



Montgomery County Emergency Communication District

Public Review Hearing

April 19, 2016

The Montgomery County Emergency Communication District (MCECD) was created by a countywide referendum in April 1986 to facilitate access to 9-1-1 emergency services throughout Montgomery County. MCECD is authorized by and operates under chapter 772, subchapter D of the Texas Health and Safety Code. MCECD is one of 26 emergency communication districts covering 49 counties across the state.

Section 772.319 of the Texas Health and Safety Code requires emergency communication districts to hold a public review hearing on the continuation of the district and the 9-1-1 emergency service fee. A hearing must be held every three years and, at the conclusion of the hearing, the district's board must adopt an order on continuation or dissolution of the district.

This information is provided in preparation for MCECD's public review hearing to be held on April 19, 2016.

Governance and Oversight

MCECD is governed by a five member Board of Managers. The board consists of two members appointed by the Montgomery County Commissioner's Court, two members elected by the cities within the county and one member elected by the volunteer fire departments that operate in the county. The principal provider of telephone service in the county appoints a non-voting member to the board.

MCECD must submit its annual operating budget to the county commissioner's court and to all the cities in the county. The budget must be approved by the commissioner's court and by a majority of the cities before it can go into effect.

Pursuant to the governing statute, the board is charged with controlling and managing the district. It is authorized to adopt any rules necessary for the operation of the district and to contract with any public or private entity. The board is also required to appoint a director to perform all duties required by the board and supervise the operations of the district with any limitations prescribed by the board.

Duties and Activities

MCECD carries out its duties by:

Providing and maintaining the hardware and software along with the voice and data network for a countywide 9-1-1 system

Equipping and supporting all four public safety answering points (PSAPs) in the county and a back-up facility at the county's Emergency Operations Center

Providing financial support to the two primary PSAPs which, between the two of them, initially answer all 9-1-1 calls and route them to the appropriate PSAP depending upon the nature of the emergency

Maintaining a geographic information system (GIS) and a comprehensive database of street names, address ranges, service boundaries and other critical information

Serving as the official addressor for the entire county

Providing an early warning communication service

Conducting public education for when and how to use the 9-1-1 system

Assisting PSAPs in training call-takers and dispatchers in the use of the 9-1-1 system

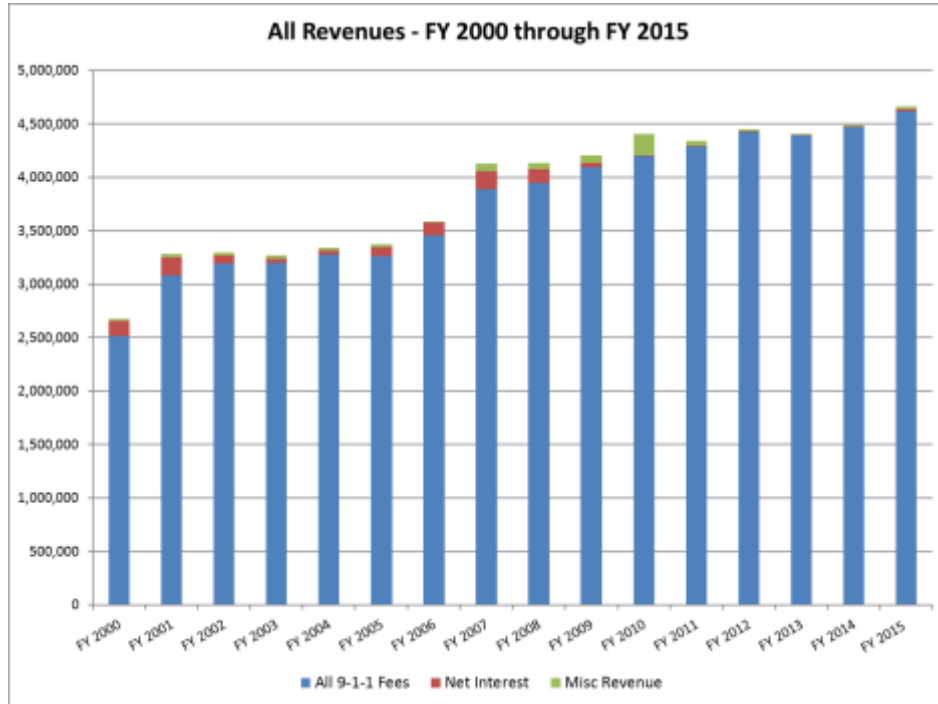
Monitoring and participating in 9-1-1 related regulatory matters at the national and state level

Revenues

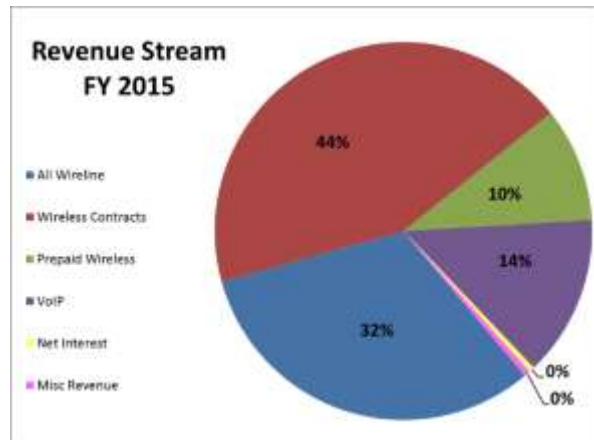
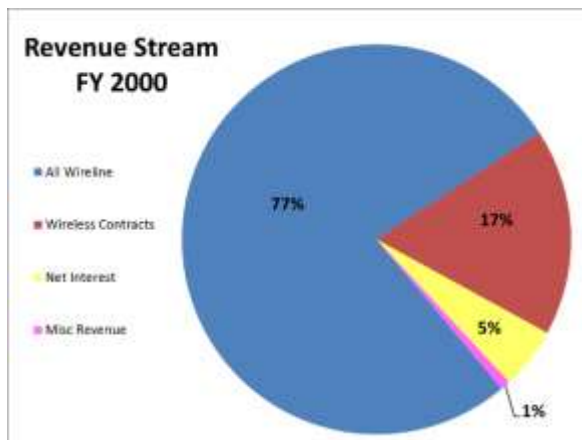
MCECD is funded primarily by fees assessed on telephone service. The amount of the fee varies by the type of service. The traditional source of revenue is a fee of 6% charged for local exchange access lines (commonly known as land lines) and for static Voice over Internet Protocol (VoIP) customers. The amount of the fee ranges from \$0.62 to \$1.66 per month for residential service. For business customers, the monthly fee starts at \$1.29 and goes up to \$2.23.

Mobile phone customers who sign contracts for service are assessed a 9-1-1 fee of \$0.50 per month, per phone. Customers purchasing pre-paid wireless service pay a 9-1-1 fee equal to 2% of the retail price. The fees are collected by the wireless companies and paid directly to the State of Texas. The state then remits the revenue to the emergency communication districts based on a proportional share of population. Customers using a Voice over Internet Protocol (VoIP) phone service pay \$0.50 per month which is remitted by the providers directly to MCECD.

MCECD collected \$4,615,080 in 9-1-1 service fees in the fiscal year that ended September 30, 2015. An additional \$48,010 was also received from interest earnings and other miscellaneous sources for a total of \$4,663,090 total revenue. The following graph shows the total revenue received by year and by type since fiscal year 2000.



Traditional landlines are being replaced by cell phones and VoIP providers and the components of MCECD's service revenue have also shifted accordingly. Revenue from the big wireline companies has decreased steadily over the years but that decline has been offset by a surge in revenue from wireless providers and VoIP companies. The two pie charts compare the revenue streams for MCECD in 2000 and 2015.



Even with the additional sources of revenue, the inflation adjusted amount received per capita has actually declined over the past decade. In fiscal year 2000, MCECD received \$9.57 per person in 9-1-1 service revenue annually. When adjusted for inflation, that amount equated to \$13.26 in 2015. The per person amount collected, however, has actually decreased to \$9.00 which is 32% less in inflation adjusted terms.

Expenditures

Nearly half of the MCECD expenditures in the current budget are found in two line items. The largest is \$1,564,000 for call taking service contracts. MCECD contracts with two agencies to answer all incoming 9-1-1 calls. Conroe Police Department (CPD) answers all the calls that originate from within the city limits of the City of Conroe. Montgomery County Sheriff's Office (MCSO) answers all 9-1-1 calls from within the county except those within the City of Conroe. The other major expenditure is for the data and phone connections needed to keep the system operating; those costs are budgeted at \$457,900. An approved budget for FY 2016 is included as an attachment to this report.

Assets, Cash Reserves and Capital Funds

MCECD began FY 2016 with a balance of \$1.9 in the General Fund. An additional \$4.2 is dedicated for capital purchases, specifically to replace existing 9-1-1 equipment or expand the system's reliability or capability. MCECD does not currently have any outstanding indebtedness.

Call Statistics

MCECD supports two primary PSAPs that answer all 9-1-1 calls that originate from within Montgomery County – the Montgomery County Sheriff's Communication Center and the Conroe Police Department Dispatch Center. These two entities also dispatch for almost all of the law enforcement agencies in the county. If the caller needs fire, rescue or emergency medical assistance, the call is transferred to one of two secondary PSAPs. The Montgomery County Hospital District (MCHD) dispatches all emergency medical calls in the county as well as fire and rescue calls within the City of Conroe. The Woodlands Fire Department (WFD) dispatches for all fire and rescue calls that are not within the City of Conroe.

During the fiscal year that ended September 30, 2015, MCECD's two primary PSAPs answered 251,633 calls to the 9-1-1 system; an average of 689 calls per day or 29 calls per hour. The two secondary PSAP's received 47,042 calls during the same time period. Almost all of the calls to the secondary PSAPs were transferred from one of the primary PSAPs. (A small number of calls were transferred from PSAPs outside of Montgomery County.)

Next Generation 9-1-1

MCECD has traditionally been a leader in deploying new technology to improve its 9-1-1 system. It was an early adopter of Enhanced 9-1-1 which provides the caller's name and address information to the call-taker. MCECD's PSAPs were the first in the state to install "digital 9-1-1" equipment with an ISDN network.

Even with these advances, the basic architecture of the nation's 9-1-1 system has not changed since its initial development; it is still designed around telephone technology. The industry is in the process of changing that basic architecture to a digital, Internet Protocol (IP) foundation. The resulting new system is referred to as Next Generation 9-1-1 or NG9-1-1.

Transitioning to NG9-1-1 is slow and cumbersome. Planning for the new system began in 2000 and all the key players are now close to finalizing the full definitions and standards for NG9-1-1. Provisions must be made to keep legacy systems operating while PSAPs, telephone companies, cellular service companies, hardware providers and software developers adapt their products to the new standards. Some states have better funding provisions in place than others so the ability to afford new equipment will hamper the roll-out in parts of the country.

MCECD is once again among the leaders in embracing new technology. In 2014, MCECD upgraded the hardware and software used for call handling in a partnership with AT&T and Airbus DS Communications. The new system is IP-based and is interconnected through with both fiber optic cable and a wireless microwave radio system. Back-up facilities, multiple pathways and other redundancy features are included in the system. The system complies with all NG9-1-1 standards adopted to date.

MCECD is working closely with other regional 9-1-1 agencies to implement other NG9-1-1 features. This includes developing and hosting databases that are NG9-1-1 compliant and building an emergency services IP network (ESInet) that will allow voice, data and images to be transferred across jurisdictional lines. 9-1-1 agencies, private sector service providers, and communication equipment manufacturers are working toward deploying NG9-1-1 nationwide by the year 2020.