Denco Area 9-1-1 District

Fiscal Year 2020

Financial Plan
Denco Area 9-1-1 District

Fiscal Year 2020
Financial Plan

Section 1

Preface
To: Denco Area 9-1-1 District Participating Jurisdictions

Date: July 19, 2019

Subject: Denco Area 9-1-1 District Fiscal Year 2020 Financial Plan

The Denco Area 9-1-1 District Board of Managers, at its July 18, 2019, regular meeting, approved the “Draft” Denco Area 9-1-1 District Fiscal Year 2020 Financial Plan and authorized the District’s staff to forward it to all participating jurisdictions for review and comment. On behalf of the Board, I request that your governing body review the following budget and provide us with any comments prior to September 2, 2019.

This financial plan reflects Denco’s continued commitment to provide a state-of-the-art, high availability, emergency 9-1-1 system to the citizens of the district, while preserving our long term financial viability; a commitment that began August 18, 1990, when the first 9-1-1 call was made in the district.

A significant aspect of the Fiscal Year 2020 Financial Plan that differs from all previous plans is the separation of a jurisdiction from the District. Effective November 30, 2019, the City of Carrollton has chosen to invoke their “grandfather” status as a municipal emergency communication district. As the only governmental entity to have previously provided Enhanced 9-1-1 (E9-1-1) service to its citizens prior to joining the Denco District in 1987, this “grandfather” status does not apply to any other entity. This separation will reduce 9-1-1 service fees available to operate the district-wide 9-1-1 system, provide no-cost training to all Denco partner agencies, telecommunicator recruiting assistance, and other direct services to ECCs.

Despite this loss of revenue, Denco staff has prepared a fiscally responsible budget that preserves all critical services to the citizens and partner agencies of the Denco Area 9-1-1 District. To prevent the reduced revenues from rapidly depleting the reserve funds accumulated for future system enhancements, and to insure existing equipment and software upgrades that have been forecast for the past two fiscal years, staff has secured Federal NG9-1-1 Advancement Act matching grant funds to supplement these planned project expenditures and to help protect the reserve fund.

In addition to the careful consideration of line-item budgeting and the securing federal grant funds, the Board of Managers has ordered a 4.25% service fee rate for fiscal year 2020. This is a 1.25% increase over the current, and original voter-approved, 3% rate of the principle telephone service provider’s current base rate. The additional revenue will insure current, and future planned projects, can be accomplished with limited use of reserve funds in the next few fiscal years.
The fiscal year 2020 budget places a significant focus on the refresh (update) of NG9-1-1 hardware and software installed in 2014, the enablement of mobile handset-based location information, and the final GIS data enhancements necessary to enable 9-1-1 caller-location-based routing. More on these, and other efforts, can be found under Section 3.

As the increasingly mobile and data-centric populace demands more interactivity with the NG9-1-1 system, and with the higher cost of providing advanced technology, we are mindful of the need for a sustainable approach and have taken a long-term look at both revenue and expenses. The recommended budget maintains the quality programs our partner agencies rely upon while taking important steps to enhance the level of services we deliver to all stakeholders.

Denco is committed to providing our citizens the most technologically advanced and best managed systems and services available. Please review the attached budget and provide us with any comments, either in support of the plan as proposed, or suggestions for improvement. If you have any questions or need additional information, please do not hesitate to contact Mark Payne, our executive director, at (972) 221-0911 or by email at mark.payne@denco.org. The Denco Area 9-1-1 District Board of Managers will adopt a final 2020 budget during our regular meeting on September 12th.

The Denco Area 9-1-1 District Board of Managers and staff appreciate your support and confidence.

Jack Miller, Chairman
Board of Managers
Enclosed is a copy of the “Draft” Denco Area 9-1-1 District Fiscal Year 2020 Financial Plan for your jurisdiction’s review and comment. Texas Health and Safety Code requires the District to submit the draft budget to its participating jurisdictions for a 45-day review and comment period. After the review and comment period, the District’s board of managers will adopt a budget for 2020 based on the feedback received. A copy of the statute and approval policy is included in Section 5 of the draft budget.

At its July 18, 2019 regular meeting, the Denco Area 9-1-1 District Board of Managers approved the enclosed “Draft” financial plan to be submitted to its participating jurisdictions for consideration. The District requests that your jurisdiction review the proposed budget and submit comments to the Denco board prior to September 2, 2019. At its regular meeting on September 12, 2019, the Denco board will consider final approval of the 2020 Financial Plan. If the District does not receive a response from individual jurisdictions, it will assume, according to statute, that those jurisdictions support the draft budget.

Please fax responses to Denco at (972) 420-0709, email them to Carla Flowers, Director of Administration, at carla.flowers@denco.org or mail them to 1075 Princeton Street, Lewisville, Texas 75067. A PDF version of the 2020 draft financial plan can be downloaded from Denco’s website at www.denco.org.

The enclosed budget includes the following sections that provide an overview of both the operations of the Denco Area 9-1-1 District and its financial position:

Section 1: Preface

This section includes memorandums from Jack Miller, Chair of the Denco Board of Managers, and me. It provides a brief summary of the District’s strategic plans for fiscal year 2020 and an overview of the approval process.
Section 2: District Overview

The District overview provides a brief summary about the history of the Denco Area 9-1-1 District and its current operations. It also provides background information about the 9-1-1 system, its terminology and the benefits it provides.

Section 3: Financial Plan Summary

Section 3 includes an executive summary of the budget; providing an overview of the District’s plans and their impact on its financial position. Also included is a Summary of Cost Classifications that briefly describes the expenditure categories included in the budget.

Section 4: Anticipated Revenues and Proposed Expenditures

Section 4 includes a spreadsheet that summarizes the overall budget for fiscal year 2020, followed by two worksheets that give more detail about the anticipated revenues and proposed expenditures for the year. The section also includes a five-year projection spreadsheet that depicts both the growth and decline of the District’s fund balance and a graph reflecting the actual fund balance for the past five years and that projected for the next five.

Section 5: Reference Materials

The final section includes reference material that provides guidelines under which the District operates. Included are copies of resolutions defining the budget approval process, a copy of House Bill 1984 that provides the statutory requirements for budget approval and a copy of the legislation under which Denco operates.

The District is pleased to provide your jurisdiction with a copy of the “Draft” Denco Area 9-1-1 District Fiscal Year 2020 Financial Plan for consideration. The plan provides the District the financial resources necessary to meet the fiscal year 2020 requirements.

If you have any questions, need additional information or would like for me to meet with your staff or governing body, please do not hesitate to call me at (972) 221-0911 or email me at mark.payne@denco.org. I would welcome the opportunity to meet with you and discuss the enclosed budget and the operations of the Denco Area 9-1-1 District.

Thanks for your continued support of the Denco Area 9-1-1 District.

Mark Payne, Executive Director
Denco Area 9-1-1 District

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Section 2

District Overview
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DENCO AREA 9-1-1 DISTRICT

District Overview

Formation of the Denco Area 9-1-1 District

Legislation

During its 1985 session, the 69th Texas Legislature passed Article 1432e (Section 772, Texas Health and Safety Code), Emergency Telephone Number Act, which provided for the creation, administration, expansion, funding and dissolution of emergency communication districts in certain counties in Texas. The Emergency Telephone Number Act is the legislation under which the Denco Area 9-1-1 District operates.

Purpose

Section 772.302, Texas Health and Safety Code, states the purpose of the Act to be the following:

“To establish the number 9-1-1 as the primary emergency telephone number for use by certain local governments in this state and to encourage units of local governments and combinations of those units of local government to develop and improve emergency communication procedures and facilities in a manner that will make possible the quick response to any person calling the telephone number 9-1-1 seeking police, fire, medical, rescue and other emergency services.”

Creation of Denco Area 9-1-1 District

On August 8, 1987, Denton County held a special election to confirm the creation of the Emergency Communication District of Denton County and authorize a 9-1-1 emergency service fee, set to 3.0% of the base rate of the principal service supplier per month, to be charged by the District for the purpose of establishing and maintaining E9-1-1 in Denton County. By a margin of 13,086 to 3,024, the
voters favored the creation of the emergency communication district. After the special election, the city and county governing bodies within Denton County passed resolutions of participation. The resolutions stated that the city or county would become a participating jurisdiction in the District pursuant to the provisions of the Emergency Telephone Number Act.

The participating jurisdictions of the District are the following:

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<tr>
<th>Argyle</th>
<th>Hackberry</th>
<th>Northlake</th>
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<tr>
<td>Aubrey</td>
<td>Hebron</td>
<td>Oak Point</td>
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<tr>
<td>Bartonville</td>
<td>Hickory Creek</td>
<td>Pilot Point</td>
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<td>Copper Canyon</td>
<td>Highland Village</td>
<td>Ponder</td>
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<tr>
<td>Corinth</td>
<td>Justin</td>
<td>Providence Village</td>
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<tr>
<td>Cross Roads</td>
<td>Krugerville</td>
<td>Roanoke</td>
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<td>Denton</td>
<td>Krum</td>
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<td>DISH</td>
<td>Lake Dallas</td>
<td>Shady Shores</td>
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<td>Double Oak</td>
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<td>Draper</td>
<td>Lewisville</td>
<td>Trophy Club</td>
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<tr>
<td>Flower Mound</td>
<td>Little Elm</td>
<td>Unincorporated Denton County</td>
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On December 8, 1987, the District's board of managers ordered the levy and collection of the emergency service fee to commence with the January 1988 billing cycle. The board ordered the service fee, collected by the telephone companies, to be charged at a rate of 3.0% of the current base rate of GTE Southwest (now Frontier). In 1992, the board set the emergency service fee, for basic levels of wireline telephone service charged to customers in the district, at $0.27 for residential customers, $0.71 for business customers and $1.13 for trunks.

On June 28, 1988, the board of managers named the Emergency Communications District of Denton County, Denco Area 9-1-1 District.

**Organizational Structure**

The board of managers is the governing body for the Denco Area 9-1-1 District. The county, participating cities and the Denton County Fire Chiefs Association appoint the board. Board members serve staggered two-year terms and are eligible for reappointment. The following members currently sit on the board of managers:
The Emergency Telephone Number Act states, "…the board shall manage, control and administer the District. The board may adopt rules for the operation of the District." The legislation also allows the board to appoint a director of communications for the District who serves as its general manager. The director, with approval from the board, manages the services necessary to carry out the purposes of the Emergency Telephone Number Act.

The Denco Area 9-1-1 District's staff is responsible for performing all the duties that may be required for the District to accomplish its mission within the framework provided by the board. The “Draft” Denco Area 9-1-1 District Fiscal Year 2020 Financial Plan provides for fourteen full-time staff members who provide the planning, operations, and maintenance functions for the District. The organizational structure of the District includes Administration and Operational program areas that serve the 9-1-1 emergency communication centers (formerly known as, PSAPs) and emergency service providers within the district. Operational program areas—sometimes referred to as Direct Services—include: 9-1-1 Systems, Public Education, and Training and Education Development.

Included in the organizational chart on the following page are the titles of staff members in each functional area.
Mission, Vision, Values and Goals

Mission and Vision Statements

The mission of the Denco Area 9-1-1 District is to provide a highly advanced and efficient enhanced 9-1-1 emergency telecommunications system as the primary emergency access for citizens and visitors in the district to quickly obtain the emergency services needed to protect life, health and property.

The Denco vision is to maintain the highest level of public and partner agency confidence while providing service in a manner that fosters excellence, integrity and accountability. To be a recognized leader in the 9-1-1 profession and a valued partner of the public safety community.

Values

The Denco Area 9-1-1 District pledges to uphold the following values:

Value #1: The control of District operations is the responsibility of member jurisdictions and the board of managers.

Value #2: The District will provide the most reliable, efficient, cost-effective and proven technologies within available resources.

Goals and Methods

This strategic plan is designed to ensure that the system continues to be responsive to the citizens and local government partners in the District. To achieve its mission, Denco has adopted the following goals.

Goal #1: Provide and maintain advanced, effective 9-1-1 Systems that are constantly available and compatible with changing communication technologies.

Methods:

- Ensure that 9-1-1 calls, from all sources, are quickly and accurately routed to ECCs and that ECCs have the most accurate, reliable, and useable data at all times.
- Ensure the 9-1-1 system is comprised of industry leading redundancy, diversity, security, and failover systems to achieve maximum availability to citizens and partner agencies.
- Ensure adequate technical and financial planning to support continuous enhancement of the systems to leverage technology advancements and integrate emerging communications methods.
Goal #2: Represent the public and partner agencies in ongoing development of 9-1-1 systems technologies and public policy.

Methods:
- Actively participate in local, state and Federal legislative and regulatory processes to ensure that 9-1-1 service integrity focused on the needs of citizens and public safety response agencies is prioritized.
- Maintain a leadership role in the Texas 9-1-1 Alliance, Association of Public Safety Communications Officials, National Emergency Number Association and other industry associations and standards setting bodies to ensure policy is developed and maintained in accordance with the Denco Area 9-1-1 District mission, values, goals and objectives.
- Establish stakeholder communications opportunities to ensure partner agencies are engaged on relevant 9-1-1 industry trends and public safety service issues. Provide mechanisms for active engagement by partner agencies.

Goal #3: Manage the Denco Area 9-1-1 District in an objective, efficient, effective and responsive manner ensuring long-term sustainability.

Methods:
- Ensure the long-term financial stability of the Denco Area 9-1-1 District as a state-of-the-art communications network serving citizens and partner agencies through effective long-term financial planning.
- Ensure consistent service and financial equity throughout the district contributing to an enhanced quality of life for all citizens of the district.
- Maintain a conservative approach to establishment of service fees at a level to maintain the 9-1-1 systems and programs, and funding of capital investments.
- Establish a competent and stable workforce of industry leaders in order to comply with the Denco Area 9-1-1 District mission, goals, vision and objectives.

Goal #4: Increase public awareness of 9-1-1 issues and promote the proper use of the 9-1-1 system.

Methods:
- Establish and maintain education programs for all demographics to contribute to educated 9-1-1 callers in the district; leading to more successful emergency calls.
- Establish and maintain awareness activities focusing on fast-changing technologies, such as mobile applications, SMS messaging, Real-Time-Text, wearable biometric devices, and the growing “Internet of Things” (IoT) that seek to connect to emergency services, and to mitigate public confusion and manage expectations.

- Participate in general awareness and education activities to promote citizen confidence in the 9-1-1 system as the most effective method to summon emergency help.

**Goal #5:** Provide training and support programs which enable Emergency Communication Center (ECC) personnel to effectively process 9-1-1 calls.

**Methods:**
- Ensure high quality training programs are available locally for telecommunications personnel of partner agencies to achieve all required basic licensing requirements and continuing education.

- Enhance basic training opportunities by providing high quality, industry relevant advanced training opportunities for partner agencies.

- Conduct continual training needs analysis to ensure training programs remain contemporary and relevant.

- Maintain support for Emergency Medical Dispatch activities of partner agencies to include providing the latest version of operating and quality assurance software and program support.

- Assist partner agencies to recruit and test telecommunicator candidates.

- Enhance and support opportunities to assist partner agencies retain high quality 9-1-1 staff and to minimize the adverse impact of telecommunicator turnover.
Designated Core Competencies

The Denco Area 9-1-1 District has identified the following core competencies as a means for measuring its efficiency, effectiveness and overall performance.

**Integrity/Honesty**

Instills mutual trust and confidence; creates a culture that fosters high standards of ethics; behaves in a fair and ethical manner toward others, and demonstrates a sense of corporate responsibility and commitment to public service.

**Responsive Customer Service**

Balancing interests of a variety of clients; readily readjusts priorities to respond to pressing and changing client demands. Anticipates and meets the needs of clients; achieves quality end products; is committed to continuous improvement of services.

**Team Work**

Encourages and facilitates cooperation within the organization and with customer groups; fosters commitment, team spirit, pride, and trust. Develops leadership in others through coaching, mentoring, rewarding, and guiding employees. Actively participates in healthy debate and discussion sharing personal points of view and rational for individual thinking; once decision has been made, openly supports and owns the majority decision as if it were his or her own; doesn’t undermine or second guess majority decision after the fact.

**Flexibility**

Open to change and new information; adapts behavior and work methods in response to new information, changing conditions or unexpected obstacles. Adjusts rapidly to new situations warranting attention and resolution.

**Decisiveness**

Exercises good judgment by making sound and well informed decisions; perceives the impact and implications of decisions; makes effective and timely decisions, even when data is limited or solutions produce unpleasant consequences; is proactive and achievement oriented.
Background Information

**What is E9-1-1?**

Enhanced Nine-One-One (E9-1-1) is a single, easy-to-remember number used when reporting emergencies to fire, police and emergency medical service providers. The E9-1-1 system, operational in the Denco Area 9-1-1 District, is designed to automatically route any 9-1-1 call, placed from a telephone instrument (including wireless and Internet) within the District's geographical boundaries, to the proper emergency communication center (ECC) responsible for dispatching emergency services to the caller. (At the current time, there are limitations to both wireless and Internet location technologies.)

**Benefits of E9-1-1**

The E9-1-1 system has enhanced the ability of emergency service providers to save the lives and property of citizens in the Denco Area 9-1-1 District. Some of the direct benefits of the emergency communication system provided by Denco are the following:

- Only one three-digit number to remember in an emergency situation.
- The 9-1-1 call is routed to the proper agency responsible for dispatching help to the caller.
- Trained telecommunicators answer 9-1-1 calls. (In the Denco Area 9-1-1 District, telecommunicators are trained to provide emergency medical dispatch, thus reducing response time for medical emergencies.)
- Telecommunicators have the equipment and training necessary to communicate with hearing/speech impaired callers using TTY equipment as well as via text messages to 9-1-1.
- The caller's name, address and telephone number, as well as the proper fire, police and emergency medical service designated to respond to the caller's address, is automatically provided to the telecommunicator; thus reducing total response time. In the event the caller is unable to speak, the telecommunicator has the ability to dispatch help to the caller's location that is provided by the E9-1-1 system.
- All ECCs in the Denco Area 9-1-1 District are part of a common network, allowing each to transfer calls, conference multiple ECCs and/or share information within a closed system.
- ANI/ALI information provides a means to control and reduce prank calls.
• The public education programs associated with E9-1-1 promote citizen awareness and involvement with emergency service providers.

• The E9-1-1 system enhances local government's ability to address the ever growing public expectation of emergency services created by the technology vendors, the media and popular television programming.

• The E9-1-1 system is designed to allow ECCs the ability to directly transfer a caller to another public safety agency or poison control center.

• The E9-1-1 system will identify calls from wireless and Internet phones, advising the telecommunicator to ask proper questions to determine the location of the emergency. Phase I provides the caller's telephone number so that the telecommunicator has the ability to reconnect if the call is terminated. Phase II provides additional location information to telecommunicators. Location information for Internet phones (VoIP) is typically entered by the subscriber through a website.

• The system has the ability to identify telephone companies serving 9-1-1 callers, thus streamlining the process.
Glossary of Terms

9-1-1 (Nine-One-One). A designated easy-to-remember, easy-to-call, three-digit emergency telephone number developed to provide citizens with a reliable, fast and convenient way to access fire, police, or medical service in the event of an emergency.

ANI (Automatic Number Identification). ANI is the feature that provides the caller’s telephone number on a console at the ECC.

ALI (Automatic Location Identification). ALI provides the caller’s name and address on a computer monitor at the ECC along with the name of the correct police, fire and emergency medical services designated to respond to the caller’s location. Callers should always know their location in the event the ALI information is not available because of limited technology.

Database. The 9-1-1 Database is the information accompanying a 9-1-1 call at the ECC. The information provided is the caller’s name, address and telephone number, as well as the emergency service providers designated to respond to the caller’s address. The database information is not always available from wireless and VoIP callers.

E9-1-1 (Enhanced 9-1-1). The system that is operational in Denton County providing SR, ANI and ALI (defined below).

ECC (Emergency Communication Center). Formerly known as a Public Safety Answering Point (PSAP), it is the location of the equipment used to answer 9-1-1 emergency calls. The following are the twelve (11) ECCs that are currently capable of answering 9-1-1 calls in the Denco Area 9-1-1 District:

- City of Denton Police Department
- Denton County Sheriff’s Office
- Town of Flower Mound Police Department
- City of Highland Village Police Department
- City of Lewisville Police Department
- City of Roanoke Police Department
- City of The Colony Police Department
- University of North Texas Police
- Texas Woman’s University Police
- Host A Backup ECC
- Host B Backup ECC

ESInet (Emergency Services IP Network). An ESInet is a managed IP network that is used for emergency services communications, and which can be shared by all public safety agencies. It provides the IP transport infrastructure upon which independent application platforms and core functional processes can be deployed, including, but not restricted to, those necessary for providing NG9-1-1 services.
ESInets may be constructed from a mix of dedicated and shared facilities. ESInets may be interconnected at local, regional, state, federal, national and international levels to form an IP-based inter-network (network of networks).

**GIS (Geographic Information Systems).** The technology used to develop and display the mapped data used to locate 9-1-1 callers.

**i3 or i3 ECC (See also NG9-1-1).** NENA’s Detailed Functional and Interface Standard for NG9-1-1 (i3), which describes an ECC that is capable of receiving IP-based signaling for delivery of emergency calls and for originating calls and is conformant to NENA specifications for such ECCs.

**IWS (Integrated Workstation).** The computerized 9-1-1 answering equipment provided by Denco that gives telecommunicators, in addition to the 9-1-1 function, additional tools such as computer-aided dispatch, paging, mapping and radio communications. Denco has 77 integrated call-taking workstations at its ten (10) operational and two (2) backup ECCs.

**NG9-1-1 (Next Generation 9-1-1).** NG9-1-1 is an Internet Protocol (IP) based system comprised of managed Emergency Services IP networks (ESInets), functional elements (applications), and databases that replicate traditional E9-1-1 features and functions and provides additional capabilities. NG9-1-1 is designed to provide access to emergency services from all connected communications sources, and provide multimedia data capabilities for ECCs and other emergency service organizations. Denco migrated to NG9-1-1 in April 2014.

**Phase I.** Wireless Phase I Enhanced 9-1-1 is the Federal Communication Commission (FCC) mandate to the wireless telephone industry and to 9-1-1 requiring the routing of wireless 9-1-1 calls to appropriate ECCs and the provision of the callers’ ANI to the telecommunicators.

**Phase II.** Phase II provides the approximate geographic location of wireless callers, in addition to the FCC’s Phase I enhancements.

**Public Safety Telecommunicator.** The individual answering the 9-1-1 calls; trained to communicate with persons seeking emergency assistance and with agencies and individuals providing such assistance.

**SR (Selective Routing).** Selective Routing provides automatic routing of 9-1-1 calls, based on the caller’s location, to the appropriate ECC. The caller is not required to determine which public safety agency to call. Callers using wireless or VoIP telephones should know their location because the routing technology is not as accurate for these services.
Denco Area 9-1-1 District

Fiscal Year 2020
Financial Plan

Section 3

Financial Plan Summary

Summary of Cost Classifications
The 2020 Financial Plan for the Denco Area 9-1-1 District provides funding for the continued delivery of high-quality services that the citizens and ECCs in the Denco district have come to rely upon since 1990. Those trusted services include: the support of all elements of the 9-1-1 system (e.g. database, routing, network and equipment) throughout the district; addressing and mapping services; public education and training services; participation in standards development; and the continuing legislative and regulatory advocacy services that Denco provides in Austin and Washington, D.C. In addition to these ongoing services, the District is continually updating its strategic plans to focus on providing the most efficient and effective services available within its financial resources.

**Financial Plan Overview**

Section 4 of the Denco Area 9-1-1 District Fiscal Year 2020 Financial Plan provides the following spreadsheets that summarize the budget: “Summary of Anticipated Revenues and Proposed Expenditures”; “Anticipated Revenues, Proposed Expenditures”; and “Five Year Projections”. Also provided, following the spreadsheets, is a graph that depicts the Cash Fund Balance (Assigned and Unassigned). It provides a picture of the actual change in fund balance from fiscal year 2014 through estimated 2019, and projections through 2024.

Denco has no statutory means of issuing debt, so it prides itself in being fiscally responsible by planning and saving to meet future funding requirements. For this reason, the Denco Board is required to assess and adjust the 9-1-1 service fee, at least annually, to insure that current revenue streams are sufficient to support operational needs and also save for future capital improvement efforts that provide enhanced mission critical services.

**Summary of Anticipated Revenues and Proposed Expenditures**

The summary spreadsheet provides information about the financial position of the District at the beginning of fiscal year 2020, its projected revenues and expenditures for the year, and the financial position at the end of the year.
The Beginning of Year Fund Balance for fiscal year 2020 represents the total cash and invested funds balance estimated at the end of the current fiscal year. The End of Year Total Fund Balance at the end of fiscal year 2020 is anticipated to be $2,037,158.

**Revenues**

During fiscal year 2019, the City of Carrollton, having a unique set of facts regarding its entry into the Denco 9-1-1 District in 1987, endeavored to withdraw from the District. For purposes of statutory clarity, and to protect the interest of the other jurisdictions within the 9-1-1 District, Denco worked with Carrollton to insure a clean separation of fiscal and operational 9-1-1 matters.

Due to the statutory separation of the City of Carrollton from the District (effective November 30, 2019), service fee revenues are anticipated to decrease by an estimated 20% for fiscal year 2020. 9-1-1 service fees are not collected and remitted by the telephone service providers at the city/county jurisdictional level, so wireline revenue deductions for Carrollton are being estimated based on Carrollton’s proportionate population of the entire district. Wireless revenues, however, are collected at the state-level and distributed to Denco (and other 9-1-1 administrative entities), based on the proportionate population of the Denco jurisdiction, as compared to the total population of Texas. This methodology allows for a more precise estimate of reduced wireless service fee revenues, when Carrollton’s separation is complete.

As required by statute, the board annually sets the wireline 9-1-1 service fee rate to meet current and future financial needs. The wireline service fees for fiscal year 2020 are set to 4.25% of the current tariff base rate. That rate results in service fees of $1.32 for residential, $1.59 for business, and $1.92 for trunk users (per access line).

Total revenues anticipated for fiscal year 2020 are $6,127,120, with 90.1% being derived from 9-1-1 service fee revenue. This is roughly $568,000 less than anticipated for fiscal year 2019, due to the loss of service fee revenue attributed to Carrollton’s separation. This number would be larger, if not for the assessment of the additional 1.25% service fee rate and continued growth in Denton County. The wireless service fee revenue is expected to be $753,000 lower, due to Carrollton leaving the District. Estimated interest earned on investments is projected to be slightly lower, at $43,000, due to a slightly lower fund balance, following the completion of the Annex.
The following summarizes assumptions utilized in forecasting fiscal year 2020 revenues:

**Service Fee Revenue Assumptions**

- Approximate 20% reduction in 9-1-1 service fees, attributed to the separation of the City of Carrollton from the District.

- Frontier will continue to experience a decline in line count, as seen in recent years. CLEC counts will remain relatively flat, and AT&T will see additional line count growth (via phone/entertainment packages) due to development along the Highway 380 corridor.

- A slight increase in the service fee rate will help to offset continued revenue decline in the largest local carrier (Frontier) and the effects of the City of Carrollton’s separation.

**Non-Service Fee Revenue Assumptions**

- Federal NG9-1-1 Matching Grant revenues, in the amount of $539,700, will be received to offset a portion of our equipment refresh and mapping upgrade, as well as IP logging recorder procurement.

- Denco will continue to charge a nominal fee to training program participants from outside the district. Fiscal year 2020, training program revenue is estimated to increase by $10,000 to $35,000.

- Denco and Denton County have a long-standing agreement for Denco staff to coordinate the issuance of addresses in unincorporated Denton County. This agreement will be continued at the previously established rate of $20,000 per year.
Expenditures

The total expenditures proposed in the fiscal year 2020 financial plan reflect a $585,259 increase in spending when compared to the estimated expenditures for fiscal year 2019.

The separation of the City of Carrollton from the District will impact expenditures, but because of the nature of the district-wide 9-1-1 system, there is not a 1:1 reduction in revenues to expenditures. Due to no longer serving Carrollton, Denco will recognize reductions in public education supplies and materials, interpreter services, special events, regional media campaigns and general expendable supplies. Communication network-related costs will decrease and equipment will be recovered and repurposed into ongoing district 9-1-1 system operations.

Personnel

Total personnel expenditures proposed in 2020 is $1,600,071, or 26.2% of the total budget, representing an increase in this budget section of $91,284 when compared with the estimated fiscal year 2019 budget.

The Salaries line item reflects a 2.25% increase for cost of living adjustment and an additional 3.0% is included for potential merit-based pay increases and for skills-based (certification) pay.

Total benefit expenditures proposed in fiscal year 2020 are $33,245 more than estimated in the current fiscal budget, due to an increase in health insurance premiums. Increases for employees are funded by Denco, but increases in family coverage are funded by employees with families. Benefits represent 27% of the total personnel budget.

Administration

Administration expenditures reflect organizational functions that support the overall operation of the agency. Expenses include business software, contract services, office equipment, travel and professional development for administrative staff. Expenditures proposed for fiscal year 2020 are $331,085 or 5.4% of the total budgeted expenditures. Proposed spending is $23,255 more than estimated fiscal year 2019 spending due to utility and maintenance/repair costs.
**Direct Services**

Direct Services expenditures are the core mission of the District and include 9-1-1 technical and operational elements, Geographic Information Systems, database, rural addressing, the training program, public education, and supporting capital projects. These services account for 68.4% of the fiscal year 2020 budget.

**Technical Services**

Technical services is Denco’s most mission critical activity; simply defined, as keeping the 9-1-1 system operational. Technical services monitors and maintains network reliability and performance; software functionality, hardware preventive maintenance, repair, and a number of other activities such as facility, user, and dial plan maintenance.

**Call Handling Equipment:** The major project priority in fiscal year 2020 is the refresh of the call handling equipment at each ECC.

The current equipment was installed in 2014 and has reached its scheduled replacement window. In addition to the service-age of the equipment, new mapping software requires the latest Windows® operating system and more powerful hardware at each ECC and host (server) sites. Funding has been reserved to support this procurement, aided by supplemental funds awarded to Denco through the Federal NG9-1-1 Advancement Act. The proposed budget includes replacement of all 9-1-1 answering positions, routers, switches and ALI/CAD output devices. As part of enhancements, Denco will increase the bandwidth of the emergency services IP network to enhance the data transmission capacity.

**Support and Managed Services:** As part of the 2014 equipment installation and NG9-1-1 network implementation, Denco pre-paid five years of software support and managed services. The support contract expires November 1, 2019. The proposed budget includes renewal of call handling equipment software support for 9-1-1 call-taking software and managed services. The software support includes all software patches and upgrades over the term of the agreement. Services include proactive monitoring of key systems and alerting of Denco personnel in the event of incident triggers requiring action, critical virus protection updates, and patch management. The proposed budget includes the first annual payment of a new five-year agreement.

**Annex Operational Enhancements:** In 2018, The Denco Area 9-1-1 District completed construction of the Annex, an ICC-500, EF-5 tornado-rated facility containing a data center for 9-1-1 critical infrastructure and a twelve-position
backup emergency communications center capable of supporting multiple agencies simultaneously.

The facility supports the regional 9-1-1 system and all public safety agencies operating within the district by dramatically improving system survivability and continuity of operations in the event of catastrophic weather or events. The facility is served by redundant Uninterruptible Power Supply (UPS) systems and redundant emergency generators capable of supporting the entire building for extended operations without utility power. Currently, if one generator were to fail Denco staff would manually switch building operations from the primary to the back-up generator. The proposed budget includes installation of a switch to further enhance operations by recognizing the failure of the primary generator and automatically switch service to the back-up generator without human intervention. The UPS prevents any loss of power during this switch-over. This level of automation provides best practice for mission critical infrastructure protection.

Due to the nature of the facility’s ICC-500 hardened construction, radio signal penetration is severely degraded. The proposed budget includes installation of a Bi-Directional Amplifier (BDA) System that will amplify radio coverage and enhance in-building radio frequency (RF) signal coverage for public safety radio. This enables dispatchers and first responders to effectively communicate via their public safety radio systems.

The proposed budget includes procurement of laptop port replicators and computer monitors that will support public safety partner agency use of computer aided dispatch laptops within the Annex ECC. Agencies are responsible for providing CAD software, laptop computers and any needed connectivity to their systems.

**Regional IP-Based Recording:** The proposed budget includes procurement and implementation of a robust Internet Protocol-based (IP) logging recorder solution in the Annex that would be used to log and record 9-1-1 and integrated administrative calls. This functionality will be crucial in the event the backup ECC is activated. Public safety agencies in the district could utilize this logging/recording infrastructure as a hosted solution, capable of also recording public safety radio transmissions. The public safety agencies would be responsible for the cost of connecting the radio system to the logging/recording infrastructure.

In addition to voice telephone calls, the IP-based recorder allows for the recording/storage of multi-media content such as photos and video. Public safety agencies in the district already receive text-to-911 calls and in the very near future, will receive photos and video along with 9-1-1 calls. Many agencies in the district
do not have the technical capability to log/record this enhanced data. The regional IP recording platform will provide a secure repository of data that can be accessed and managed by the receiving agency.

**ECC Removal:** Costs associated with removing the North Texas Emergency Communications Center—where Carrollton’s 9-1-1 calls are answered—from Denco’s 9-1-1 network and systems, include decommissioning the microwave equipment at their facility, realignment of the microwave network, and removal of call handling and backroom equipment.

**Network and Systems Security:** Cybersecurity continues to be a high priority for Denco’s technical team. The security and reliability of the 9-1-1 system and related networks are crucial to public safety in the district. There are both financial and terroristic motives to disrupting essential public safety services and with this growing threat, Denco staff must remain vigilant by constantly monitoring changing threats and vulnerabilities.

The proposed budget includes expenditures to monitor security of Denco’s 9-1-1 and administrative networks. The Fiscal Year 2019 budget includes a consulting engagement to assist identification of resources, management plans and costs associated with the implementation of a network security operations center at the new Annex, potentially in collaboration with neighboring emergency communications districts.

The consulting engagement originally planned for Fiscal Year 2019 is rescheduled for Fiscal Year 2020 to better align with coordinated timing of the adjacent districts, which were undergoing structural and leadership changes. The NSOC is expected to provide the services defined by industry best practice for the network, systems and applications and will provide the details necessary for continued intergovernmental discussions relative to operation and cost-sharing.

**Geographic Information System (GIS) Services**

The Denco Area 9-1-1 District is responsible for the overall integrity of the public safety GIS data used for mapping 9-1-1 calls in ECCs in the district. The Denco GIS program staff consists of one GIS supervisor and two GIS specialists. Fifteen local government partner agencies (fourteen cities and Denton County) provide local GIS data directly to Denco 9-1-1. The remaining jurisdictions are maintained by Denton County GIS and incorporated into the Denco 9-1-1 GIS database through Denton County. Denco staff reviews the aggregated data and incorporates it into a single district public safety dataset distributed to all ECCs for both 9-1-1 call mapping and Computer Aided Dispatching, if requested.
For several years, the Denco Area 9-1-1 District GIS staff has been working to enhance the regional 9-1-1 GIS dataset to support the full implementation of Next Generation 9-1-1 (NG9-1-1), including spatial routing of emergency calls. The proposed budget includes transition to a new Esri-based ECC mapping solution which will provide immediate integration with supplemental location information provided by Device-Based Hybrid (DBH) Location technologies imbedded in newer wireless phones. Additional enhanced data provided by third-party clearinghouses interconnected with Vesta Solutions will be integrated with the call handling equipment provided by Denco.

As the industry continues to progress toward full NG9-1-1 migration, Denco continues to achieve GIS readiness for NG9-1-1 Core Services (NGCS) and other emerging technologies aligned with the investment in GIS data quality improvement needed to meet the requirements of migration to i3 spatial call routing. Over the past few years, Denco has established policies and workflow processes for the enhanced maintenance of a district-wide GIS database incorporating disparate databases from participating local governmental agencies. The workflow enhancements achieve the goal of developing and maintaining public safety grade GIS, defined as “a system designed to capture, store, display, analyze, and manage data for the purposes of public safety and 9-1-1 emergency response. Further, any GIS utilized for the purposes of emergency response is expected to be accurate, secure, reliable, resilient, redundant, and diverse to remain operational in any emergency.”

Denco is projected to meet the minimum 98% synchronization rate between Master Street Address Guide (MSAG), Automatic Location Identification (ALI), and GIS data as recommended by the National Emergency Number Association (NENA) informational document 71-501 by December 2019. This minimum standard is important for the GIS data to be considered viable for use in a Next Generation 9-1-1 (NG9-1-1) system.

In order to take full advantage of enhanced location data and expected FCC rulings pertaining to the delivery of z-axis (altitude) data with 9-1-1 calls, highly accurate indoor mapping capabilities must be implemented. As the public continues its migration away from landline telephone service, more and more wireless calls are placed indoors, causing increased challenges for determining location accuracy. The use of GIS data, indoor mapping, and emerging technologies makes it possible to receive 9-1-1 calls with highly accurate indoor location. Indoor mapping all structures in the district is an unachievable task. However, efforts will be undertaken to gather and aggregate 2D indoor maps for
high-profile or risk venues (such as schools, malls and government buildings) as soon as possible.

Currently, Denco is targeting the procurement and implementation of NG9-1-1 Core Services to include Emergency Call Routing Function (ECRF) and Location Validation Function (LVF) in support of i3 spatial call routing of 9-1-1 calls during fiscal year 2021. However, a major concern at this point, is the lack of readiness of wireless service providers to deliver the location element with the initial 9-1-1 call. It will likely take public safety agencies being fully ready to receive and route 9-1-1 calls using the initial call data to compel regulatory action requiring industry compliance. Denco anticipates being among the public safety agencies providing leadership in this area.

**ECC Support Services**

The Operations Support program area consists of services to partner jurisdictions that enhance the ability to respond to calls for emergency assistance including support of the Emergency Medical Dispatching activities, recruitment and pre-employment testing, licensure testing, and analytics support.

Denco continues to provide support for training and maintenance of the emergency medical dispatch (EMD) program. The proposed budget includes continuation of EMD training programs and expansion of the quality assurance support provided to each agency.

Denco retains its status as a designated testing facility for the Texas Commission on Law Enforcement. As a testing facility, Denco administers licensing examinations for police officers, telecommunicators and jailers.

The proposed budget includes costs associated with continued staff development in the use of the Vesta analytics product along with custom report development. ECCs in the district request statistical reports from Denco on a regular basis.

Several years ago, Denco began assisting agencies with recruiting activities to supplement the long-standing pre-employment testing support. Response to the program has been very positive and the proposed budget includes continuation of all recruiting and testing programs.

**Training Services**

The proposed Fiscal Year 2020 budget supports continuation of Denco’s state sanctioned and nationally accredited 9-1-1 training program. Denco operates
one of the most robust 9-1-1 training programs in the state utilizing resources of both staff and contract instructors. The training academy offers high quality basic, intermediate and advanced training programs to public safety personnel along with specialized training for Fire, EMD and supervisor/managers. Training contact hours have continued to increase each year, surpassing 19,275 total contact hours in calendar year 2018.

In 2019, Denco offered 141 courses, including the Basic Telecommunicator course, specialized continuing education courses, communications training officer, supervisory and leadership skills, EMD certification courses, and Life on the Line, an orientation course required of all new telecommunicators. Based on the comprehensive training needs analysis, Denco implemented a new Basic Telecommunicator Academy in 2019. The Academy satisfies minimum TCOLE training requirements for newly employed dispatchers. It introduces the skills and knowledge to work in an emergency communications center in a productive and professional manner. The academy format is a 6-week block of instruction allowing a new hire attendee to participate in basic courses and includes several call scenario labs, putting the material learned to practical application in the training environment. On the last day of the academy, participants are given the opportunity to sit for their state licensing examination. The proposed budget continues the practice of an annual training needs analysis.

Annually, Denco conducts a competitive scholarship process in the name of former board member, Dr. Alan Groff. The Groff Scholarship provides resources for two telecommunicators to attend the Priority Dispatch Navigator conference to enhance their EMD training. Denco also provides support for telecommunicators to attend the Texas Public Safety (APCO/NENA) conference.

Public Education Services

The Denco Public Education and Outreach program educates the public and public officials about the district’s 9-1-1 system. Denco has long believed that “an informed caller leads to a more successful 9-1-1 call.” The public education and outreach staff engage citizens through a number of strategic approaches, which together constitute the integrated education and outreach program.

Denco has developed a variety of educational materials to educate the public on specific 9-1-1 related topics and materials directed to specific audiences. Materials are distributed to citizens at public events, fairs and festivals and are provided to local partner agencies for distribution. Educational materials are placed in governmental lobby brochure racks and many other public facilities. The annual budget includes the cost of continually updating and revising materials to reflect
the most recent, relevant information to citizens in the district, in addition to production/printing costs.

During calendar year 2018, Denco staff attended 34 events to interact with the public, distributed educational and promotional information and answered citizen’s question about the 9-1-1 system. A highlight is Denco’s annual participation in the North Texas Fair and Rodeo spanning a total of 60 hours over 9 days each August.

Denco continues to stock a public education kiosk enabling a continuous presence at Golden Triangle Mall in Denton and Music City Mall in Lewisville. These carts include signage, flyers and photographs to promote 9-1-1 and educate the public. Denco’s public education specialist splits time between the two locations to interact with citizens.

Educating children is a primary focus of the public education outreach. For more than 25 years, Denco has coordinated an end of school year safety campaign to provide a specific safety message to elementary school students. Denco also continues its partnership with the Lewisville Fire Department “Life and Fire Safety” clown program.

Denco conducts both paid and earned media campaigns to educate the public. Media campaigns are conducted locally on jurisdiction specific information such as texting and with regional partners in metropolitan-wide broadcast media activities.
Five-Year Projections

The Five Year Projections spreadsheet in Section 4, along with the graph that follows it, depicts the long-term financial position and stability of the Denco Area 9-1-1 District.

Summary of Significant Projections

The multi-year projections identify cost associated with ongoing operations and significant one-time investments in the foreseeable future. Expenses to continue existing programs and activities reflect a modest inflationary factor. The specific, one-time costs are projected for the next four fiscal years, as follows:

Fiscal Year 2021

- Implementation of Location Validation Function (LVF) services for enhanced NG9-1-1 location validation of consumer-provided location information
- Implementation of Emergency Call Routing Function (ECRF) for enhanced NG9-1-1 call routing based on location data for all types of devices
- Addition of a GIS Specialist position
- Data Hub increase to daily GIS updates

Fiscal Year 2022

- Replacement of Nimble SAN intelligent, self-managing flash storage device
- Relocation of Host-A to new Denton County EOC facility
- Install four position back-up at new Denton County EOC facility
- Replacement of one general purpose fleet vehicle

Fiscal Year 2023

- Purchase of a customized public education vehicle to support citizen engagement.
- Replacement of two service vans
Explanation of Fund Balance Movement

When looking at the *Cash Fund Balance (Assigned and Unassigned)* graph at the end of Section 4, the following will be helpful in its interpretation:

Following the completion of the initial phases of NG9-1-1 implementation in 2014, Denco shifted focus and spending towards the design and construction of the EF-5 tornado rated operations facility, known as the Denco 9-1-1 Annex.

In fiscal year 2017, the Annex construction began and was complete approximately 12-months later, with project costs spanning two fiscal years. [This facility now provides secured, hardened, high-availability operations for critical systems and backup ECC operations. Soon, partner agencies’ Information Technology departments will begin utilizing space in the Annex data center for off-site data and server active-backup or active-active operations.]

In fiscal year 2020, the NG9-1-1 network hardware and call-handling system refresh/upgrade will begin, funded in part by a matching grant from the NG9-1-1 Advancement Act federal grant program. Included with this project is the NG9-1-1 functional elements known as Core Services and an Internet Protocol-based multimedia and audio logging recording system. The latter portions of this project will be funded in 2021.

Fiscal years 2021 through 2024 reflect a declining reserve fund balance precipitated by the second full year of reduced revenues from the City of Carrollton’s separation and project spending. While a modest fee increase has been included in the fiscal year 2020 financial plan, deficit spending is projected over the next four fiscal years; however, this will likely be addressed in the Fiscal Year 2021 Financial Plan. In 2020, we have taken a conservative approach to increasing the 9-1-1 service fee as we use the year to evaluate the new revenue flow and determine if an additional fee adjustment will be needed in 2021 to align revenues to operational needs and to set aside reserve funds for future system enhancements.
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Denco Area 9-1-1 District

Fiscal Year 2020
Financial Plan

Section 4

Anticipated Revenues
Proposed Expenditures
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## DENCO AREA 9-1-1 DISTRICT FINANCIAL PLAN

### Summary of Anticipated Revenues and Proposed Expenditures

Fiscal Year 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Percent of Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning of Year Estimated Fund Balance</strong></td>
<td>$ 2,025,319</td>
</tr>
<tr>
<td><strong>Anticipated Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>9-1-1 Service Fee Revenue</td>
<td>$ 5,519,420  90.1%</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>$ 43,000    0.7%</td>
</tr>
<tr>
<td>Contract Services Revenue</td>
<td>$ 20,000     0.3%</td>
</tr>
<tr>
<td>Miscellaneous Revenue (Expense)</td>
<td>$ 544,700 8.9%</td>
</tr>
<tr>
<td><strong>Total Anticipated Revenues</strong></td>
<td>$ 6,127,120 100.0%</td>
</tr>
<tr>
<td><strong>Proposed Expenditures</strong></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>$ 1,600,071   26.2%</td>
</tr>
<tr>
<td>Administration</td>
<td>$ 331,085      5.4%</td>
</tr>
<tr>
<td>Direct Services</td>
<td>$ 4,184,125 68.4%</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$ -            0.0%</td>
</tr>
<tr>
<td><strong>Total Proposed Expenditures</strong></td>
<td>$ 6,115,281 100.0%</td>
</tr>
<tr>
<td><strong>Increase (Decrease) in Fund Balance</strong></td>
<td>$ 11,839</td>
</tr>
<tr>
<td><strong>End of Year Estimated Fund Balance</strong></td>
<td>$ 2,037,158</td>
</tr>
</tbody>
</table>

### Notes
- All amounts are in USD.
## Anticipated Revenues

### Fiscal Year 2020

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Proposed</th>
<th>Percent of Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wireline Service Fee Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frontier</td>
<td>$601,923</td>
<td>9.8%</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>$295,382</td>
<td>4.8%</td>
</tr>
<tr>
<td>CenturyLink</td>
<td>$107,562</td>
<td>1.8%</td>
</tr>
<tr>
<td>Other Local Exchange Carriers (CLECs)</td>
<td>$1,504,313</td>
<td>24.6%</td>
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<tr>
<td><strong>Net Wireline Service Fee Revenue</strong></td>
<td>$2,509,180</td>
<td>41.0%</td>
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<tr>
<td><strong>Wireless Service Fee Revenue</strong></td>
<td>$3,010,240</td>
<td>49.1%</td>
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<tr>
<td><strong>Total Service Fee Revenue</strong></td>
<td>$5,519,420</td>
<td>90.1%</td>
</tr>
<tr>
<td><strong>Non-Service Fee Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>$43,000</td>
<td>0.7%</td>
</tr>
<tr>
<td>Contract Service Revenue</td>
<td>$20,000</td>
<td>0.3%</td>
</tr>
<tr>
<td>Miscellaneous Revenue (Expenses)</td>
<td>$544,700</td>
<td>8.9%</td>
</tr>
<tr>
<td><strong>Total Non-Service Fee Revenue</strong></td>
<td>$607,700</td>
<td>9.9%</td>
</tr>
<tr>
<td><strong>Total Anticipated Revenues</strong></td>
<td>$6,127,120</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
### Proposed Expenditures
#### Fiscal Year 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Proposed</th>
<th>Percent of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$1,163,555</td>
<td>19.0%</td>
</tr>
<tr>
<td>Benefits</td>
<td>$436,516</td>
<td>7.1%</td>
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<tr>
<td><strong>Total Personnel</strong></td>
<td>$1,600,071</td>
<td>26.2%</td>
</tr>
<tr>
<td><strong>Administration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Expenses</td>
<td>$47,950</td>
<td>0.8%</td>
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<tr>
<td>Contract Services</td>
<td>$124,710</td>
<td>2.0%</td>
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<tr>
<td>Facilities</td>
<td>$112,100</td>
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</tr>
<tr>
<td>Memberships/Subscriptions</td>
<td>$8,100</td>
<td>0.1%</td>
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<tr>
<td>Professional Development</td>
<td>$12,400</td>
<td>0.2%</td>
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<tr>
<td>Travel</td>
<td>$25,825</td>
<td>0.4%</td>
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<tr>
<td><strong>Total Administration</strong></td>
<td>$331,085</td>
<td>5.4%</td>
</tr>
<tr>
<td><strong>Direct Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$1,107,475</td>
<td>18.1%</td>
</tr>
<tr>
<td>Network Services</td>
<td>$2,045,350</td>
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</tr>
<tr>
<td>Equipment</td>
<td>$960,000</td>
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<tr>
<td>Facilities — Annex</td>
<td>$71,300</td>
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<tr>
<td><strong>Total Direct Services</strong></td>
<td>$4,184,125</td>
<td>68.4%</td>
</tr>
<tr>
<td><strong>Capital Projects Expenditures</strong></td>
<td>$</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Proposed Expenditures</strong></td>
<td>$6,115,281</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
### DENCO AREA 9-1-1 DISTRICT FINANCIAL PLAN

#### Five Year Projections
**Fiscal Year 2020**

<table>
<thead>
<tr>
<th></th>
<th>FY 2019 Estimated</th>
<th>FY 2020 Proposed</th>
<th>FY 2021 Projected</th>
<th>FY 2022 Projected</th>
<th>FY 2023 Projected</th>
<th>FY 2024 Projected</th>
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<tbody>
<tr>
<td><strong>Beginning of Year Fund Balance</strong></td>
<td>$1,346,441</td>
<td>$2,025,319</td>
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<td>$1,374,552</td>
<td>$1,145,999</td>
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<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Service Fee Revenue (1.0% Growth)</td>
<td>$6,087,200</td>
<td>$5,519,420</td>
<td>$5,574,614</td>
<td>$5,630,360</td>
<td>$5,686,664</td>
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<td>Interest Revenue</td>
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<td>$43,000</td>
<td>$40,000</td>
<td>$38,000</td>
<td>$38,000</td>
<td>$38,000</td>
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<tr>
<td>Contract Services Revenue</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Miscellaneous Revenue (Expense)</td>
<td>$55,000</td>
<td>$544,700</td>
<td>$271,400</td>
<td>$40,000</td>
<td>$40,000</td>
<td>$40,000</td>
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<td><strong>Total Revenue</strong></td>
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<td>$6,127,120</td>
<td>$5,906,014</td>
<td>$5,728,360</td>
<td>$5,784,664</td>
<td>$5,841,531</td>
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<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>$1,508,787</td>
<td>$1,600,071</td>
<td>$1,743,256</td>
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<td>$1,872,441</td>
<td>$1,940,593</td>
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<tr>
<td>Administration</td>
<td>$307,830</td>
<td>$331,085</td>
<td>$342,931</td>
<td>$355,217</td>
<td>$367,966</td>
<td>$381,190</td>
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<tr>
<td>Direct Services</td>
<td>$3,713,405</td>
<td>$4,184,125</td>
<td>$4,112,051</td>
<td>$3,936,836</td>
<td>$3,772,810</td>
<td>$3,546,669</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$5,530,022</td>
<td>$6,115,281</td>
<td>$6,198,238</td>
<td>$6,098,742</td>
<td>$6,013,217</td>
<td>$5,868,452</td>
</tr>
<tr>
<td><strong>Increase (Decrease) In Fund Balance</strong></td>
<td>$678,878</td>
<td>$11,839</td>
<td>$(292,224)</td>
<td>$(370,382)</td>
<td>$(228,553)</td>
<td>$(26,921)</td>
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<tr>
<td><strong>End of Year Total Fund Balance</strong></td>
<td>$2,025,319</td>
<td>$2,037,158</td>
<td>$1,744,934</td>
<td>$1,374,552</td>
<td>$1,145,999</td>
<td>$1,119,078</td>
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Denco Area 9-1-1 District

Fiscal Year 2020
Financial Plan

Section 5

Budget Resolutions

House Bill 1984

District Legislation
DENCO AREA 9-1-1 DISTRICT

RESOLUTION

DEFINING PROCEDURES FOR CONSIDERATION AND APPROVAL OF A BUDGET

WHEREAS, Sections 772.309(b)&(c), Texas Health and Safety Code have been amended by the Texas Legislature to specify certain procedures for the consideration and approval of a budget by the Board and governing bodies of participating jurisdictions.

NOW, THEREFORE BE IT RESOLVED BY THE DENCO AREA 9-1-1 DISTRICT BOARD OF MANAGERS:

The Board’s procedures for consideration and approval of a budget shall include the following:

1. Not later than the 45th day before the Board adopts a budget, the Executive Director on behalf of the Board will submit a draft of the proposed budget to each of the governing bodies of the participating jurisdictions. In a transmittal letter accompanying the draft of the proposed budget, the Executive Director will include a statement requesting that the governing bodies of each of the participating jurisdictions review the draft of the proposed budget and submit any comments to the Board prior to or on the date the budget is scheduled for consideration and adoption by the Board.

2. Once the Board adopts the budget, the Executive Director on behalf of the Board will within three days either 1) send a letter to each of the governing bodies of the participating jurisdictions stating that the Board adopted the proposed budget without any changes or 2) send a copy of the budget adopted by the Board and include in a letter the differences between the proposed and adopted budget. In the letter to the governing bodies of the participating jurisdictions, the Executive Director will include a statement requesting approval of the Board’s adopted budget by the governing bodies of participating jurisdictions within sixty days of receipt.

APPROVED and ADOPTED on this 2nd day of December 1999.

[Signature]
Chairman, Board of Managers

[Signature]
Secretary, Board of Managers
AN ACT
relating to the consolidation of emergency communication districts and to the
approval of proposed budgets of certain emergency communication districts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Section 771.001(3), Health and Safety Code, is amended to read as follows:
(3) Emergency communication district" means:
(A) a public agency or group of public agencies acting
jointly that provided 9-1-1 service before September 1, 1987, or that had voted or
contracted before that date to provide that service; or
(B) a district created under Subchapter B, C, [or] D, or F,
Chapter 772.
SECTION 2. Sections 772.309(b), (c), and (d), Health and Safety Code,
are amended to read as follows:
(b) the board shall submit a draft of the proposed budget to the
governing bodies of the participating jurisdictions not later than the 45th day
before the date the board adopts the budget. The participating jurisdictions shall
review the proposed budget and submit any comments regarding the budget to
the board.
(c) if the governing body of a county, municipality, or other participating
jurisdiction does not approve or disapprove the budget before the 61st day after
the date the body received the proposed budget for review, the budget is
approved by operation of law.
(d) A revision of the budget must be approved in the same manner as
the budget.
(e) [§c] As soon as practicable after the end of each district fiscal year,
the director shall prepare and present to the board and to each participating
jurisdiction in writing a sworn statement of all money received by the district and
how the money was used during the preceding fiscal year. The report must show
in detail the operations of the district for the fiscal year covered by the report.
(f) [§d] The board shall have an independent financial audit of the district
performed annually.
§ 772.301. Short Title

This subchapter may be cited as the Emergency Telephone Number Act.


§ 772.302. Purpose

It is the purpose of this subchapter to establish the number 9–1–1 as the primary emergency telephone number for use by certain local governments in this state and to encourage units of local government and combinations of those units to develop and improve emergency communication procedures and facilities in a manner that will make possible the quick response to any person calling the telephone number 9–1–1 seeking police, fire, medical, rescue, and other emergency services. To this purpose the legislature finds that:

(1) it is in the public interest to shorten the time required for a citizen to request and receive emergency aid;

(2) there exist thousands of different emergency telephone numbers throughout the state, and telephone exchange boundaries and central office service areas do not necessarily correspond to public safety and political boundaries;

(3) a dominant part of the state's population is located in rapidly expanding metropolitan areas that generally cross the boundary lines of local jurisdictions and often extend into two or more counties; and

(4) provision of a single, primary three-digit emergency number through which emergency services can be quickly and efficiently obtained would provide a significant contribution to law enforcement and other public safety efforts by making it less difficult to notify public safety personnel quickly.


§ 772.303. Definitions

In this subchapter:

(1) "Board" means the board of managers of a district.

(2) "Director" means the director of communication for a district.
(3) “District” means an emergency communication district created under this subchapter.


§ 772.304. Application of Subchapter

(a) This subchapter applies only to a county with a population of more than 20,000 or to a group of two or more contiguous counties each with a population of 20,000 or more in which an emergency communication district was created under Chapter 288, Acts of the 69th Legislature, Regular Session, 1985, before January 1, 1988, or to a public agency or group of public agencies that withdraws from participation in a regional plan under Section 771.058(d).

(b) This subchapter does not affect the authority of a public agency to operate under another law authorizing the creation of a district in which 9–1–1 service is provided.


§ 772.305. Additional Territory

(a) If a municipality that is part of a district annexes territory that is not part of the district, the annexed territory becomes part of the district.

(b) A public agency located in whole or part in a county adjoining the district, by resolution adopted by its governing body and approved by the board of the district, may become part of the district and subject to its benefits and requirements.


§ 772.306. Board of Managers

(a) A district is governed by a board of managers.

(b) If the most populous municipality in the district has a population of more than 140,000, the board consists of:

(1) one member for each county in the district appointed by the commissioners court of each county;

(2) two members appointed by the governing body of the most populous municipality in the district;
(3) one member appointed by the governing body of the second most populous municipality in the district;

(4) one member appointed as provided by this section to represent the other municipalities located in whole or part in the district; and

(5) one member appointed by the principal service supplier.

(c) If Subsection (b) does not apply to a district, the board consists of:

(1) the following members representing the county or counties in the district:

   (A) if the district contains only one county, two members appointed by the commissioners court of the county;

   (B) if the district originally contained only one county but contains more than one county when the appointment is made, two members appointed by the commissioners court of the county in which the district was originally located, and one member appointed by the commissioners court of each other county in the district; or

   (C) if the district originally contained more than one county and the district contains more than one county when the appointment is made, one member appointed by the commissioners court of each county in the district;

(2) two members appointed jointly by all the participating municipalities located in whole or part in the district;

(3) one member appointed jointly by the volunteer fire departments operating wholly or partly in the district, with the appointment process coordinated by the county fire marshal or marshals of the county or counties in the district; and

(4) one member appointed by the principal service supplier.

(d) The board member appointed by the principal service supplier is a nonvoting member. If the board is appointed under Subsection (c), the principal service supplier may waive its right to appoint the board member and designate another service supplier serving all or part of the district to make the appointment.

(e) The board member appointed under Subsection (b)(4) is appointed by the mayor's council established to administer urban development block grant funds, if one exists in the district. Otherwise, the member is appointed by the other members of the board on the advice and recommendation of the governing bodies of all the municipalities represented by the member.
(f) The initial board members appointed by municipalities under Subsection (c)(2) are appointed by all the municipalities located in whole or part in the district.

(g) Board members are appointed for staggered terms of two years, with as near as possible to one-half of the members' terms expiring each year.

(h) A board member may be removed from office at will by the entity that appointed the member.

(i) A vacancy on the board shall be filled for the remainder of the term in the manner provided for the original appointment to that position.

(j) Board members serve without compensation. The district shall pay all expenses necessarily incurred by the board in performing its functions under this subchapter.

(k) The board may appoint from among its membership a presiding officer and any other officers it considers necessary.

(l) The director or a board member may be appointed as secretary of the board. The board shall require the secretary to keep suitable records of all proceedings of each board meeting. After each meeting the presiding officer at the meeting shall read and sign the record and the secretary shall attest the record.

(m) Voting members of the board may meet in executive session in accordance with Chapter 551, Government Code.

(n) A majority of the voting members of the board constitutes a quorum.


§ 772.307. Powers and Duties of Board

(a) The board shall control and manage the district.

(b) The board may adopt rules for the operation of the district.

(c) The board may contract with any public or private entity to carry out the purposes of this subchapter, including the operation of a 9–1–1 system.

§ 772.308. Director of District

(a) The board shall appoint a director of communication for the district and shall establish the director's compensation. The director must be qualified by training and experience for the position.

(b) The board may remove the director at any time.

(c) With the board's approval, the director may employ any experts, employees, or consultants that the director considers necessary to carry out the purposes of this subchapter.

(d) The director shall perform all duties that the board requires and shall supervise as general manager the operations of the district subject to any limitations prescribed by the board.


§ 772.309. Budget; Annual Report; Audit

(a) The director shall prepare under the direction of the board an annual budget for the district. To be effective, the budget must:

(1) be approved by the board;

(2) be presented to and approved by the commissioners court of each county in the district;

(3) be presented to and approved by the governing body of the most populous municipality in the district, if that municipality has a population of more than 140,000; and

(4) be presented to the governing body of each other participating jurisdiction and approved by a majority of those jurisdictions.

(b) The board shall submit a draft of the proposed budget to the governing bodies of the participating jurisdictions not later than the 45th day before the date the board adopts the budget. The participating jurisdictions shall review the proposed budget and submit any comments regarding the budget to the board.

(c) If the governing body of a county, municipality, or other participating jurisdiction does not approve or disapprove the budget before the 61st day after the date the body received the proposed budget for review, the budget is approved by operation of law.

(d) A revision of the budget must be approved in the same manner as the budget.
(e) As soon as practicable after the end of each district fiscal year, the director shall prepare and present to the board and to each participating jurisdiction in writing a sworn statement of all money received by the district and how the money was used during the preceding fiscal year. The report must show in detail the operations of the district for the fiscal year covered by the report.

(f) The board shall have an independent financial audit of the district performed annually.


§ 772.310. Establishment of 9–1–1 Service

(a) A district shall provide 9–1–1 service to each participating jurisdiction through one or a combination of the following methods and features:

1. the transfer method;
2. the relay method;
3. the dispatch method;
4. automatic number identification;
5. automatic location identification;
6. selective routing; or
7. any equivalent method.

(b) A district shall provide 9–1–1 service using one or both of the following plans:

1. the district may design, implement, and operate a 9–1–1 system for each participating jurisdiction with the consent of the jurisdiction; or
2. the district may design, implement, and operate a 9–1–1 system for two or more participating jurisdictions with the consent of each of those jurisdictions if a joint operation would be more economically feasible than separate systems for each jurisdiction.

(c) Under either plan authorized by Subsection (b), the final plans for the particular system must have the approval of each participating jurisdiction covered by the system.

(d) The district shall recommend minimum standards for a 9–1–1 system.
(e) A service supplier involved in providing 9–1–1 service, a manufacturer of equipment used in providing 9–1–1 service, or an officer or employee of a service supplier involved in providing 9–1–1 service is not liable for any claim, damage, or loss arising from the provision of 9–1–1 service unless the act or omission proximately causing the claim, damage, or loss constitutes gross negligence, recklessness, or intentional misconduct.


§ 772.311. Primary Emergency Telephone Number

The digits 9–1–1 are the primary emergency telephone number in a district. A public safety agency whose services are available through a 9–1–1 system may maintain a separate number or numbers for emergencies and shall maintain a separate number or numbers for nonemergency telephone calls.


§ 772.312. Transmitting Requests For Emergency Aid

(a) A 9–1–1 system established under this subchapter must be capable of transmitting requests for fire-fighting, law enforcement, ambulance, and medical services to a public safety agency or agencies that provide the requested service at the place from which the call originates. A 9–1–1 system may also provide for transmitting requests for other emergency services such as poison control, suicide prevention, and civil defense.

(b) A public safety answering point may transmit emergency response requests to private safety entities.


§ 772.313. Powers of District

(a) The district is a body corporate and politic, exercising public and essential governmental functions and having all the powers necessary or convenient to carry out the purposes and provisions of this subchapter, including the capacity to sue or be sued.

(b) To fund the district, the district may apply for, accept, and receive federal, state, county, or municipal funds and private funds and may spend those funds for the purposes of this subchapter. The board shall determine the method and sources of funding for the district.

§ 772.314. 9–1–1 Emergency Service Fee

(a) The board may impose a 9–1–1 emergency service fee on service users in the district.

(b) The fee may be imposed only on the base rate charge or its equivalent, excluding charges for coin-operated telephone equipment. The fee may not be imposed on more than 100 local exchange access lines or their equivalent for a single business entity at a single location, unless the lines are used by residents of the location. The fee may also not be imposed on any line that the Advisory Commission on State Emergency Communications excluded from the definition of a local exchange access line or an equivalent local exchange access line pursuant to Section 771.063. If a business service user provides residential facilities, each line that terminates at a residential unit and that is a communication link equivalent to a residential local exchange access line shall be charged the 9–1–1 emergency service fee. The fee must have uniform application and must be imposed in each participating jurisdiction.

(c) The rate of the fee may not exceed six% of the monthly base rate in a service year charged a service user by the principal service supplier in the participating jurisdiction. For purposes of this subsection, the jurisdiction of the county is the unincorporated area of the county.

(d) The board shall set the amount of the fee each year as part of the annual budget. The board shall notify each service supplier of a change in the amount of the fee not later than the 91st day before the date the change takes effect.

(e) In imposing the fee, the board shall attempt to match the district’s revenues to its operating expenditures and to provide reasonable reserves for contingencies and for the purchase and installation of 9–1–1 emergency service equipment. If the revenue generated by the fee exceeds the amount of money needed to fund the district, the board by resolution shall reduce the rate of the fee to an amount adequate to fund the district or suspend the imposition of the fee. If the board suspends the imposition of the fee, the board by resolution may reinstitute the fee if money generated by the district is not adequate to fund the district.

(f) In a public agency whose governing body at a later date votes to receive 9–1–1 service from the district, the fee is imposed beginning on the date specified by the board. The board may charge the incoming agency an additional amount of money to cover the initial cost of providing 9–1–1 service to that agency. The fee authorized to be charged in a district applies to new territory added to the district when the territory becomes part of the district.

(g) For the purposes of this section, the jurisdiction of the county is the unincorporated area of the county.
§ 772.315. Collection of Fee

(a) Each billed service user is liable for the fee imposed under Section 772.314 until the fee is paid to the service supplier. The fee must be added to and stated separately in the service user's bill from the service supplier. The service supplier shall collect the fee at the same time as the service charge to the service user in accordance with the regular billing practice of the service supplier. A business service user that provides residential facilities and owns or leases a publicly or privately owned telephone switch used to provide telephone service to facility residents shall collect the 9–1–1 emergency service fee and transmit the fees monthly to the district.

(b) The amount collected by a service supplier from the fee is due monthly. The service supplier shall remit the amount collected in a calendar month to the district not later than the 60th day after the last day of the calendar month. With each payment the service supplier shall file a return in a form prescribed by the board.

(c) Both a service supplier and a business service user under Subsection (a) shall maintain records of the amount of fees it collects for at least two years after the date of collection. The board may require at the board's expense an annual audit of a service supplier's books and records or the books and records of a business service user described by Subsection (a) with respect to the collection and remittance of the fees.

(d) A business service user that does not collect and remit the 9–1–1 emergency service fee as required is subject to a civil cause of action under Subsection (g). A sworn affidavit by the district specifying the unremitted fees is prima facie evidence that the fees were not remitted and of the amount of the unremitted fees.

(e) A service supplier is entitled to retain an administrative fee from the amount of fees it collects. The amount of the administrative fee is two% of the amount of fees it collects under this section.

(f) A service supplier is not required to take any legal action to enforce the collection of the 9–1–1 emergency service fee. However, the service supplier shall provide the district with an annual certificate of delinquency that includes the amount of all delinquent fees and the name and address of each nonpaying service user. The certificate of delinquency is prima facie evidence that a fee included in the certificate is delinquent. A service user account is considered delinquent if the fee is not paid to the service supplier before the 31st day after the payment due date stated on the user's bill from the service supplier.
(g) The district may institute legal proceedings to collect fees not paid and may establish internal collection procedures and recover the cost of collection from the nonpaying service user. If the district prevails in legal proceedings instituted to collect a fee, the court may award the district court costs, attorney’s fees, and interest in addition to other amounts recovered. A delinquent fee accrues interest at an annual rate of 12% beginning on the date the payment becomes due.


§ 772.316. District Depository

(a) The board shall select a depository for the district in the manner provided by law for the selection of a county depository.

(b) A depository selected by the board is the district’s depository for two years after the date of its selection and until a successor depository is selected and qualified.


§ 772.317. Allowable Expenses

Allowable operating expenses of a district include all costs attributable to designing a 9–1–1 system and to all equipment and personnel necessary to establish and operate a public safety answering point and other related answering points that the board considers necessary.


§ 772.318. Number and Location Identification

(a) As part of computerized 9–1–1 service, a service supplier shall furnish current telephone numbers of subscribers and the addresses associated with the numbers on a call-by-call basis.

(b) A business service user that provides residential facilities and owns or leases a publicly or privately owned telephone switch used to provide telephone service to facility residents shall provide to those residential end users the same level of 9–1–1 service that a service supplier is required to provide under Subsection (a) to other residential end users in the district.

(c) Information furnished under this section is confidential and is not available for public inspection.
(d) A service supplier or business service user under Subsection (b) is not liable to a person who uses a 9–1–1 system created under this subchapter for the release to the district of the information specified in Subsections (a) and (b).


§ 772.319. Public Review

(a) Periodically, the board shall solicit public comments and hold a public review hearing on the continuation of the district and the 9–1–1 emergency service fee. The first hearing shall be held three years after the date the order certifying the creation of the district is filed with the county clerks. Subsequent hearings shall be held three years after the date each order required by Subsection (d) is adopted.

(b) The board shall publish notice of the time and place of the hearing once a week for two consecutive weeks in a daily newspaper of general circulation published in the district. The first notice must be published not later than the 16th day before the date set for the hearing.

(c) At the hearing, the board shall also solicit comments on the participation of the district in the applicable regional plan for 9–1–1 service under Chapter 771. After the hearing, the board may choose to participate in the regional plan as provided by that chapter.

(d) After the hearing, the board shall adopt an order on the continuation or dissolution of the district and the 9–1–1 emergency service fee.


§ 772.320. Dissolution Procedures

(a) If a district is dissolved, 9–1–1 service must be discontinued on the date of the dissolution. The commissioners court of the county in which the district was located or, if the district contains more than one county, the commissioners courts of those counties acting jointly, shall assume the assets of the district and pay the district’s debts. If the district’s assets are insufficient to retire all existing debts of the district on the date of dissolution, the commissioners court or courts acting jointly shall continue to impose the 9–1–1 service fee, and each service supplier shall continue to collect the fee for the commissioners court or courts. Proceeds from the imposition of the fee after dissolution of the district may be used only to retire the outstanding debts of the district.
(b) The commissioners court or courts shall retire the district's debts to the extent practicable according to the terms of the instruments creating the debts and the terms of the orders and resolutions authorizing creation of the debts.

(c) The commissioners court or courts by order may adopt the rules necessary to administer this section.


§ 772.321. Issuance of Bonds

The board may issue and sell bonds in the name of the district to finance:

(1) the acquisition by any method of facilities, equipment, or supplies necessary for the district to begin providing 9–1–1 service to all participating jurisdictions; and

(2) the installation of equipment necessary for the district to begin providing 9–1–1 service to all participating jurisdictions.


§ 772.322. Repayment of Bonds

The board may provide for the payment of the principal of and interest on the bonds by pledging all or any part of the district's revenues from the 9–1–1 emergency service fee or from other sources.


§ 772.323. Additional Security for Bonds

(a) The bonds may be additionally secured by a deed of trust or mortgage lien on part or all of the physical properties of the district and the rights appurtenant to those properties, vesting in the trustee power to sell the properties for payment of the indebtedness, power to operate the properties, and all other powers necessary for the further security of the bonds.

(b) The trust indenture, regardless of the existence of the deed of trust or mortgage lien on the properties, may include provisions prescribed by the board for the security of the bonds and the preservation of the trust estate and may make provisions for investment of funds of the district.

(c) A purchaser under a sale under the deed of trust or mortgage lien is the absolute owner of the properties and rights purchased and may maintain and operate them.
§ 772.324. Form of Bonds

(a) A district may issue its bonds in various series or issues.

(b) Bonds may mature serially or otherwise not more than 25 years after their date of issue and shall bear interest at any rate permitted by state law.

(c) A district's bonds and interest coupons, if any, are investment securities under the terms of Chapter 8, Business & Commerce Code, may be issued registrable as to principal or as to both principal and interest, and may be made redeemable before maturity, at the option of the district, or contain a mandatory redemption provision.

(d) A district may issue its bonds in the form, denominations, and manner and under the terms, and the bonds shall be signed and executed, as provided by the board in the resolution or order authorizing their issuance.


§ 772.325. Provisions of Bonds

(a) In the orders or resolutions authorizing the issuance of bonds, including refunding bonds, the board may provide for the flow of funds and the establishment and maintenance of the interest and sinking fund, the reserve fund, and other funds and may make additional covenants with respect to the bonds, the pledge revenues, and the operation and maintenance of any facilities the revenue of which is pledged.

(b) The orders or resolutions of the board authorizing the issuance of bonds may also prohibit the further issuance of bonds or other obligations payable from the pledged revenue or may reserve the right to issue additional bonds to be secured by a pledge of and payable from the revenue on a parity with or subordinate to the lien and pledge in support of the bonds being issued.

(c) The orders or resolutions of the board issuing bonds may contain other provisions and covenants as the board may determine.

(d) The board may adopt and have executed any other proceedings or instruments necessary and convenient in the issuance of bonds.


§ 772.326. Approval and Registration of Bonds
(a) Bonds issued by a district must be submitted to the attorney general for examination.

(b) If the attorney general finds that the bonds have been authorized in accordance with law, the attorney general shall approve them. On approval by the attorney general, the comptroller shall register the bonds.

(c) After the approval and registration of bonds, the bonds are incontestable in any court or other forum for any reason and are valid and binding obligations according to their terms for all purposes.


§ 772.327. Refunding Bonds

(a) A district may issue bonds to refund all or any part of its outstanding bonds, including matured but unpaid interest coupons.

(b) Refunding bonds shall mature serially or otherwise not more than 25 years after their date of issue and shall bear interest at any rate or rates permitted by state law.

(c) Refunding bonds may be payable from the same source as the bonds being refunded or from other sources.

(d) The refunding bonds must be approved by the attorney general as provided by Section 772.326 and shall be registered by the comptroller on the surrender and cancellation of the bonds refunded.

(e) The orders or resolutions authorizing the issuance of the refunding bonds may provide that they be sold and the proceeds deposited in the place or places at which the bonds being refunded are payable, in which case the refunding bonds may be issued before the cancellation of the bonds being refunded. If refunding bonds are issued before cancellation of the other bonds, an amount sufficient to pay the principal of the bonds being refunded and interest on those bonds accruing to their maturity dates or to their option dates if the bonds have been duly called for payment before maturity according to their terms shall be deposited in the place or places at which the bonds being refunded are payable. The comptroller shall register the refunding bonds without the surrender and cancellation of bonds being refunded.

(f) A refunding may be accomplished in one or in several installment deliveries. Refunding bonds and their interest coupons are investment securities under Chapter 8, Business & Commerce Code.

(g) In lieu of the method set forth in Subsections (a)–(f), a district may refund bonds, notes, or other obligations as provided by the general laws of this state.
§ 772.328. Bonds as Investments and Security for Deposits

(a) District bonds are legal and authorized investments for:

(1) a bank;

(2) a savings bank;

(3) a trust company;

(4) a savings and loan association;

(5) an insurance company;

(6) a fiduciary;

(7) a trustee;

(8) a guardian; and

(9) a sinking fund of a municipality, county, school district, and other political subdivision of the state and other public funds of the state and its agencies, including the permanent school fund.

(b) District bonds are eligible to secure deposits of public funds of the state and municipalities, counties, school districts, and other political subdivisions of the state. The bonds are lawful and sufficient security for deposits to the extent of their value when accompanied by all unmatured coupons.


§ 772.329. Tax Status of Bonds

Because a district created under this subchapter is a public entity performing an essential public function, bonds issued by the district, any transaction relating to the bonds, and profits made in the sale of the bonds are exempt from taxation by the state or by any municipality, county, special district, or other political subdivision of the state.