

**MINUTES OF THE
9-1-1 BOARD OF MANAGERS' MEETING**

May 18, 2009

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

ATTENDING: Charlie Ray, Vice President
Jerry Bittner, Secretary
Ann Carr, Treasurer
Larry Foerster, Legal Counsel
Gordon Lopez, Executive Director
Jeanne Frey, Database Manager
Chiu-Wen Ray, GIS Manager
Terri Gill, Executive Assistant

GUESTS: Tim Krause, Texas County & District Retirement System
Robert M. Gunter, MCECD Consultant
Dianna Porche, AT&T
Aaron McDonald, Montgomery County Hospital District
Kelly Curry, Montgomery County Hospital District
Assistant Chief Paul Sims, Conroe Fire Department

ABSENT: John Chancellor, President
James Simon, Member
Alfonso Martinez, Ex-Officio Member

Chief Charlie Ray, Vice President, called the meeting to order at 9:00 a.m., noting that Chief John Chancellor and Mr. James Simon were unable to attend.

PUBLIC COMMENTS

No public addressed the board.

Chief Ray announced the resignation of Deputy Chief Jerry Bittner from the Board of Managers, with the effective date of June 11, 2009.

Deputy Chief Bittner thanked the Board for the opportunity to serve the citizens and be a part of this fine group. Chief of Staff Ann Carr stated it has been a privilege serving with Deputy Chief Bittner and she hates to see him go. Mrs. Carr hopes that whatever he does in the future he will bring as much professionalism and keen awareness as he has brought to this board. Mr. Gordon Lopez stated his appreciation for all Jerry has done for the District and going forward hopes that he continues supporting our efforts here in the 9-1-1 District to bring the best service we can to the whole county. Mr. Larry Foerster stated he has enjoyed working with Deputy Chief Bittner and as a lawyer, appreciates his even keel. "He was a very steady member of the board. I like to see that kind of wisdom, discernment and slow to action when you want to ponder things, and I appreciate that a great deal." Chief Ray stated his agreement with everyone.

MR. TIM KRAUSE – TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM

Mr. Tim Krause greeted the Board and distributed information pertaining to the District's retirement program.

Mr. Krause addressed how the plan is funded, explaining that the District is saving in advance for the employees' retirement. The contribution rate is reviewed and determined annually, based on several assumptions. The District's payroll: is it increasing or decreasing? Retirement: who has retired and is drawing a benefit? Return on Investment: which is a big issue at this point in time? The final two assumptions are deaths and plan changes. Assumptions are based on past history.

Mr. Krause stated that the rates for 2010 have gone up because of the negative 29% (-29%) allocated to the employer due to the losses that occurred in the last quarter 2008. TCDRS had a four billion dollar reserve, which was used to lessen the blow caused by the loss of investment. The actuaries put in place, a 10-year smoothing tool that will, in increments of 10%, raise the District's rate over the next 10-years. This lessens the effect of the increases, and allows time for the market to catch up to itself.

Mr. Lopez asked if the total rate, liability and normal cost, is 12.29%? Mr. Krause replied affirmatively. Chief of Staff Carr asked what the rate was in the previous years. Mr. Krause replied 7.56%, the District increased its employer match and offered a 20% CPI cola to the retirees. The rate for 2010 will be 13.47%. The employer bears the risk of the plan.

Chief Ray inquired about the unfunded amounts? Mr. Krause reported the District is 84% funded and has two options to manage the unfunded liability, (1) select a higher annual contribution rate and (2) remit a lump sum payment. Mr. Krause offered to complete a study for the District that will show which of the two options is better for the District.

Chief of Staff Carr inquired about the previous lump sum payment made by the District. Ms. Terri Gill replied that the lump sum payment was made to reduce the District's unfunded liability and was around \$320,000, to bring it from about 70% to 90%. Mr. Krause stated the lump sum contribution was \$321,000 and brought the District from 56% to 91.5%. The District's current funding of 84% is due to the plan changes authorized for this year, increasing the contribution rate from 1.5 to 2%, and also the market.

In closing, Mr. Krause reminded the Board that TCDRS can provide studies to allow the District to review its options. If the District is looking at changes, for example lowering benefits, there is a rate tool available, let him know and he will create them for us.

CODERED

Chief Ray noted item two, review and discuss CodeRED, item A. Activation.

A. Activation

Mr. Gordon Lopez reported the system was technically activated in 2008, but did not get into full swing until the Weather Warnings was activated in March. Mr. Lopez stated the District produced radio spots, sent out information to the media, attended the County Fair and Rodeo, getting out as much information as we could.

B. Expenses

Mr. Lopez stated the District paid \$186,000 for this system, and for 2009/2010 it will be \$95,000 per year. Ms. Jeanne Frey negotiated a cost reduction with CodeRED. The new contract provides 225,000 minutes of call-out time. That is based on how long the announcement is. The last unintended alert generated a 40-second announcement, and finished in about 2.5 hours. Based on the total number of calls; 95,000 plus generated about

84,000 call minutes. If we exceed the allotted 225,000 minutes, CodeRED will charge 10% of the cost and allocate 10% of the minutes, at a cost of \$9,500 for 22,500 minutes.

C. Announcements

- 1. Fair & Rodeo**
- 2. Media**
- 3. Alert Call-outs**

Mr. Lopez noted he had already touched on this earlier. We handed out 2,080 Spanish flyers and 3,620 English flyers during the county fair and rodeo. We will attend the Sawmill Festival on May 30 in New Caney, and due to the swine flu pandemic we cancelled for the Cinco De Mayo event at Heritage Park Conroe.

K-Star provided 200 radio announcements over a four week period. We issued press releases and conducted interviews with the Conroe Courier and the Houston Chronicle, Montgomery Edition, and El Sol (Spanish).

Mr. Lopez reported that the District tested the system on May 6, as a county-wide alert. It was not intended as an alert, but rather as an information announcement. It was a 40-second announcement, provided free of charge by CodeRED. Some people panicked and began calling Montgomery County, flooding both the PBX and the county website. From the county website, people were able to get the number for the Office of Emergency Management. They inundated Nicky Kelly's EOC with calls. The county added a link to our website and listed our telephone number. Subsequently, about two and half hours later, we ended up with the people and calls being directed to our office and website.

There was some concern about 9-1-1 calls. Between 10:00 a.m. and 1:00 p.m. when the announcement took place, the Montgomery County Sheriff's Office received 44 calls. By comparison, same day of the week, same time period, they received 45 calls during a previous week. There was no inundation of 9-1-1 calls. There was some concern about the pseudo-ANIs. The District keeps four pseudo-ANIs for testing. Out of 900 plus pseudo-ANIs (PANIs) in the database, only four are dialable. We failed to remove them from the database. The announcement dialed them one time. The 9-1-1 call-takers answered them and not knowing what they were; they did a call-back on the number several times inadvertently calling back to the center. The announcement itself did not cause the problem. We will review PANI training with the call-takers and we have taken the PANIs out of the database so it should not occur again. MCSO has an admin backline (936) 760-5800 they said was being inundated also. We did a study of this. Seventy-seven (77) calls were received during the alert on that 10-digit number. By comparison, on the previous Wednesday, during the same time, there were 60 calls. So a total of 17 more calls were received on the 10-digit number. The statistics show that there was not that big of a problem. The biggest problem of course was to the county's EOC, website and PBX. Everybody agreed that although unintended, it was a good alert exercise. We are taking some lessons learned from this, and will set up a committee to enhance the protocol for county-wide alerts.

D. Protocol and Training

The protocol and synopsis were sent out. We are ready to begin training and Ms. Jeanne Frey is sending out an announcement that the first training date is May 28. We are asking the agencies to let us know whether the dispatch supervisors will launch or whether one of their executives or higher authorities, whoever they name we will train. As far as the announcements for the alerts, we have predefined announcements provided by CodeRED or we can generate our own based on what the dispatch authorities want to say on the announcements. The protocol covers all of that.

Deputy Chief Bittner asked about organizations sharing the expense. Mr. Lopez stated the last meeting included a discussion to pursue sharing costs, and he would review the minutes. Chief of Staff Carr stated she was not at the last meeting, and does not recall discussing cost-sharing and that if the District does not bear the cost, we are not doing it. Mr. Lopez stated he would review the minutes.

Mr. Larry Foerster recalled from discussions with Mr. Robert Gunter when this issue first arose concerning whether or not providing CodeRED was within the scope of the authority of 9-1-1 as set out by the Health and Safety Code. Mr. Foerster was inclined to say there is nothing that specifically provides for this kind of activity on the part of 9-1-1. However there were two things, he conceded as the attorney, rightly or wrongly: The District could do this, number one, because the Board represents a variety of emergency services agencies who felt this was an important thing for the county to have, and, secondly, Mr. Foerster did not see anything in the statute that would specifically prohibit it. Since that time, Gordon has expressed a concern that this might have some effect on grants or funding for 9-1-1.

Mr. Lopez discussed a bill recently proposed by Olivera in the State Legislature to amend Chapter 772 that never got out of committee. The bill was an effort to clarify the language for the Districts. Basically, the Districts have had to report the funding they are getting on wireline and wireless to the FCC. The FCC is looking more and more on providing stimulus money or grants based on how funding is being used, and whether the funding mechanisms have clear and distinct language addressing how the funds are being expended. If the District pursues grants or stimulus money of any kind, the FCC has to approve it, getting right down into the detail, whether the funding mechanism provides guidelines for the use of those funds.

Mr. Foerster stated that, in large measure, the Board going forward with CodeRED was predicated on his opinion that 9-1-1 did have the authority to go into CodeRED funding. Two things have developed now that the Board should be aware of. Number one, there is a school of thought that 9-1-1 does not have the authority to do CodeRED, they have attempted by legislation to do that, and that legislation has not gone anywhere. Secondly, if there is a school of thought that you can not do this that this is outside the scope of the authority of 9-1-1, it may affect our ability to get grants. Mr. Foerster noted that generally the principal of law is, unless the legislature allows a governmental entity to do something, if it is not specifically given to them, then they are not permitted to do it.

Mr. Lopez noted that the synopsis provided with the protocol gave the agencies the choice of participating or not participating as far as sharing the cost. If the District is funding CodeRED, we own it. We will set up committees on the protocol, but he wanted to make it clear to the Board, if we are funding these kinds of projects, we own them, we own the equipment, we own the databases and we own the protocols. The Board Members agreed.

Mr. Kelly Curry, of the Montgomery County Hospital District, stated he did not recall Mr. Gunter approaching the MCHD Board on CodeRED. Mr. Gunter stated he did not approach the hospital district; he went to the cities and the county.

Mr. Curry stated some information and courtship would be in place, not that they would be against it, they haven't had the opportunity. Mr. Lopez inquired whether Mr. Curry was speaking for his department. Mr. Curry replied he has liberty to speak for his organization. Further, the question is the long-term commitment, and the participation and what the details of those guidelines would be. Mr. Curry stated his organization would be more responsive to information and perhaps an interlocal agreement.

Mr. Curry asked, "Gordon, could you tell me if I'm interpreting this right? 95,000 calls took 84,000 call minutes, the bill could get pretty expensive pretty fast if we had two or three very broad county-wide things happen. I can certainly see where 9-1-1 would look to the rest of the public safety community to collaborate on it." Mr. Lopez stated "I am in total agreement with you. If we can write it in interlocal agreements and give you more information." Mr. Curry noted a short presentation to the MCHD board would be beneficial.

Mr. Lopez noted that after the announcement went out and caused a little bit of a panic, we had 10,000 people register between Wednesday and Saturday. We currently have almost 20,000 registered for the weather warnings. He stated that's a casual endorsement by the community. From the District's standpoint, we will continue to

enhance the protocols and address the expense issues through interlocal agreements.

A discussion ensued as to the authority of the Montgomery County Fire Chief's Association in committing their respective Emergency Service District's (ESDs) to interlocal agreements or other monetary commitments. Chief of Staff Carr recommended that the District contact Mrs. Sylvia Olszowy to make a presentation at the next county-wide ESD Board meeting.

Mr. Lopez inquired whether he should set up an interlocal agreement with the Fire Chief's Association? Mr. Foerster replied that the District cannot, the Interlocal Agreement Act provides that an agreement must be between governmental entities. The Fire Chief's Association is a non-profit organization.

Mr. Gunter clarified he heard the board members say that they are going to fund it (CodeRED) for the next fiscal year, which would give Mr. Lopez another year to work on interlocal agreements prior to the 2011 budget. The board replied affirmatively, through interlocal agreements determine if there is any level of participation with the other entities.

CAD FINAL POSITION REPORT FROM PENDLETON PARTNERS INC

Mr. Lopez reported that, per Mr. Pendleton, further progress cannot be made until members of the Ad Hoc Committee come to some kind of agreement on a standard CAD system. Deputy Chief Bittner stated he had requested at the last meeting that the report become part of the official record.

Chief of Staff Carr made the motion to accept the briefing as part of the permanent record for the Montgomery County Emergency Communication District. Deputy Chief Bittner seconded the motion. The motion carried.

ESTABLISH DATES FOR MAY AND JUNE BUDGET WORKSHOPS

Mr. Lopez noted item four of the agenda, Establish Dates for the May and June Budget Workshops. Ms. Gill distributed a list of proposed dates.

Chief of Staff Carr suggested the workshops take place the first week of June. After a brief discussion, the Board agreed to hold budget workshops on June 2, 3, and 4, with the meetings starting at 9:00 a.m. and ending at 12:00 p.m., and will review as needed, with final approval at the July 20 Board Meeting.

CONSENT AGENDA

Chief Ray noted the Consent Agenda.

Deputy Chief Bittner made the motion to approve the minutes for the March 16, 2009 meeting. Chief of Staff Carr seconded the motion. The motion carried.

Deputy Chief Bittner made the motion to approve the financial statements for the periods ending February 28 and March 31, 2009. Chief of Staff Carr seconded the motion. The motion carried.

Deputy Chief Bittner made the motion to approve the quarterly financial statement for the period ending March 31, 2009. Chief of Staff Carr seconded the motion. The motion carried.

Mr. Lopez clarified the \$930,000 reflected on the monthly and quarterly statements had been referred to as NG9-1-1 money. It is not NG9-1-1 money. It is operating funds in reserve as recommended by our accountant in case everything else fails. These monies will keep the District running. Deputy Chief Bittner asked if this is a three month reserve. Mr. Lopez replied affirmatively. Chief of Staff Carr clarified that these are funds in reserve in the fund balance.

OTHER MATTERS REQUIRING ATTENTION AND NOT IMMEDIATE ACTION

A. 2008/2009 Budget: District's status – Revenue Stream

Chief Ray noted item 8A of the consent agenda. Mr. Lopez stated he had asked Terri to put some notes together. Our revenues have been declining. Mr. Lopez briefly reviewed the comparison statement provided to the Board, concluding that the District's expenses have exceeded income, and total net income for 2008/2009 through April is negative \$84,919.46. Of this, \$68,000 can be attributed to lost interest revenue with Texpool. Further, he stated the District is totally dependent on surcharges (service fees). Verizon lost 9,000 customers during this period, that's a lot of lines for this county. AT&T lost 4,800. We are seeing a decline on wireline revenues. Wireless is also experiencing a decline because people are cancelling their contracts and moving to prepaid wireless. Nationwide, wireless providers have experienced a 17 – 20% decline in revenue due to prepaid wireless.

B. FEMA – Approved reimbursement to the District in the sum of \$2,409.48, related to Hurricane Ike

Mr. Lopez reported the District had received a disbursement from FEMA for \$2,409.48 for Hurricane Ike for wages and overtime. Ms. Frey stated the District had applied for more, but that FEMA did not reimburse for exempt employees.

C. Other Cost Savings

Mr. Lopez noted that the staff has been making efforts to reduce costs. We recently moved to Verizon for the employee cell phones, saving about \$255.00 monthly. Currently, we have saved about \$54,255. We are reviewing all our contracts with AT&T and other providers to where we might realize additional savings.

D. State and Federal Acts and Bills Impacting 9-1-1

Mr. Lopez reported the Van Putte bill for prepaid wireless has the support of all the Districts, the CSEC and home rule cities. We contacted all our representatives and senators requesting their support for this bill.

The bill proposed by Olivera to reduce the wireless charges to \$0.40 never got out of committee due to lobbying by the 9-1-1 Districts. There is the potential that we will not get \$0.50 we are asking for on prepaid wireless. One proposal is a 2% fee on the cost of providing the prepaid wireless, and this appears to have more of an impetus to pass the House. Walmart is backing the 9-1-1 Districts. They are taking the stance that everyone ought to do their fair share for 9-1-1.

At the federal level, there are mandates coming out on how 9-1-1 should approach converged services. Standards are being developed. We are mandated for all intents and purposes to put NG9-1-1 in front of the call-takers within a short period of time. However, the FCC has not dictated the end rule at this point as they did for wireless Phase I and Phase II.

E. Positron Upgrades

It has been a slow process. We have been upgrading our Positron CPE to application 5.2, and have gotten the upgrades done. It took three weeks to get them done with Positron and AT&T people on-site. We are having issues generating MIS reports due to issues converging historical data with the current data.

F. Building – Power Upgrades for Hurricane Preparedness

We installed a large on-demand water heater on the side of the building that services the entire facility. We also installed a small inexpensive pre-heater upstairs underneath the kitchen sink.

Diamond Electric has installed the large transfer switches required to put the entire facility on the generator. We cannot complete the power conversion until batteries are replaced in the UPS units. Five batteries have failed, and will be replaced.

One issue with the transfer upgrade is that we may have to bring all power to the building down for about 20 or 30 minutes according to the power company. This is so Diamond Electric can connect the generator to the transfer switches now in place. Right now the UPS units are only running about 15-20% capacity with all the equipment we have. So they should carry the load, but we want to be sure before we proceed. We will have a project plan in place and will have contingencies for the center if the conversion goes over 30 minutes.

G. Network and Equipment – Hurricane Preparedness Processes

Mr. Lopez provided a diagram of new network elements for hurricane preparedness. The District has been in negotiations with Consolidated and AT&T and has reached a point of diversity that will prepare us for the next hurricane. Mr. Lopez reviewed the diagram, with special attention to the diversification of circuits and networks to the call centers.

We want to diversify even further. Fiber is already in place running from the Sheriff’s building running to upstairs (call center) that is not being used. The little bit of fiber that we have in this area is going to be moved. Our muxes (Multiplexers) are going to be moved from the equipment room next door into our equipment room upstairs. The District will use that fiber as a divergent path allowing us to be totally divergent on the last mile. The quote from Consolidated will be \$27,000 plus dollars to do the diversion. I am looking at the monthly recurring costs. Consolidated’s recurring costs run pretty close to \$4,000 monthly for all four sites in a self-healing network. They are trying to lay the foundation for the ESI-Net that we require for NG9-1-1. Keep in mind, most of this network was not in place when Hurricane Ike hit. It is now in place as far as Consolidated is concerned.

Mr. Lopez noted that he has to get the Board’s approval; shall he call a special meeting or just contact the Board Members? Mr. Foerster replied that we may want to have a special meeting in conjunction with a budget workshop so that the board might take action. Chief of Staff Carr suggested we have a meeting posted for June 4 at the end of the workshop.

Mr. Lopez noted two other items for hurricane preparedness, evaluating AT&T’s wireless proof of concept, which will only carry voice calls, but will give us a back-up to this particular network. Another item we are looking at is the satellite/VoIP phones to determine the cost for them to re-engineer multi-line hunt groups on VoIP lines that we currently have in place.

Mr. Lopez asked if there were any questions. Being none, Chief Ray requested a motion to adjourn. Chief of Staff Carr made the motion to adjourn. Deputy Chief Bittner seconded the motion. The motion carried.

The meeting adjourned at 11:02 a.m.

Attest:

Joseph J. Bittner
Secretary

John R. Chancellor
President