

**MINUTES OF THE  
MONTGOMERY COUNTY EMERGENCY COMMUNICATION DISTRICT  
BOARD OF MANAGERS**

**REGULAR MEETING**

**March 29, 2017**

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

**BOARD ATTENDING**

PRESENT: Paul Virgadamo, President  
Robert Hudson, Treasurer  
Ryan Gable, Secretary  
James Simon, Member  
John Young, Ex-Officio Member

ABSENT: Vicky Rudy, Vice President

IN ATTENDANCE: Jon Watson, BrooksCardiel, PLLC  
Larry Foerster, Legal Counsel  
Chip VanSteenberg, Executive Director  
Jeanne Frey, Operations Manager  
Roberto Gutierrez, Systems Manager  
Robert Brewer, Systems Tech  
Andrea Wilson, Public Education Coordinator  
Terri Gill, Executive Assistant  
Denise Jimenez, Montgomery County Sheriff's Office  
Sarah Cottar, Montgomery County Hospital District  
Shawn Trainor, Montgomery County Hospital District

Mr. Paul Virgadamo, President, called the meeting to order at 12:00 p.m., noting that Ms. Vicky Rudy was unable to attend.

**Public Comments**

No one requested to address the Board.

**Annual Audit for Fiscal Year 2016 conducted by BrooksCardiel PLLC**

Mr. Virgadamo noted item one of the agenda, consider and take action on annual audit for fiscal year 2016 conducted by BrooksCardiel PLLC.

Mr. Chip VanSteenberg, Executive Director, introduced Mr. Jon Watson, with BrooksCardiel PLLC.

Mr. Watson reviewed the components of the annual financial report:

- Auditor's Opinion
- Management's Discussion and Analysis
- Basic Financial Statements
  - Financial Statements
  - Notes to the Financial Statements

- Required Supplementary Information
- Other Supplementary Information

An independent auditor report has four possible outcomes, the District received an unmodified opinion, the best of the possible outcomes.

Mr. Watson reviewed the financial highlights:

- Total assets exceeded total liabilities by \$7,575,002
- Total Net Position decreased by \$206,929
- Net cash used by operation during the year ended September 30, 2016 was \$109,565
- Net cash used for capital purchases during the year ended September 30, 2016 was \$112,620

The operating revenues for fiscal year 2016 were \$4,612,204, while the total operating expenses were \$4,571,097.

The net pension liability was \$1,266,699 on December 31, 2015, an increase of \$358,618 from the previous year. Mr. VanSteenberg stated the increased liability was the primarily the result of investment losses in 2015. He stated TCDRS assumes an 8% return for investments which will be hard to meet even in a good marker. He added that changes in actuarial assumptions also attributed to the higher liability.

Mr. Watson asked for questions. There were none.

Mr. Virgadamo requested a motion. Mr. James Simon made the motion to approve the annual audit for fiscal year 2016. Chief Robert Hudson seconded the motion. The motion carried with all in favor.

### **Request from Montgomery County Hospital District for their PSAP Improvement Project for the Purchase of Three (3) Radio Consoles**

Mr. Virgadamo noted item two of the agenda, consider and take action on a request from Montgomery County Hospital District for their PSAP improvement project for the purchase of three (3) radio consoles.

Mr. VanSteenberg stated in fiscal year 2017, MCECD will provide 90% of the funds for equipment, furniture, services, etc. up to \$100,000 per PSAP. The hospital district's improvement project with Dailey-Wells, is estimated to cost \$128,348.40, so easily meets the 10% match requirement. The radio consoles will be installed in the hospital district's facility and will function as back-up for The Woodlands Fire Department and the Conroe Police Department.

Chief Hudson made the motion to approve the Montgomery County Hospital District's PSAP improvement project for the purchase of three radio consoles. Mr. Simon seconded the motion. The motion carried with all in favor.

### **Revised Mobile Communication Device Policy**

Mr. Virgadamo noted item three of the agenda, consider and take action on revised mobile communication device policy.

Mr. VanSteenberg noted the board approved the Mobile Communication Device Allowance Policy in November 2013 which authorizes assistance for district employees who want to carry only one cell phone/smartphone. The policy has two financial components. One is a monthly allowance that offsets the employee's regular and continuing payment for cellular service. The other is a reimbursement for a portion of the price for a new phone.

The policy has been a win-win for the district and the staff. The district's monthly recurring costs for cell phones were cut in half and the cost to purchase phones has been greatly reduced. But recent changes in the wireless industry have caused the price of phone to increase substantially. Therefore, the staff is recommending changes to the policy to bring it in line with current pricing practices.

At the time the policy was originally adopted, wireless companies like AT&T and Verizon gave deep discounts on the price of phones in exchange for signing a service contract. The \$150 reimbursement was proposed to cover half the cost of a new iPhone plus taxes and fees. The industry has moved away from discounts on phones and now charges full price.

In place of discounts, they offer interest free financing. For example, an iPhone 7 from ST&T currently costs between \$650 and \$970 depending on the size and data capacity.

Staff is requesting an increase in the equipment purchase reimbursement to a maximum of \$500, still a maximum of 50%. To offset the increase, staff suggests decreasing the frequency with which reimbursements can be requested from every two years to every three years.

Mr. Virgadamo asked if there were questions, and being none, requested a motion. Constable Ryan Gable made the motion to approve the revised mobile communication device policy. Mr. Simon seconded the motion. The motion carried with all in favor.

### **Resolution Updating the list of approved broker/dealers for investment activity**

Mr. Virgadamo noted item four of the agenda, consider and take action on a resolution updating the list of approved broker/dealers for investment activity.

Mr. VanSteenberg reported the board approved a resolution in November 2016 that, among other things, adopted a list of broker/dealers that were authorized for use in the district's investment program. One of those brokers, Coastal Securities, Inc. has sold to FTN Financial. FTN operates under First Horizon National Corporation, the parent company of First Tennessee Bank. The sale is expected to close on April 3, 2017. The district will still be serviced out of Houston by the same representatives but they will operate under a new name. The resolution under consideration will simply clarify that FTN Financial is an approved dealer.

Mr. Simon made the motion to approve the resolution updating the list of approved broker/dealers for investment activity. Chief Hudson seconded the motion. The motion carried with all in favor.

### **Resolution to participate in the Texas Cooperative Liquid Assets Securities System (CLASS), an intergovernmental investment pool administered by Public Trust Advisors, LLC**

Mr. Virgadamo noted item five of the agenda, consider and take action on a resolution to participate in the Texas Cooperative Liquid Assets Securities System (CLASS), and intergovernmental investment pool administered by Public Trust Advisors, LLC.

Mr. VanSteenberg stated a key part of the district's financial strategy is the use of intergovernmental investment pools which provide competitive rates of return on short term investments and same-day access to funds. The district has three active accounts with the largest of these pools – TexPool. TexPool is overseen by the Texas Comptroller's Office and managed by Federated Investors out of Boston.

Staff is requesting authorization to participate in another pool called Texas CLASS. Under this proposal, the district would use both pools for short-term investments. The additional pool will add diversity to the portfolio and a redundant source of same-day cash in the event of a system failure at either pool.

Texas CLASS is overseen by a board of local government officials and is managed by Public Trust Advisors, LLC. They typically outperform TexPool by 3-5 basis points (.03% to .05%). For example, TexPool earned .67% in their government securities pool on March 23, 2017 while the Texas CLASS rate was .70%.

Mr. Simon made the motion to approve the resolution to participate in the Texas Cooperative Liquid Assets Securities System. Constable Gable seconded the motion. The motion carried with all in favor.

### **Report of Plans and Projects for Fiscal Year 2017**

Mr. VanSteenberg reported on operating cost savings, noting that savings had been realized in the following areas:

- Rave Alert vs. Code Red
- Microwave radio network
- Self-host ALI

- CCI and AT&T billing reviews
- Relocate Host B
- Downsized Metro E bandwidth
- Extended CCI fiber to WFD (Woodlands Fire Department)

Mr. VanSteenberg also noted that monthly telecommunication payments were down from a peak of just over \$60k per month in October 2013 to just over \$30k per month in February 2017.

Mr. VanSteenberg reviewed the following projects:

- Text to 9-1-1
  - 2016
    - Research and evaluation of available options
    - Selected I3 solution with Vests SMS module
  - March 2017
    - Purchase Order issued for required equipment
    - Evaluation of proposals for Text Control Center
  - April & May 2017
    - Notification to wireless carriers
  - July & August 2017
    - Live testing in training room/lab
    - Call-taker training
  - September 2017
    - Live with no public notification
  - October 2017
    - Public Education campaign
- Smart 9-1-1 deployment
  - 2,170 safety profiles created
  - 880 profile pops
- Social Media
  - Facebook – Montgomery County 9-1-1
  - Twitter - @MontCoTX911
  - Nextdoor – under review
- Microwave radio network hardening
  - Upgraded lightning protection
  - Weatherized connections and strapping
  - Improved dish alignment
  - Increased bandwidth by changing settings
- Contingency planning
  - Added back-up workstations at MCHD for WFD and CPD
  - Conducted emergency simulations with MCSO and WFD
  - Planning for MCHD back-up at CPD
  - Secured access to MCSO generator as a stand-by and prepared connections
  - Tested and repaired existing generator
- Upgrade to Vesta 6.1
  - Complete in December 2016
  - Software only
  - Finished de-bugging in March 2017
- QA/QC all plats and address points
  - Long term project
- Trail markers for 9-1-1 locations
  - Spring Creek Greenway pilot project complete
  - Planning underway for trails in two City of Conroe parks
- Exterior Improvements
  - Small pavilion

- Accessibility improvements
- Storage building
- Additional benches and tables
- Texas 9-1-1 Alliance Points of Interconnect Project
  - Purpose is to share services efficiently
  - Conglomerate connectivity within secure data centers
  - Starting with two geo-diverse data centers
  - Add additional data centers when feasible to create a ring
- NG9-1-1
  - Leading edge 9-1-1 entities are already converting
  - AT&T plans to decommission selective routers in 2020
  - Competing IP models/products under various stages of development
  - Impact on cost expected to be \$250,000+ annually

Mr. Virgadamo asked if there were questions. There were none.

### **Executive Director's Report**

Mr. Virgadamo noted item seven of the agenda, executive director's report on items of community interest for which no action will be taken.

Mr. VanSteenberg stated the plans and projects report would be all for now.

### **Consent Agenda**

Mr. Virgadamo noted items ten through sixteen of the consent agenda, noting the items may be taken separately or as a whole.

Mr. Simon made the motion to approve the consent agenda in its entirety. Constable Gable seconded the motion. The motion carried with all in favor.

### **Closed Executive Session**

Mr. Virgadamo adjourned the open session to a closed executive session at 12:43 p.m.

### **Reconvene Open Session**

Mr. Virgadamo reconvened the open session at 12:55 p.m., and requested a motion to act on personnel matters discussed in the closed session.

Chief Hudson made the motion to increase the Executive Director's salary by 3.5% effective April 1, 2017. Mr. Simon seconded the motion. The motion carried with all in favor.

Mr. Virgadamo requested a motion to adjourn. Mr. Simon made the motion to adjourn the meeting. Chief Hudson seconded the motion.

The meeting adjourned at 12:58 p.m.

*These minutes were approved at regularly scheduled board meeting on May 10, 2017.  
If needed, an official, signed copy may be obtained at the MCECD office.*



Montgomery County Emergency Communication District  
 Post Office Box 1830, Conroe Texas 77305-1830  
 Phone: (936) 523-5911 / Fax: (936) 539-9111

**NOTICE OF REGULAR MEETING**  
**March 29, 2017**

DOC# 17-0331  
 POSTED  
 03/24/2017 12:44:11  
 DEANA FAIRCLOTH  
 MARK TURNBULL, COUNTY CLERK  
 MONTGOMERY COUNTY, TEXAS

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 **12:00 p.m., Wednesday, March 29, 2017**, at the **MCECD 9-1-1 Boardroom, 150 Hilbig Road, Conroe, Texas**. The purpose of the meeting is as follows:

**Open Meeting**

Public Comments: Please sign in and limit comments to three (3) minutes

1. Consider and take action on Annual Audit for Fiscal Year 2016 conducted by BrooksCardiel PLLC
2. Consider and take action on a request from the Montgomery County Hospital District for their PSAP Improvement Project for the purchase of three (3) radio consoles
3. Consider and take action on revised Mobile Communication Device Policy
4. Consider and take action on a resolution updating the list of approved broker/dealers for investment activity.
5. Consider and take action on a resolution to participate in the Texas Cooperative Liquid Assets Securities System (CLASS), an intergovernmental investment pool administered by Public Trust Advisors, LLC
6. Report on Plans and Projects for Fiscal Year 2017
7. Executive Director's report on items of community interest for which no action will be taken

**Closed Executive Session**

8. The Board may meet in closed Executive Session as authorized per the Texas Open Meetings Act, to consider personnel matters pursuant to Texas Government Code, Section 551.074
  - A. Discuss matters involving personnel
9. Reconvene into open session to consider and take action if necessary
  - A. Take action, if needed, on matters involving personnel

**Consent Agenda**

10. Consider and take action on COBRA Continuation of Coverage Administrative Agreement with Texas Municipal League Multistate Intergovernmental Employee Benefits Pool (TML M IEBP)
11. Consider and take action on Flexible Spending Arrangement (FSA) Account Carryover Service Agreement with TML M IEBP
12. Consider and take action on Employer Agreement to Distribute Notice of Privacy Practices with TML M IEBP
13. Approval of meeting minutes for November 16, 2016
14. Ratify the accounts payable for the months of November, and December 2016, January and February 2017
15. Approval of monthly financial statements for the periods ending October 31, November 30, December 31, 2016, January 31, and February 28, 2017
16. Approval of quarterly investment reports for the period ending December 31, 2016
17. Adjourn meeting

Larry L. VanSteenberg, Executive Director

Parking is available in front of the Law Enforcement Center. Please go to the Information Booth in the Center's main lobby and inform the attendant you are here for the 9-1-1 Board Meeting. You will be met at the access gate near the flagpoles. You may also call (936) 523-5911 from the gate located on Hilbig Road. The gate will be opened via remote.

*The Montgomery County Emergency Communication District reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code, Section 551.071 (Consultation with Attorney); 551.072 (Deliberations about Real Property); 551.073 (Deliberations about Gifts and Donations); 551.074 (Personnel Matters); 551.076 (Deliberations about Security Devices); and 551.067 (Economic Development).*