

**MINUTES OF THE
9-1-1 BOARD OF MANAGERS' PUBLIC REVIEW HEARING**

November 20, 2006

LOCATION: 9-1-1 Board Room
150 Hilbig Road, Conroe, Texas

ATTENDING: John Chancellor, President
Charlie Ray, Vice President
Allen Fletcher, Secretary
J.C. Edwards, Treasurer
Jerry Bittner, Member
Rhon Anthony Green, Ex-Officio Member
Larry Foerster, Legal Counsel
Robert VanWassehnova, CPA
Robert Gunter, Executive Director
Deborah Turner, Deputy Director
Terri Gill, Executive Assistant

GUESTS: Capt. Peggy Frankhouser, MCSO
Mark Turnbull, County Clerk
Dianna Porche, AT&T
Steve Silence, AT&T

Chief John Chancellor, President, called the meeting to order at 11:30 a.m.

PUBLIC COMMENTS

No citizen requested to address the Board of Managers.

EXECUTIVE DIRECTOR'S REPORT ON THE STATE OF THE DISTRICT

Mr. Robert Gunter inquired whether everyone had a chance to review the Executive Director's Report on the State of the District. Mr. Gunter briefly reviewed the document and stated that the District is fiscally healthy.


CONTINUATION OF THE 9-1-1 DISTRICT AND EMERGENCY SERVICE FEE

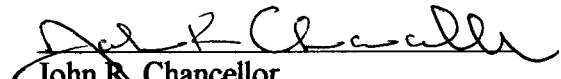
Chief Chancellor inquired whether there were any questions or discussion on the state of the District. Being none, he requested a motion on the Order of Continuation.

Mr. Allen Fletcher made the motion to approve the Order of Continuation. Chief Charlie Ray seconded the motion. The motion carried.

Chief Chancellor requested a motion to adjourn. Deputy Chief Jerry Bittner made the motion to adjourn. Chief Ray seconded the motion. The meeting adjourned at 11:33 p.m.

Attest:


B. Allen Fletcher
Secretary


John R. Chancellor
President



P. J. [Signature]
Montgomery County Emergency Communication District

P.O. Box 1830 Conroe, Texas 77305-1830 (936) 523-5911 FAX (936) 539-9111

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Mark Timball

NOTICE OF PUBLIC REVIEW HEARING
MONTGOMERY COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

NOVEMBER 20, 2006

Notice is hereby given to all interested members of the public, of a meeting of the Board of Managers of the above styled District, at **11:30 a.m., Monday, November 20, 2006**, at the **MCECD 9-1-1 Boardroom, 150 Hilbig Road, Conroe, Texas**. The purpose of the meeting is as follows:

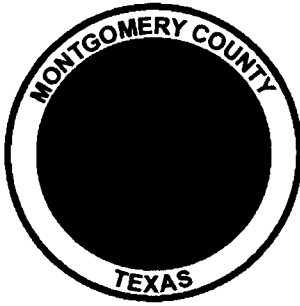
Open Meeting.

Public Comments.

1. Hear Executive Director's Report on the State of the District.
2. Consider action on the Continuation of the 9-1-1 District and the Emergency Service Fee.
3. Adjourn meeting.

Robert M. Gunter

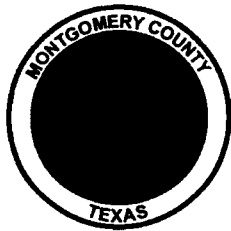
Robert Gunter, Executive Director



Montgomery County Emergency Communication District

Public Review Hearing

November 20, 2006
150 Hilbig Road, Conroe Texas



Montgomery County Emergency

Communication District

Overview

In May 1987, the Texas Legislature passed House Bill 911 to ensure that all of Texas' 18.5 million citizens would have access to 9-1-1 emergency telephone services. From anywhere in the state, dialing the digits "9" "1" "1" would allow callers to reach local emergency services quickly.

The Legislature eventually identified three ways to facilitate the implementation of 9-1-1 throughout the state by establishing:

Emergency Communication Districts

Regional Council of Governments

"Home-rule" Cities

In an April 1986 general referendum, the citizens of Montgomery County created the Montgomery County Emergency Communication District, more commonly called Montgomery County 9-1-1.

Montgomery County is one of the faster growing counties in both the state of Texas and in the United States. At present, the population of the County is approximately 300,000, and is expected to grow at a rate of approximately 6% in future years. The population is expected to exceed 350,000 by 2010. As the County's population continues to increase, the demands for public safety services will increase accordingly. We receive between 12,000 and 14,000 9-1-1 calls each month. Over 70% of the 9-1-1 calls are from wireless callers. This increased demand for public safety services will have a direct impact on the communications systems that support public safety agencies providing services for the residents of Montgomery County, which encompasses over 1,090 square miles.

The Montgomery County Emergency Communication District is a separate governmental agency established by a vote of the residents of Montgomery County as a result of a special election, which allowed the creation of the Communication District. Under the recodified Health & Safety Code, 772.02, the purpose of the Communication District is to design, implement, and administer the Enhanced 9-1-1 system for residents

of Montgomery County. The enabling legislation approving the creation of the Communication District established the make-up of the District and approved the funding mechanism.

The District is funded by a surcharge imposed on all local exchange access lines of every telephone company and all wireless carriers providing telephone service within the District's territory (Montgomery County boundaries). The District has successfully negotiated with a few VoIP providers to collect and remit a 9-1-1 fee.

The District's budget is approved annually by the Board of Managers, 14 municipalities, and the County Commissioners' Court. The current budget includes projected 9-1-1 surcharge revenues of \$3,353,135. The current budget includes projected expenses of \$3,273,666. The District has reserved \$900,000 for Next Generation 9-1-1, and VoIP (Voice over Internet Provider) 9-1-1 calls.

In June 1998, the District's Board of Managers hired Robert M. Gunter as Executive Director. On October 1, 1998, the Board of Managers approved the District's 1999 budget, which included funding a new communication center, replacing the old 9-1-1 system (equipment), and the installation of a digital 9-1-1 network.

The District financed the building by obtaining a fifteen (15) year lease purchase agreement at a rate of 4.6% and financed the new 9-1-1 system (equipment) by using a seven (7) year lease purchase agreement at a rate of 4.9%. The 15,000-sq. ft. communication center was built large enough to allow the current operations (9-1-1 call-taking, the Sheriff's dispatch and Hospital District's fire and EMS dispatch) to double in size. The building's second floor is the communication center that can handle up to thirty-two call-taking/dispatch positions. The first floor is used by MCECD's administrative, addressing, and mapping departments.

The communication center was completed April 1, 2000 and the new digital 9-1-1 equipment and Integrated Services Digital Network (ISDN) was installed during April. During the month of May, we moved all operations into the new communication center. The District was the first District in the State of Texas to build a communication center and the first PSAP location in Texas to install "digital 9-1-1" equipment and an ISDN network.

On March 27, 2002, the District tendered a check in the amount of \$1,061,130.35 to pay in full the balance due on the Equipment Lease/Purchase agreement. Then on July 22, 2002, the District tendered a check in the amount of \$1,369,021.22 to pay in full the balance on the Building Lease/Purchase agreement.

The technical requirements of 9-1-1 services have increased; state and federal regulations have become more complicated. The county's population is exploding and is currently estimated to be over 300,000. To provide the services that are expected of the District, it became necessary to increase the staff.

The District funded, in partnership with the City of Shenandoah and the Woodlands Fire Department, a back-up center that will support the county's needs in the event that the two primary centers, 9-1-1 and Conroe Police Department, should have to be evacuated.

The purpose of the 9-1-1 system is to deliver emergency telephone calls to public safety agencies. Thus, we are not the telephone company, or are we a public safety agency. We coordinate and facilitate Enhanced 9-1-1 service and provide addresses for all county residents. Our primary purpose is to provide the network and equipment for the Montgomery County Sheriff's Office (MCSO), the Conroe Police Department (CPD), the Montgomery County Hospital District (MCHD) and the Woodlands Fire Department (WFD) to:

- Answer all 9-1-1 calls within seconds.
- Assure the caller is connected to the correct agency.
- Train public safety personnel on the use of the 9-1-1 equipment and features.
- Assure that everyone has a physical address.
- Educate the public on when and how to use 9-1-1.

The service fees are used for the 9-1-1 network, telephone and PSAP equipment, MCSO and CPD call-takers, database services, public education, training and staffing.

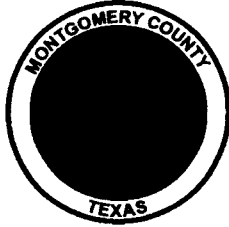
The District's budget for FY 2006/2007 includes funds for the following items:

| | |
|-------------------------------------|--------------|
| 9-1-1 Equipment | \$199,626.00 |
| 9-1-1 Network | \$482,057.78 |
| Pre-Paid Wireless Contracts | \$953,703.00 |
| Pending Pre-Paid Wireless Contracts | \$ 91,329.00 |
| MCSO & CPD Call-takers | \$890,400.00 |

Reserves:

| | |
|--|--------------|
| 1. Allocated for three months operating | \$750,000.00 |
| 2. Allocated for building and mechanical repairs | \$150,000.00 |
| 3. Wireless Carriers Service – Pending Contracts | \$650,000.00 |
| 4. 9-1-1 Equipment – Replacement | \$500,000.00 |
| 5. 9-1-1 Network – Statewide Database | \$400,000.00 |

Total Reserves **\$2,450,000.00**



Montgomery County Emergency

Communication District

Enhanced 9-1-1 System

The Montgomery County Emergency Communication District's enhanced 91-1- service is an emergency telephone system, which includes the high-speed, integrated services digital network (ISDN), digital public safety answering point (PSAP) equipment, and the data management system (database).

Positron 9-1-1 equipment purchased by the District in 2004/2005, is used in our communication centers, Montgomery County Sheriff's Office, Conroe Police Department, and the Woodlands Fire Department is provided by AT&T (formerly Southwestern Bell) and Positron Public Safety Systems. The Positron System is a software driven system providing instructions that controls the digital Nortel PBX's, HP servers and workstations. It is a completely digital system that provides all the latest and greatest features for 9-1-1 and administrative use.

The network uses integrated service digital network (ISDN) trunks from AT&T's Tandem (5-E) switch in Houston to each PSAP. Each telephone company provides high-speed Signaling System Seven (SS) trunks from each telephone office to AT&T's tandem switch.

The Montgomery County Emergency Communication District was the first in Texas to provide 9-1-1 services using a totally digital solution. As of November 1999, Vermont, Connecticut and Aurora, Illinois were the only locations, other than Montgomery County, who have chosen this leading edge technology. National public safety organizations are now endorsing this technology and are stating that ISDN is the 9-1-1 network of tomorrow. The District hopes, by selecting leading edge technology, the monies invested in equipment and the network will exceed the normal life expectancy of old analog technology.

There are four major telephone companies servicing Montgomery County:

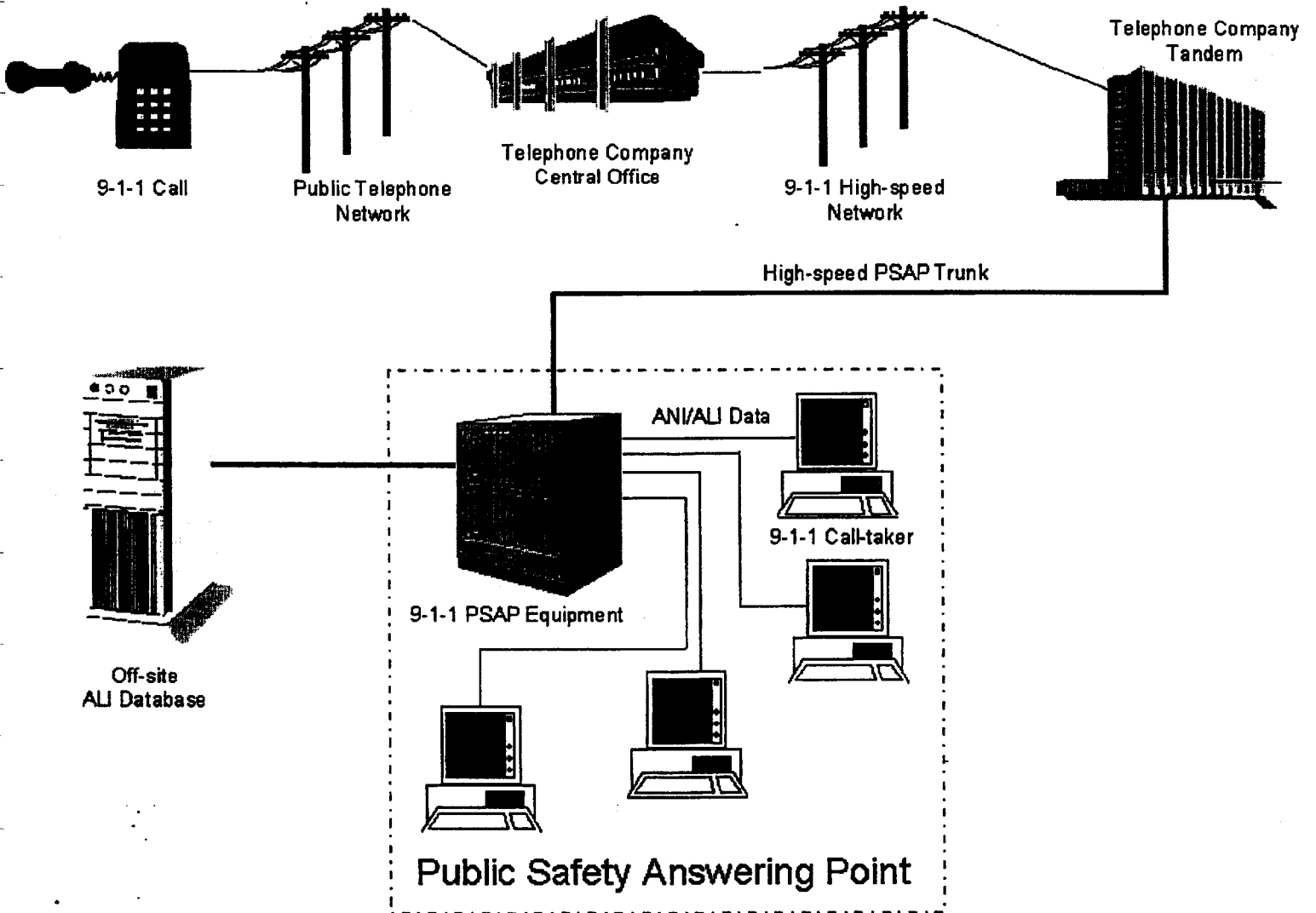
- AT&T (formerly Southwestern Bell)
- Consolidated Communications
- Verizon Southwest
- Embarq (formerly Sprint)

The four telephone companies are called Competitive Local Exchange Carriers (CLEC). There are 56 Alternative Local Exchange Carriers (ALEC) and resellers, who offer competitive services. All these companies have contracted with MCECD to provide 9-1-1 services. AT&T has more customers within the county's boundaries than the others.

The Enhanced 9-1-1 System provides the following features:

- **Automatic Number Identification (ANI)** provides the call-taker and dispatcher with the telephone number of the caller.
- **Automatic Location Identification (ALI)** provides the street address associated with the telephone number and displays it on a screen at the call-taker/dispatcher positions. ALI also provides the type of telephone service (coin, business, residential), public safety agencies serving this address, and the name of the telephone and wireless customer. ALI information is always verified.
- **Selective Routing (SR)** the "tandem" provides automatic routing of 9-1-1 calls to a predetermined public safety agency. This allows a public safety answering point (PSAP) to receive only calls from telephones within their jurisdiction. MCECD's database coordinator keeps the Master Street Address Guide (MSAG) up-to-date. The MSAG is used to program the selective router.
- The **9-1-1 Database** is information or data that includes phone numbers, address information, and emergency service providers of citizens served by 9-1-1.
- **Selective transfers**, "function keys", labeled "Fire", "EMS", "Police", etc. on the call-taker and dispatcher workstations are used to select a single button (click of the mouse) and transfer the 9-1-1 caller to the appropriate agency based on the location of the caller.
- **Default Routing** provides the capability to route an incoming call to a predesignated default PSAP when incoming calls cannot be selectively routed.
- **Alternate Routing** allows 9-1-1 calls to be routed automatically to a designated alternate location if all 9-1-1 service lines to a primary PSAP are busy, or a PSAP closed down for a period.
- **Data Management System (DMS)** is a system of manual procedures and computer programs used to create, store and update the data required for the selective routing and ALI service features. MCECD updates the DMS daily.
- **Trunks**, also called "telephone lines" are provided by each telephone company and wireless carrier. Trunks are used to connect their customers to the Tandem (SR). Trunks are also used to connect the Tandem to each PSAP.

Sample E9-1-1 Call Flow





Montgomery County Emergency
Communication District
Board of Managers

The Board of Managers is made-up as described below:

Two members representing the county are appointed by the Commissioners' Court.

Two members are appointed by the mayors of the Cities and Towns.

One member is appointed by the Montgomery County Fire Chief's Association (MCFCA).

One non-voting member is appointed by the principal telephone service supplier.

Current Appointments

| | |
|--------------------------------|--|
| Mayors of the cities and towns | John R. Chancellor, President Charlie Ray, Vice President |
| Commissioners' Court | B. Allen Fletcher, Secretary J.C. Edwards, Treasurer |
| MCFCA | Jerry Bittner, Member |
| AT&T | Rhon Anthony Green, Ex-Officio |



Montgomery County Emergency

Communication District

Mission and Goals

Mission

The mission of the Montgomery County Emergency Communication District is to protect and enhance public safety and health by providing enhanced 9-1-1 emergency communication services throughout the county.

Goals

Serve Montgomery County's resident by providing the services that will improve and enhance their quality of life.

Strive to improve the District's services in order to provide the best possible access to emergency services and assisting responding agencies in reducing response times.

Improve public safety services within Montgomery County by implementing wireless Phase I and Phase II for all wireless telephone customers and Voice over Internet Provider (VoIP) within the county.

Cultivate and strengthen Montgomery County emergency Communication District's partnerships among Montgomery County, local governments, special districts, state government, home-rule cities, and telephone companies.

Protect the public's interests by making sound business decisions and enforcing district policies.

Appropriately use public funds by preparing and auditing the budget annually.

Support the county by providing addresses for county residents.

Support the Montgomery County Sheriff's Office and the Conroe Police Department by providing funds for call-takers.

Assist emergency service agencies by providing geographic information (GIS).

Assist emergency service agencies with information systems (MIS) expertise.



Montgomery County Emergency

Communication District

Staff

The administrative staff of the District is made up of nine full time positions and currently the 9-1-1 call-taking staff is made up of one full time position.

| | |
|---------------------------|----------------------|
| Executive Director | Robert Gunter |
| Deputy Director | Deborah Turner |
| MIS Manager | Russell Steffee |
| GIS Manager | Chiu-Wen Ray |
| Database Manager | Jeanne Frey |
| Executive Assistant | Terri Gill |
| GIS Analyst II/Facility | Tom Franey |
| GIS Analyst II | Margaret Keen |
| GIS Analyst II | Ty Dolney |
| Telecommunicator (18 yrs) | Dorothy Brown-Willis |

A brief summary of job responsibilities and information on obtaining full description can be found within the District's personnel manual.



Montgomery County Emergency

Communication District

Funding Structure

The Montgomery County Emergency Communication District was created by the State with all the power to carry out its mission, which includes collecting a fee, not to exceed 6% of the primary telephone service provider's equivalent base rate. Initially the rate was set at 5%. In April of 2000, the rate was increased to 6% to help fund the upgrade of the aging 9-1-1 system (equipment, network, and database) and to build a modern communication center.

The monthly fees range from \$0.62 to \$1.77 for residential lines and \$1.29 to \$2.23 for business lines. The Commission on State Emergency Communications (CSEC) collects a \$0.50 monthly fee from all wireless and VoIP customers.

The monthly residential and business line fees are collected by each company providing telephone service and remitted to the District. The wireless fee is remitted to the State. The State sends each District a share of the total, based on the population of the area the District serves. Each telephone company retains funds for administrative costs, currently set at one (1%) percent.

In addition to the service fee, there is a 9-1-1 equalization surcharge of 0.3 (three tenths of one percent) and a Texas Poison Control surcharge of 0.3 (three tenths of one percent) monthly on intrastate long distance calls. These surcharges were authorized by the Texas Legislature to finance 9-1-1 emergency telephone services and Poison Control Center assistance. These fees are remitted to the CSEC.



Montgomery County Emergency Communication District
Annual Budget
Approved by the Board of Managers June 26, 2006

| | 2006/2007 |
|--|---------------------|
| Interest | 101,110 |
| Miscellaneous Revenue | 22,140 |
| Service Revenue | 3,353,135 |
| Total Income | 3,476,385 |
| Bank Charges | 1,800 |
| Payroll Expenses (Salaries, Retirement & Taxes) | 950,796 |
| Employee Benefits | 241,081 |
| Clothing/Uniforms | 4,500 |
| Professional Development (Education & Travel Expenses are included) | 52,419 |
| Insurance (Gen., Auto, Prem., Errors & Omissions, Liab., Real & Pers. Prop.) | 31,136 |
| Mileage (Employee Reimbursement) | 3,450 |
| Professional Services (City of Conroe employee reimbursements) | 222,600 |
| Professional Services (Montgomery County employee reimbursements) | 667,800 |
| Other Professional Services (Legal, etc.) | 45,400 |
| GIS Mapping and Addressing (Equipment & Software) | 49,088 |
| Public Education | 21,430 |
| Records Management (Equipment & Software) | 6,360 |
| Telephone Company Services (9-1-1 Network) | 370,473 |
| Wireless Carrier Services (\$953,703, 5-year pre-paid contracts) | 91,329 |
| Leased Equipment (Postage meter, etc.) | 10,100 |
| Other Contract Services | 938 |
| Maintenance (Office Equipment and Software) | 20,225 |
| Building Cleaning and Supplies | 16,716 |
| Office Supplies | 9,640 |
| Vehicle | 3,700 |
| Office Computer Equipment | 36,300 |
| Building Machinery and Equipment | 50,855 |
| Facility (150 Hilbig Road & Shenandoah Back-up Center) | 13,480 |
| 9-1-1 System (Maintenance) | 199,626 |
| Telephone System and Service | 48,223 |
| Utilities | 69,200 |
| Contingency (Next Generation 9-1-1) | 35,000 |
| Total Expense | 3,273,666,65 |
| Net Income (Revenue over Expenses – excludes depreciation) | 202,718 |
| Reserves | |
| Reserves – Allocated for three months operating | (750,000) |
| Reserves – Allocated for building and mechanical repairs | (150,000) |
| Reserves – Wireless Carriers Service – Pending Contracts | (650,000) |
| Reserves – 9-1-1 Equipment – Replacement | (500,000) |
| Reserves – 9-1-1 Network – Statewide Database | (400,000) |
| Total Reserves | (2,450,000) |
| Operating Account (Daily Operations) | 395,909 |
| Cash – Beginning of Year | 2,643,191 |
| Cash – End of Year | 2,845,909 |



**Montgomery County Emergency Communication District
Annual Budget October 1, 2005 through September 30, 2006**

| | |
|---|------------------|
| Interest | 68,022 |
| Miscellaneous Revenue | 26,463 |
| Service Revenue | 3,128,418 |
| Total Income | 3,222,903 |
| Bank Charges | 2,219 |
| Payroll Expenses | 616,731 |
| Retirement | 72,528 |
| Payroll Taxes | 60,941 |
| Employee Benefits | 215,906 |
| Uniforms | 4,500 |
| Professional Development | 52,739 |
| Insurance | 64,609 |
| Mileage | 2,450 |
| Interlocal Agreements | 840,000 |
| Professional Services | 28,900 |
| GIS Mapping and Addressing | 49,089 |
| Public Education | 21,430 |
| Records Management | 7,568 |
| Telephone Company Services | 347,299 |
| Wireless Carrier Services | 89,205 |
| Leased Equipment | 10,100 |
| Other Contract Services | 4,475 |
| Maintenance (Equipment and Software) | 11,860 |
| Building Cleaning and Supplies | 17,873 |
| Office Supplies | 9,700 |
| Operating Supplies | 6,540 |
| Vehicle | 2,400 |
| Office Computer Equipment | 36,300 |
| Building Machinery and Equipment | 115,211 |
| Facility | 26,680 |
| 9-1-1 System and PBX | 199,626 |
| Telephone System and Service | 85,265 |
| Utilities | 59,050 |
| Contingency – Next Generation 9-1-1 | 50,000 |
| Total Expense | 3,111,194 |
| Net Income (Revenue over Expenses) | 111,709 |
| General Account | 805,823 |
| ¹ Reserve – Allocated for three (3) months operating | -750,000 |
| ² Reserve – Allocated for building and mechanical repairs | -75,000 |
| Wireless Account | 1,221,158 |
| ³ Reserve – Allocated for 5-year (pre-paid) wireless contracts | -697,760 |
| Equipment Account | 586,744 |
| ⁴ Reserve – Allocated for Next Generation 9-1-1 | -865,240 |
| ⁵ Reserve – Back-up 9-1-1 Equipment | -465,000 |
| Operating Account (daily operations) | 204,271 |
| Cash End of Year | 76,705 |

¹ Auditor recommends the District maintain three (3) months reserve for operations.

² Auditor recommends the District maintain a reserve fund for mechanical equipment.

³ Wireless contracts will save the District more than \$270,000 over five (5) years.

⁴ Funds reserved for equipment expenses related to the Next Generation 9-1-1 Project (NG9-1-1) [VoIP, database, etc.]

⁵ Funds for the 9-1-1 System in the Back-up Center were budgeted for 2004/2005; however, the funds may not be expended until 2005/2006.