



Montgomery County Emergency Communication District

June 28, 2021

Mayor Sara Countryman
City of Montgomery
101 Old Plantersville Road
Montgomery, Texas 77316

Dear Mayor Countryman:

The Montgomery County Emergency Communication District (MCECD) hereby submits a proposed budget in accordance with the Emergency Telephone Act of the Texas Health and Safety Code, Section 772.309. The budget was approved by the MCECD Board of Managers on June 23, 2021, for the fiscal year that begins on October 1st.

To be effective, the budget must be approved by a majority of the governing bodies of participating jurisdictions, such as your city, and by the Montgomery County Commissioners Court. The law allows sixty (60) days from the date of receipt to take action on this budget. If your governing body does not act within that time, your city's approval is granted automatically.

We request the opportunity to present MCECD's budget to your governing body in person so we can share information about our current operations and future plans. Please contact Terri Gill at 936 523-5911 or tgill@mc911.org with the date and time of the meeting at which that the District's budget will be considered. Additional budget details are available upon request.

I appreciate your continued support of the 9-1-1 system and your prompt attention to this matter.

Respectfully,

Chip VanSteenberg
Executive Director

CC: City Secretary
Enclosures

RESOLUTION APPROVING THE MONTGOMERY COUNTY
EMERGENCY COMMUNICATION DISTRICT BUDGET FOR
FISCAL YEAR 2022

WHEREAS, on June 23, 2021 the Board of Managers of the Montgomery County Emergency Communication District (MCECD) adopted a proposed budget for the fiscal year that begins on October 1, 2021; and

WHEREAS, the MCECD Board of Managers has submitted the proposed budget to _____ (Name of Participating Jurisdiction) for approval in accordance with the Emergency Telephone Act of the Texas Health and Safety Code, Section 772.309; and

WHEREAS, to be effective the budget must be approved by the Montgomery County Commissioners Court and by a majority of the governing bodies of the participating jurisdictions; and

WHEREAS, if the governing body of a participating jurisdiction does not approve or disapprove of MCECD's budget before the sixty first (61st) day after the date receipt, the budget is approved by that participating jurisdiction by operation of law; and

WHEREAS, the budget is satisfactory as submitted;

NOW, THEREFORE, BE IT RESOLVED BY THE _____
(Governing Body of the Participating Jurisdiction) that the Montgomery County Emergency Communication District's Budget for Fiscal Year 2022 is approved.

Passed and approved this _____ day of _____, 2021.

Title: _____

ATTEST: _____

Name: _____

Title: _____



MEMORANDUM

TO: County and City Officials

FROM: Chip VanSteenberg, Executive Director

DATE: June 28, 2021

SUBJECT: MCECD Proposed Budget for Fiscal Year 2022

The Board of Managers for Montgomery County Emergency Communication District (MCECD) proposes the attached budget for Fiscal Year 2022 which begins on October 1, 2021. This memo provides information about MCECD and the proposed budget.

MCECD INFORMATION

The Montgomery County Emergency Communication District (MCECD) is a special purpose district authorized and created under Chapter 772 of the State of Texas Health and Safety Code. MCECD is governed by a Board of Managers which 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 responsibilities are to:

- Provide and maintain the hardware, software and connections for a county-wide 9-1-1 system consisting of five public safety answering points (PSAPs) and a back-up facility at the county's Emergency Operations Center.
- Provide financial support to the two primary PSAPs which answer all 9-1-1 calls and route them to the appropriate agency depending upon location and the nature of the emergency.
- Maintain a Geographic Information System (GIS) and a comprehensive database of street center lines, street names, address ranges, service boundaries and other critical information.

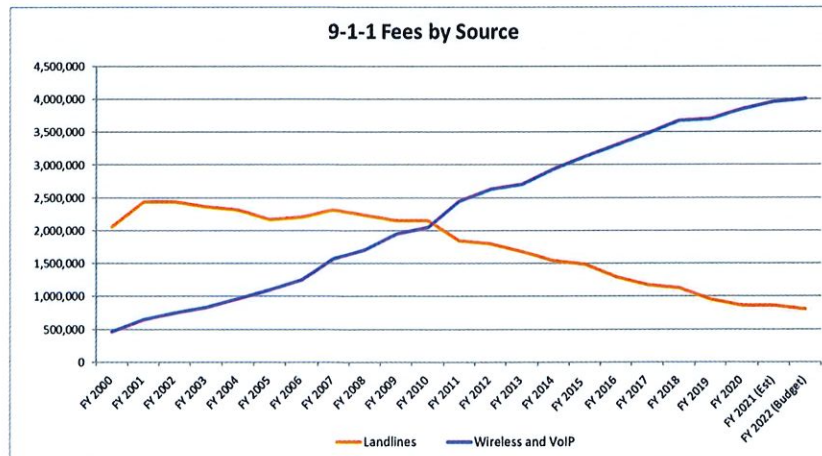
- Serve as the official addressor for the entire county
- Provide an early warning communication service
- Conduct public education on when and how to use the 9-1-1 system
- Assist PSAPs in training call-takers and dispatchers in the use of the 9-1-1 system

PROPOSED BUDGET - REVENUE

MCECD is funded primarily by fees assessed on telephone service; the amount of the fee varies by the type of service. Mobile phone customers who sign a contract for monthly service are assessed a fee of \$0.50 per month, per phone. Pre-paid wireless plans are charged a 9-1-1 fee equal to 2% of the retail price for airtime. The wireless fees are collected by the service providers and paid directly to the State of Texas. The state then remits a proportional share of the revenue to emergency communication districts based on population.

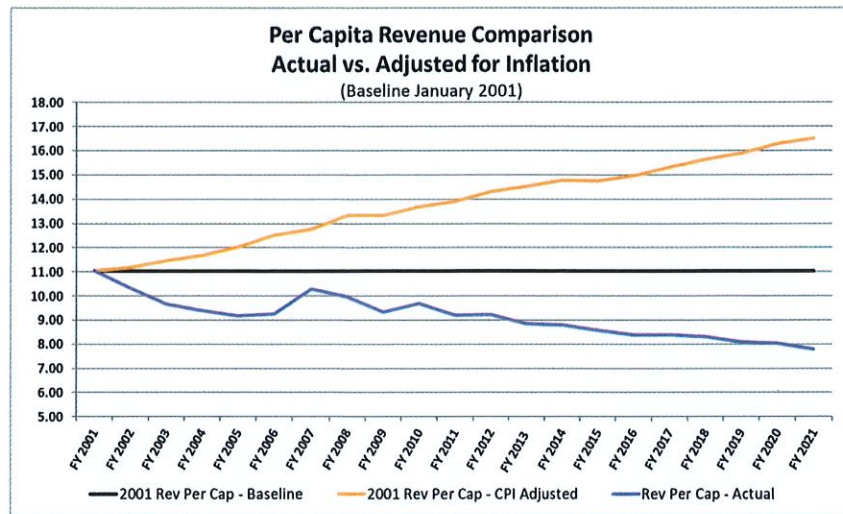
The fee for local exchange access lines (commonly known as land lines) and for Voice over Internet Protocol (VoIP) customers is 6% of the rate charged. The amount of the fee ranges from \$0.62 to \$1.66 per month for residential service. For business customers, the monthly fee starts at \$1.29 and goes up to \$2.23. Landline and VoIP fees paid by Montgomery County customers are remitted directly to MCECD.

Long-term trends indicate customers are replacing land lines with wireless phones and VoIP service. Revenue from wireless and VoIP service is on the rise while land line revenue is rapidly declining, as demonstrated here:



MCECD strives to provide reliable and innovative 9-1-1 service at the best possible value for our citizens. Due to rapid population growth, total revenue has grown enough for service delivery to match our high expectations. But MCECD operates at a lower revenue amount per capita than it did 20 years ago in both real and adjusted terms. MCECD collected \$9.57 in 9-1-1 fees per person in 2000. That amount is down to \$7.79,

a decrease of \$1.78. If adjusted for inflation, the 2000 amount equals \$14.63 in today's dollars. Therefore, MCECD is providing 9-1-1 service for 50% less than it did in 2000.



MCECD expects to collect \$4,945,700 of revenue in FY 2022 which is 3.6% more than the budget for the current year. Due to conservative budgeting practices and prudent spending policies, the district is adequately funded, has no debt, and maintains adequate reserve balances for operations and capital purchases.

PROPOSED BUDGET - OPERATING EXPENDITURES

The proposed budget for expenses is \$4,917,400 which is 3.1% above the budget for FY 2021.

MCECD's operating budget is broken into three major line expenditure categories. The first set of line items are known as Cost of Services. It is the largest category and accounts for 52% of all expenditures. The single biggest line item \$1,759,700 for contracts with the Montgomery County Sheriff's Office (MCSO) and the Conroe Police Department (CPD) to answer all 9-1-1 calls. MCECD reimburses these two agencies for the salary and benefits of 23 telecommunicators. Other major line items include:

- \$367,400 for data and phone lines necessary to route 9-1-1 callers to the correct emergency call center and interconnect the county's emergency call centers,
- \$197,600 in certificate pay to incentivize professional development for 9-1-1 telecommunicators, and
- \$148,800 for service enhancements such as foreign language translation, emergency alerts, caller profiles, and text messaging.

The proposed budget for all Cost of Service expenditures is 2.0% more than the budget for the current year.

The second category of operating expenditures is Personnel Costs. The district employs 11 full-time staff members for technical support, addressing, mapping, public education, database management, training, and administration. There are no changes proposed with staffing. The budget is a 1.3% increase over the current year.

The final and smallest category of operating expenditures is General & Administrative Costs. This proposed budget for this category is up 14.7% above the budget for the current year.

PROPOSED BUDGET – CAPITAL EXPENSES

Besides operating expenditures, MCECD also budgets for capital and other non-operating outlays. The capital budget includes \$500,000 for technology to replace and upgrade the district's microwave system; \$105,000 to replace server equipment and monitors; and \$18,000 to refresh four GIS workstations. An additional \$180,000 is budgeted for improvements to the district's existing facility, specifically to add parking capacity and replace the roof.

The district purchased 11 acres in December 2020 to develop a regional emergency communication center and multi-agency data center. The budget includes \$125,000 to cover development and design expenses for the property as well all \$120,000 for the payments on a three-year loan to finance the purchase. The total budget for capital expenses is \$1,548,000.

ADDITIONAL DATA AVAILABLE UPON REQUEST

Additional data on the budget is available upon request. MCECD can supply audited financial statements, historical budget information, and details of line item expenditures. Contact Terri Gill to make your request: tgill@mc911.org or 936 523-5912.



Montgomery County Emergency Communication District Proposed Budget for Fiscal Year 2022

OPERATING REVENUES & EXPENSES	FY 2021 Budget	FY 2022 Budget
REVENUES		
9-1-1 Fees - Landlines	\$ 777,600	\$ 808,500
9-1-1 Fees: Wireless	2,935,600	3,112,000
9-1-1 Fees: VoIP	919,800	891,600
Interest Earned	137,400	133,200
Other Income	1,200	400
Total Revenues	\$ 4,771,600	\$ 4,945,700
OPERATING EXPENSES		
Cost of Services	\$ 2,502,980	\$ 2,552,300
Personnel Costs	\$ 1,756,400	\$ 1,778,800
General & Administrative Costs	\$ 511,200	\$ 586,300
Total Expenditures	\$ 4,770,580	\$ 4,917,400
Surplus of Revenues over Expenditures	\$ 1,020	\$ 28,300
Emergency Allocation for Repairs and Replacements	\$ 500,000	\$ 500,000
CAPITAL OUTLAY	FY 2021 Budget	FY 2022 Budget
Estimated Project Costs		
Technology	\$ -	\$ 623,000
PSAP Improvement Grants	500,000	500,000
Facilities	1,540,000	425,000
Vehicles	-	-
Total Estimated Project Costs	\$ 2,040,000	\$ 1,548,000



Montgomery County Emergency
Communication District
Proposed Budget for Fiscal Year 2022

Cash Flow Estimates

Operating Funds

Estimated Cash Balance on 10/1/2020	\$ 6,347,800
Surplus of Revenues over Expenditures	28,300
Net Funds Available	6,376,100
Operating Reserve (3 months of expenses)	1,229,400
Emergency Allocation for Repairs and Replacements	500,000
Capital Reserve	5,100,000
Total for Restricted Reserves	6,329,400
Unencumbered Reserves (est. on 9/30/2020)	\$ 46,700

Capital Outlay

Estimated Capital Reserve on 10/1/2021	\$ 5,100,000
Net Proceeds from Operations	-
Available for Capital Outlay	5,100,000
Capital Outlay Budget for FY 2019	1,548,000
Estimated Capital Reserve on 9/30/2022	\$ 3,552,000



Montgomery County Emergency Communications District Proposed Budget for FY 2022

	FY 2019	FY 2020	FY 2021 Budget	FY 2021 Estimate	Variance (est.)	FY 2022 Budget	Increase (Decrease)	Inc (Dec)
REVENUES								
911 Fees - Landline/Primary	792,366	707,539	664,200	687,100	22,900	646,800	(17,400)	-2.6%
911 Fees - Landline/Resellers	157,806	153,802	113,400	171,500	58,100	161,700	48,300	42.6%
911 Fees - Wireless/Contract	2,489,533	2,585,911	2,550,000	2,704,500	154,500	2,750,400	200,400	7.9%
911 Fee - Wireless/Prepaid	395,247	382,982	385,600	363,500	(22,100)	361,600	(24,000)	-6.2%
911 Fees - VoIP	884,574	888,054	919,800	892,200	(27,600)	891,600	(28,200)	-3.1%
Interest Earned	214,711	173,217	137,400	69,200	(68,200)	133,200	(4,200)	-3.1%
Misc. Income	11,439	2,297	1,200	2,600	1,400	400	(800)	-66.7%
Total Revenues	4,945,675	4,893,801	4,771,600	4,890,600	119,000	4,945,700	174,100	3.6%
OPERATING EXPENSES								
Cost of Services	2,338,444	2,357,067	2,502,980	2,398,100	(104,880)	2,552,300	49,320	2.0%
Personnel Costs	1,515,176	1,505,025	1,756,400	1,532,800	(223,600)	1,778,800	22,400	1.3%
General & Administrative Costs	433,904	458,866	511,200	505,700	(5,500)	586,300	75,100	14.7%
Total Expenditures	4,287,524	4,320,957	4,770,580	4,436,600	(333,980)	4,917,400	146,820	3.1%
SUMMARY								
Revenues	4,945,675	4,893,801	4,771,600	4,890,600	119,000	4,945,700	174,100	3.6%
Operating Expenses	4,287,524	4,320,957	4,770,580	4,436,600	(333,980)	4,917,400	146,820	3.1%
Surplus/(Deficit)	658,151	572,844	1,020	454,000	452,980	28,300	27,280	2674.5%



Montgomery County Emergency Communications District Proposed Budget for FY 2022

	FY 2019	FY 2020	FY 2021 Budget	FY 2021 Estimate	Variance (est.)	FY 2022 Budget	Increase (Decrease)	Inc (Dec)
Operating Expenses Line Item Detail								
COST OF SERVICES								
Communication								
9-1-1 Trunks & Exchanges	230,284	216,572	240,200	233,300	(6,900)	237,800	(2,400)	-1.0%
9-1-1 Fiber & Data Connections	45,708	53,055	55,200	72,200	17,000	73,200	18,000	32.6%
Operational Telephone & Data	49,600	41,279	45,480	51,700	6,220	56,400	10,920	24.0%
Communications Subtotal	325,592	310,906	340,880	357,200	16,320	367,400	26,520	7.8%
Education								
Conferences and Seminars	11,266	4,601	15,600	10,400	(5,200)	12,600	(3,000)	-19.2%
Travel Expenses	54,731	14,689	50,400	15,100	(35,300)	50,400	-	0.0%
Tuition Reimbursement	-	-	1,200	-	(1,200)	1,200	-	0.0%
Education Subtotal	65,997	19,290	67,200	25,500	(41,700)	64,200	(3,000)	-4.5%
Service Delivery								
Call-taking Contracts	1,561,398	1,672,096	1,766,000	1,675,100	(90,900)	1,759,700	(6,300)	-0.4%
Certificate Pay Reimbursements	158,119	173,971	160,500	175,500	15,000	197,600	37,100	23.1%
Service Enhancements	158,138	168,075	145,300	150,300	5,000	148,800	3,500	2.4%
Network and System Monitoring	56,470	-	9,600	1,300	(8,300)	1,300	(8,300)	-86.5%
Other Services	12,730	12,730	13,500	13,200	(300)	13,300	(200)	-1.5%
Service Delivery Subtotal	1,946,856	2,026,871	2,094,900	2,015,400	(79,500)	2,120,700	25,800	1.2%
TOTAL - COST OF SERVICES	2,338,444	2,357,067	2,502,980	2,398,100	(104,880)	2,552,300	49,320	2.0%



Montgomery County Emergency Communications District Proposed Budget for FY 2022

	FY 2019	FY 2020	FY 2021 Budget	FY 2021 Estimate	Variance (est.)	FY 2022 Budget	Increase (Decrease)	Inc (Dec)
PERSONNEL COSTS								
Wages & Salary								
Regular	711,456	782,455	966,000	815,800	(150,200)	960,800	(5,200)	-0.5%
Leave Time	110,323	116,041	119,600	134,400	14,800	126,000	6,400	5.4%
Allowances	20,624	21,180	26,400	21,900	(4,500)	26,400	-	0.0%
Longevity	3,876	3,684	4,200	4,200	-	5,200	1,000	23.8%
Overtime	15,395	3,512	16,800	10,100	(6,700)	17,000	200	1.2%
Wages and Salary Subtotal	861,673	926,872	1,133,000	986,400	(146,600)	1,135,400	2,400	0.2%
Employment Taxes								
Social Security	49,246	52,903	70,400	58,000	(12,400)	71,500	1,100	1.6%
Medicare	11,788	12,384	16,900	14,100	(2,800)	16,900	-	0.0%
Unemployment Insurance	186	1,489	300	600	300	300	-	0.0%
Employment Taxes Subtotal	61,220	66,777	87,600	72,700	(14,900)	88,700	1,100	1.3%
Benefits								
Retirement	359,501	279,122	223,400	202,800	(20,600)	245,600	22,200	9.9%
Group Insurance	209,798	221,883	289,200	256,200	(33,000)	290,400	1,200	0.4%
Supplemental Insurance	14,177	7,274	18,000	9,700	(8,300)	13,500	(4,500)	-25.0%
Workers Compensation	8,805	3,097	5,200	5,000	(200)	5,200	-	0.0%
Benefits Subtotal	592,282	511,376	535,800	473,700	(62,100)	554,700	18,900	3.5%
TOTAL - PERSONNEL COSTS	1,515,176	1,505,025	1,756,400	1,532,800	(223,600)	1,778,800	22,400	1.3%



Montgomery County Emergency Communications District Proposed Budget for FY 2022

	FY 2019	FY 2020	FY 2021 Budget	FY 2021 Estimate	Variance (est.)	FY 2022 Budget	Increase (Decrease)	Inc (Dec)
GENERAL & ADMINISTRATIVE COSTS								
Supplies								
Office Supplies	3,275	1,876	4,200	3,200	(1,000)	3,600	(600)	-14.3%
Computers & Electronics	750	2,770	7,200	4,400	(2,800)	6,000	(1,200)	-16.7%
Small Equipment	1,566	125	2,100	3,700	1,600	3,000	900	42.9%
Operating Supplies	63,126	49,323	42,000	41,200	(800)	42,000	-	0.0%
Business Meetings	15,748	11,171	18,000	16,700	(1,300)	17,400	(600)	-3.3%
Supplies Subtotal	84,465	65,264	73,500	69,200	(4,300)	72,000	(1,500)	-2.0%
Contract Services								
Professional Fees	27,092	91,096	50,100	48,500	(1,600)	54,000	3,900	7.8%
Maintenance	46,973	38,048	48,500	58,800	10,300	59,400	10,900	22.5%
General Consulting	3,569	5,395	56,900	45,500	(11,400)	106,900	50,000	87.9%
Bank Fees	13	-	-	1,600	1,600	3,600	3,600	0.0%
Property Insurance	31,845	30,725	32,500	33,200	700	33,500	1,000	3.1%
Software & Licensing	121,726	114,262	124,700	119,200	(5,500)	120,200	(4,500)	-3.6%
Printing	696	2,315	4,500	3,200	(1,300)	3,300	(1,200)	-26.7%
Equipment Leasing	4,907	4,404	4,500	4,800	300	5,100	600	13.3%
Postage	1,190	810	1,200	1,100	(100)	1,200	-	0.0%
Advertisements	59,478	55,930	55,200	65,700	10,500	67,200	12,000	21.7%
Legal Notices	-	126	300	500	200	300	-	0.0%
Dues & Subscriptions	4,068	4,659	4,800	4,100	(700)	4,800	-	0.0%
Waste Disposal	6,256	6,865	6,900	4,100	(2,800)	5,100	(1,800)	-26.1%
Misc Fees	(311)	(14)	300	300	-	300	-	0.0%
Contract Services Subtotal	307,502	354,621	390,400	390,600	200	464,900	74,500	19.1%



Montgomery County Emergency Communications District Proposed Budget for FY 2022

	FY 2019	FY 2020	FY 2021 Budget	FY 2021 Estimate	Variance (est.)	FY 2022 Budget	Increase (Decrease)	Inc (Dec)
Transportation								
Fuel	1,353	535	1,800	1,100	(700)	1,800	-	0.0%
Vehicle Maint. & Inspections	3,079	397	1,800	1,700	(100)	2,100	300	16.7%
Mileage Reimbursement	1,104	640	1,200	900	(300)	1,200	-	0.0%
Insurance (auto)	1,856	1,992	2,200	2,000	(200)	2,200	-	0.0%
Transportation Subtotal	7,392	3,564	7,000	5,700	(1,300)	7,300	300	4.3%
Utilities								
Water & Sewer	2,126	2,662	2,900	3,100	200	3,300	400	13.8%
Natural Gas	355	405	600	500	(100)	600	-	0.0%
Electricity	32,064	32,350	36,800	36,600	(200)	38,200	1,400	3.8%
Utilities Subtotal	34,545	35,417	40,300	40,200	(100)	42,100	1,800	4.5%
TOTAL - GENERAL & ADMIN COSTS	433,904	458,866	511,200	505,700	(5,500)	586,300	75,100	14.7%
TOTAL - OPERATING EXPENSES	4,287,524	4,320,957	4,770,580	4,436,600	(333,980)	4,917,400	146,820	3.1%
CAPITAL OUTLAY								
Technology	121,827	41,391	-	207,500	207,500	623,000	623,000	n/a
Interoperability Projects	274,295	559,816	500,000	652,700	152,700	500,000	-	0.0%
Facilities	-	-	1,540,000	1,186,400	(353,600)	425,000	(1,115,000)	-
Vehicles	-	-	-	-	-	-	-	-
TOTAL - CAPITAL OUTLAY	396,122	601,207	2,040,000	2,046,600	6,600	1,548,000	(492,000)	-24.1%