC Budget (attached) in the amount of $11,530,453 for Fiscal Year 2025/2026.

Background & Discussion

The attached Preliminary Budget for Fiscal Year 2025/2026 has been under review and endorsed by the TRWC Executive Committee. When compared to the current 2024/2025 Fiscal Year Budget, the proposed Operating & Maintenance expenses will increase by $906,056 (predominately due to increases in Motorola contract, equipment maintenance, and support contract costs). When compared to the previously presented forecast, Capital expenditures will increase by $1,489,171 (predominately due to expansion sites development, device interoperability improvements, and various equipment lifecycle upgrade costs).

Fiscal Impact

The Preliminary Budget represents the total planned contribution by all member agencies for the ongoing operation, maintenance, and improvement of the TRWC radio network. Each member agency will be invoiced as actual expenditures occur on a monthly basis using the cost allocation methodology outlined in the adopted Budget.

Current Year Capital expenditures

For the current fiscal year 2025 there are budgeted capital project which are being canceled, they are:

Interface for non-Motorola Dispatch Console	CP1199	$225,000
TOPAZ P25 Voice Radio Network Lifecycle Upgrade	LF0269	$350,000
P25 Network In-Bound Data Enhancement	LF0515	$371,000

TRWC Operating & Maintenance Budget
Summary of Labor and Non-labor

	FY 23/24 Adopted BUDGET	FY 24/25 Adopted BUDGET	FY 25/26 DRAFT BUDGET	CHANGE FY24/25 to FY25/26	Straightline FORECAST FY 26/27	FY 27/28	FY 28/29
ESCALATION FACTOR			3.00%		3.00%	3.00%	3.00%
Salaries and Wages **(4)**	833,787	865,861	$ 891,837	$ 25,976	$ 918,591.93	$ 946,149.69	$ 974,534.18
Total Labor	$ 833,787	$ 865,861	$ 891,837	$ 25,976	$ 918,592	$ 946,150	$ 974,534
ESCALATION FACTOR			3.00%		3.00%	3.00%	3.00%
GENERAL & ADMINISTRATIVE - OTHER SERVICES							
Temp Services 2115	$ 6,857	7,268	7,486	218	7,711	7,942	8,180
Leases and Rents - Land 2131	28,912	26,770	27,573	803	28,400	29,252	30,130
Prof Services - Legal, Consulting & Other 2111	60,000	102,500	105,575	3,075	108,742	112,005	115,365
Professional Services - Consulting 2180	229,864	211,845	218,200	6,355	224,746	231,489	238,433
Utilities 2201	92,590	93,195	95,991	2,796	98,871	101,837	104,892
Ins. Premiums - Agencies 2109	9,714	10,297	10,606	309	10,924	11,252	11,589
Telephone 2210	3,886	4,119	4,243	124	4,370	4,501	4,636
Repairs & Maint 2224	108,392	137,051	141,163	4,112	145,397	149,759	154,252
Equipment Usage (Vehicles) 2225	22,855	32,607	33,585	978	34,593	35,631	36,699
Training 2803	22,010	23,331	24,031	700	24,752	25,494	26,259
Travel 2807	22,010	23,331	24,031	700	24,752	25,494	26,259
Networking Subscription Costs 2802	12,960	13,738	14,150	412	14,575	15,012	15,462
All Other Services	-	-	-	-	0	-	-
TOTAL OTHER SERVICES	$ 620,051	$ 686,052	$ 706,634	$ 20,582	$ 727,833	$ 749,668	$ 772,158
GENERAL & ADMINISTRATIVE - COMMODITIES							
Non Cap Assets 3116	$ 98,195	$ 211,708	218,059	6,351	224,601	231,339	238,279
Contract - Motorola (SUA-2) 2181	1,082,910	1,453,148	1,194,168	(258,980)	1,229,990	1,253,739	1,278,191
Software Maint-Juniper 3118	67,562	72,967	75,156	2,189	77,411	79,733	82,125
Materials & Repair Parts 3131	33,538	35,550	36,617	1,067	37,715	38,846	40,012
All Other Commodities	-	-	-	-	-	-	-
TOTAL COMMODITIES	$ 1,282,205	$ 1,773,373	$ 1,523,999	$ (249,373)	$ 1,569,717	$ 1,603,657	$ 1,638,607
OTHER BUDGET ITEMS							
PROPOSED CONTINGENCY - 1.5%	$ 41,041	$ 49,879	$ 46,837	$ (3,042)	48,242	49,689	51,180
VHF OPERATIONS (special assessment)	26,662	$ 28,795	29,659	$ 864	30,549	31,465	32,409
VHF Equipment Staff Time (special assessment)	29,098	$ 29,098	29,971	$ 873	30,870	31,796	32,750
TOTAL OTHER BUDGET ITEMS	$ 96,801	$ 107,772	$ 106,467	$ (1,305)	$ 109,661	$ 112,951	$ 116,339
Total Operating & Maintenance	$ 2,832,843	$ 3,433,058	$ 3,228,937	$ (204,121)	$ 3,325,802	$ 3,412,425	$ 3,501,638
O&M - AIRTIME PERCENTAGE (1)							
Mesa	64.35%	65.34%	65.34%		65.34%	64.35%	

TRWC Operating & Maintenance Budget Summary of Labor and Non-labor	FY 23/24 Adopted BUDGET	FY 24/25 Adopted BUDGET	FY 25/26 DRAFT BUDGET	CHANGE FY24/25 to FY25/26	Straightline FORECAST FY 26/27	FY 27/28	FY 28/29
Gilbert	17.43%	16.49%	16.49%		16.49%	17.43%	
Apache Junction	10.08%	9.16%	9.16%		9.16%	10.08%	
Ft McDowell	1.71%	1.33%	1.33%		1.33%	1.71%	
Superstition Fire & Medical	0.73%	0.95%	0.95%		0.95%	0.73%	
Queen Creek	5.30%	5.64%	5.64%		5.64%	5.30%	
Rio Verde	0.05%	0.17%	0.17%		0.17%	0.05%	
Southwest Ambulance	0.11%	0.00%	0.00%		0.00%	0.11%	
American Medical Response	0.25%	0.59%	0.59%		0.59%	0.25%	
Fountain Hills		0.33%	0.33%		0.33%		
Total	100.00%	100.00%	100.00%		100.00%	100.00%	
VHF SPECIAL ASSSESSMENT (2,3)							
Mesa Fire & Medical	64.21%	64.21%	64.21%		64.21%	64.21%	
Gilbert Fire	16.14%	16.14%	16.14%		16.14%	16.14%	
Superstition Fire & Medical	7.78%	7.78%	7.78%		7.78%	7.78%	
Queen Creek Fire	7.73%	7.73%	7.73%		7.73%	7.73%	
Rio Verde Fire	1.43%	1.43%	1.43%		1.43%	1.43%	
Fountain Hills	2.71%	2.71%	2.71%		2.71%		
Total	100.00%	100.00%	100.00%		100.00%	97.29%	
ANNUAL ESTIMATED REVENUE: OPERATING & MAINTENANCE							
Mesa	1,822,929	2,242,506	2,109,113		2,172,385	2,172,385	
Gilbert	492,949	565,909	532,243		548,210	548,210	
Apache Junction	279,924	309,165	290,308		299,018	304,519	
Ft McDowell	47,457	44,890	42,152		43,416	45,682	
Superstition Fire & Medical	24,622	36,568	34,748		35,790	35,790	
Queen Creek	151,380	194,834	183,358		188,859	188,859	
Rio Verde	2,111	6,566	6,241		6,428	6,428	
Southwest Ambulance	3,032	-	-		-	-	
American Medical Response	6,928	19,913	18,699		19,260	19,260	
Fountain Hills	1,511	12,707	12,075		12,437		
Total	$ 2,832,843	$ 3,433,058	$ 3,228,937		$ 3,325,802	$ 3,325,802	

(1) Normal partner assessments are allocated based on July, 2024 6-month rolling average airtime and will change based on actual monthly data.
(2) For FY 23/24 Endorsed Budget, agency cost distribution for the Fire Hazard Zone Communication (VHF) Special Assessment is based on 12 months average Airtime as of
(3) For FY 23/24 Proposed Budget, agency cost distribution for the Fire Hazard Zone Communication (VHF) Special Assessment is based on Call Volume July 1, 2021 - June 30,
(4) Review of actual personnal services costs

TRWC Capital Budget Plan	PROJECT ID	FY 23/24 W/Carry Over	FY 24/25	FY 24/25 W/Carry Over	New Proposal FY 25/26	New Proposal FY 26/27	New Proposal FY 27/28	FY 28/29	FY 29/30	TOTAL 7 Years (23/24 - 29/30)
ESCALATION FACTOR			**7.00%**		**3.00%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**	
Site Expansion #1 H60	CP0091	2,940,000	570,640	468,527	-	-	-			$ 468,527
Site Expansion #2 WOL	CP0754	1,742,001	1,126,432	2,842,951	-	-	-			$ 2,842,951
Site Expansion #3 QC	CP0779	475,000	1,487,300	1,962,300	2,334,505	-	-			$ 4,296,805
Interface for non-Motorola Dispatch Console	CP1199		225,000		-	-	-			$ -
Radio Sites Emergency Power Upgrade (Site generators)	LF0226	71,825	-		-	-	-	-		$ -
Communications Building UPS Battery Replacement	LF0408	17,700	-		-	18,036	-			$ 18,036
Internet Protocol Network Juniper Routers & Switches Upgrade (Work in FY25)	LF0336	480,000	513,600	513,600	549,552	256,800	-			$ 1,319,952
Radio & Core Sites Battery Backup Lifecycle Upgrade	LF0266	61,910	90,000	112,606	96,300	103,041	-			$ 311,947
Radio & Core Sites DC Power Plant Lifecycle Upgrade (Sageon)	LF0267	-			750,000	802,500	-			$ 1,552,500
P25 Network In-Bound Data Enhancement	LF0515	371,000	371,000	371,000						$ 371,000
TOPAZ P25 Voice Radio Network Lifecycle Upgrade (FY27)	LF0269	-	350,000	350,000	-	7,500,000	7,500,000	-	-	$ 15,350,000
Wireless Backhaul (Microwave) Network Lifecycle Upgrade Added years to this project	LF0403	431,476	420,000	762,000	-	-	-	-		$ 762,000
Tower Maintenance (Infrastructure)	CP1200		100,000	100,000	107,000	114,490	122,504	131,080	140,255	$ 715,329
New Radio Site security system (lock/keys/gates/ccure)					150,000	100,000	50,000			
Sub-total		6,590,912	5,253,972	7,482,984	3,987,357	8,894,867	7,672,504	131,080	140,255	40,153,931
										$ -
Fire Hazard Zone System Coverage Improvement and Expansion	CP0907	450,000	250,000	250,000	257,500	265,225	273,182	281,377	289,819	$ 2,317,102
Fire Hazard Zone System Lifecycle Upgrade Router refresh replacement in FY25	LF0465CAP	147,500	-	297,500	-	-	-			$ 445,000
VHF Infrastructure Lifecycle Upgrade	LF0268								3,500,000	$ 3,500,000
Sub-total VHF Special Assessment Projects		597,500	250,000	547,500	257,500	265,225	273,182	281,377	3,789,819	$ 6,262,102
										$ -
Total Capital & Fire Special Assessment Projects		7,188,412	5,503,972	8,030,484	4,244,857	9,160,092	7,945,686	412,457	3,930,074	$ 46,416,033
Capital Assessment to Members										
Mesa	65.72%	4,114,634	2,773,075	4,020,885	1,553,225	5,846,080	5,042,692	86,151	92,182	$ 23,528,924
Gilbert	16.59%	1,014,401	624,750	915,675	274,146	1,475,326	1,272,582	21,741	23,263	$ 5,621,884
Apache Junction	9.22%	563,595	347,108	508,744	152,314	819,683	707,039	12,079	12,925	$ 3,123,487
Ft McDowell	1.34%	81,953	50,473	73,977	22,148	119,191	102,812	1,756	1,879	$ 454,189
Superstition Fire & Medical	0.96%	58,713	36,160	52,999	15,867	85,391	73,656	1,258	1,346	$ 325,390
Queen Creek	5.67%	726,772	1,403,410	1,882,863	1,961,321	504,339	435,031	7,432	7,952	$ 6,929,120
Rio Verde	0.18%	10,764	6,629	9,716	2,909	15,655	13,504	231	247	$ 59,655
Fountain Hills	0.33%	20,183	12,430	18,218	5,454	29,353	25,319	433	463	$ 111,853
Sub-total	100.00%	6,591,015	5,254,035	7,483,077	3,987,384	8,895,018	7,672,635	131,081	140,257	40,154,502
VHF Special Assessment										
Mesa Fire & Medical	64.21%	383,655	160,525	351,550	165,341	170,301	175,410	180,672	2,433,442	$ 4,020,896
Gilbert Fire	16.14%	96,437	40,350	88,367	41,561	42,807	44,092	45,414	611,677	$ 1,010,705
Superstition Fire & Medical	7.78%	46,486	19,450	42,596	20,034	20,635	21,254	21,891	294,848	$ 487,194
Queen Creek Fire	7.73%	46,187	19,325	42,322	19,905	20,502	21,117	21,750	292,953	$ 484,061
Rio Verde Fire	1.43%	8,544	3,575	7,829	3,682	3,793	3,906	4,024	54,194	$ 89,547
Fountain Hills	2.71%		6,775	14,837	6,978					
Sub-total	100.00%	581,309	250,000	547,501	257,501	258,038	265,779	273,751	3,687,114	6,120,993
Special Assestment SAU										
Console Upgrade from MCC 7500 to AXS (1) Gilbert		400,000	198,196	198,196	124,974	129,568	134,300	139,174		$ 1,126,212
Mesa			-		868,000	868,000	868,000	868,000		$ 3,472,000
Fort McDowell			-		73,267	73,267	73,267	73,267		293,068
Sub-total AXS Console Upgrade Special Assessment Projects		400,000	198,196	198,196	1,066,241	1,070,835	1,075,567	1,080,441		4,891,280
QC Site Expansion Special Assessment		380,000	1,189,840	1,569,840	1,867,604	-	-	-		5,007,284
QC Site Expansion Special Assessment (Mesa share)		95,000	297,460	392,460	466,901					1,251,821
Total QC expansion Site		475,000	1,487,300	1,962,300	2,334,505	-	-	-	-	$ 6,259,105
Total Capital + Fire Special Assessment + AXS + QC Site Expansion										
Mesa		4,498,289	2,933,600		1,718,566	6,016,381	5,218,102	266,823	2,525,624	$ 23,177,385
Gilbert		1,510,838	863,296		1,381,948	2,588,968	2,392,241	1,147,596	634,940	$ 10,519,827
Apache Junction		563,595	347,108		152,314	819,683	707,039	12,079	12,925	$ 2,614,743
Ft McDowell		81,953	50,473		22,148	119,191	102,812	1,756	1,879	$ 380,212
Superstition Fire & Medical		105,199	55,610		35,901	106,026	94,910	23,149	296,194	$ 716,989
Queen Creek		1,152,959	1,422,735		3,848,830	524,841	456,148	29,182	300,905	$ 7,735,600
Rio Verde		19,308	10,204		6,591	19,448	17,410	4,255	54,441	$ 131,657
Fountain Hills			19,205		12,432					
Total		7,932,141	5,702,231		7,166,298	10,194,538	8,988,662	1,484,840	3,826,908	45,295,618

(1) Console cost will be incured in the last 3 years of the SUA, Gilbert's will be over the entire 6 years

TOPAZ
Detail of Operating and Maintenance
Fiscal Year 2024 / 2025

	Year to Date Through Ocotber 31, 2024					
Description	**Budget**	**Updated Forecast**	**YTD Forecast***	**YTD Actual**	**$ Var From YTD Forecast Incr/(Decr)**	**% Var**
Personnel Services	$ 865,861	$ 865,861	$ 299,721	$ 223,849	$ (75,872)	-25%
Insurance Premiums	10,297	10,297	3,432	-	(3,432)	-100%
Temp Services	7,268	7,268	2,423	-	(2,423)	-100%
Leases and Rents - Land	26,770	26,770	8,923	15,824	6,901	77%
Professional Services - Consulting	211,845	211,845	70,615	27,097	(43,518)	-62%
Professional Services - Other-combining legal, consulting	102,500	102,500	34,167	926	(33,241)	-97%
Utilities	93,195	93,195	31,065	33,586	2,521	8%
Telephone	4,119	4,119	1,373	462	(911)	-66%
Networking Subscription Costs	13,738	13,738	4,579	-	(4,579)	-100%
Repairs & Maintenance	137,051	137,051	45,684	69,595	23,911	52%
Equipment Usage (Vehicles)	32,607	32,607	10,869	5,032	(5,837)	-54%
All Other Services	46,662	46,662	15,554	-	(15,554)	-100%
Sub-total Services	686,052	686,052	228,684	152,522	(76,162)	-33%
Motorola Contract	1,453,148	1,453,148	484,383	-	(484,383)	-100%
Juniper Software	72,967	72,967	24,322	-	(24,322)	-100%
Materials & Parts	35,550	35,550	11,850	3,822	(8,028)	-68%
Non Cap Assets	211,708	211,708	70,569	-	(70,569)	-100%
All Other Commodities	-	-	-	-	-	0%
Sub-total Commodities	1,773,373	1,773,373	591,124	3,822	(587,302)	-99%
Subtotal O&M	3,325,286	3,325,286	1,119,529	380,193	(739,336)	-66%
Contingency - 1.5% of total O&M	49,879	49,879	16,626	-	(16,626)	-100%
VHF Operations	57,893	57,893	19,298		(19,298)	-100%
Total	$ 3,433,058	$ 3,433,058	$ 1,155,453	$ 380,193	$ (775,260)	-67%

*YTD Forecast represents 4 months of operational costs plus any contractual expenses already incurred (i.e. one time payments such as Insurance Premiums, Land Rental and Motorola Contract).

TOPAZ
Detail of Capital Projects
Fiscal Year 2024 / 2025

Year to Date Through October 31, 2024

Project	Project ID	Budgeted	YTD Forecast*	YTD Actual	$ Var From YTD Forecast Incr/(Decr)	% Var
Site Expansion #1 H60	CP0091	468,527	156,176	51,189	$ (104,987)	-67.22%
Site Expansion #2 WOL	CP0754CAP	2,842,951	947,650	95,020	$ (852,630)	-89.97%
Site Expansion #3 QC Land Purchase	CP0779	1,962,300	654,100	-	$ (654,100)	-100.00%
Wireless Backhual (Microwave) Network Lifecycle Upgrade	LF0403CAP	762,000	254,000	500	(253,500)	-99.80%
P25 Network In-Bound Data Enhancement	LF0515	371,000	123,667	-	(123,667)	-100.00%
System-of-Systems Networking	CP0438	-	-	-	-	0.00%
Fire Hazard Zone System Coverage Improvement & Expansion	CP0907	250,000	83,333	-	(83,333)	-100.00%
Fire Hazard Zone System Lifecycle Upgrade	LF0465CAP	297,500	99,167	-	(99,167)	-100.00%
Fire Hazard Zone System Simulcast Timing Reference Lifecycle Upgrade	LF0402POM	-	-	-	-	0.00%
Tower (infrastructure) upgrade/replacement	CP1200	100,000	33,333	-	(33,333)	-100.00%
TOPAZ P25 Voice Radio Network Lifecycle Upgrade (FY27) (1)	LF0269	350,000	116,667	-	(116,667)	-100.00%
Radio & Core Sites Battery Backup Lifecycle Upgrade	LF0266	112,606	37,535	-	(37,535)	-100.00%
Radio Sites Emergency Power Upgrade	LF0226	-	-	-	-	0.00%
Communications Building UPS Battery Replacement	LF0228	-	-	-	-	0.00%
Internet Protocol Network Routers & Switches Upgrade	LF0248/336	513,600	171,200	-	(171,200)	-100.00%
Antenna & Transmission Lines Lifecycle Upgrade	LF0282	-	-	-	-	0.00%
Upgrade Shaw Butte and Florence Gardens to P25 Phase II (TDMA)	CP0906	-	-	190,376	190,376	0.00%
Total Capital Projects		$ 8,030,484	$ 2,676,828	$ 337,086	$ (2,339,742)	-87.41%
Capital Assessment to Members						
Mesa	65.72%	1,226,380	408,793	218,612	(190,181)	-46.52%
Gilbert	16.59%	355,841	118,614	56,456	(62,158)	-52.40%
Apache Junction	9.22%	167,391	55,797	31,860	(23,937)	-42.90%
Ft McDowell	1.34%	40,486	13,495	4,812	(8,683)	-64.34%
Superstition Fire & Medical	0.96%	13,072	4,357	3,092	(1,265)	-29.03%
Queen Creek	5.67%	11,801	3,934	20,313	16,379	416.34%
Rio Verde	0.18%	545	182	579	397	218.13%
Fountain Hills	0.33%	-	-	1,362	1,362	0.00%
Total Assessment to Members	100.00%	$ 1,815,516	$ 605,172	$ 337,086	$ (268,086)	-44.30%

*YTD Forecast represents 4 months of project costs plus any contractual expenses already incurred (i.e. one time payments).