

# Adopted Budget

FISCAL YEAR  
2023-2024



1075 Princeton Street • Lewisville, TX 75067  
972.221.0911 • [DENCO.ORG](http://DENCO.ORG)

# Mission

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.

# Vision

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.

## Goal 1

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

## Goal 2

Represent the public and partner agencies in ongoing development of 9-1-1 systems technologies and public policy

## Goal 3

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

## Goal 4

Increase public awareness of 9-1-1 issues and promote the proper use of the 9-1-1 system

## Goal 5

Provide training and support programs which enable Public Safety Answering Point (PSAP) personnel to effectively process 9-1-1 calls

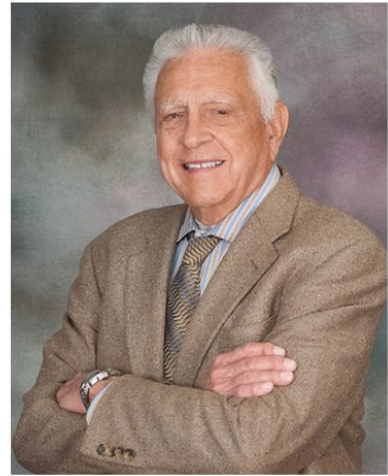
# Denco Board of Managers



**Bill Lawrence**  
Representing Denton County  
Commissioners Court, Board Chairman



**Sue Tejml**  
Representing Participating Cities, Board  
Vice Chairman



**Jim Carter**  
Representing Participating Cities, Board  
Secretary



**Chief Jason Collier**  
Representing Denton County Fire Chiefs  
Association



**Jason Cole**  
Representing Denton County  
Commissioners Court



**George Karatzis**  
Verizon Advisory

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**Gregory S. Ballentine**  
Executive Director

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## Section 1: Budget Message

Section 1 includes a memorandum from the Denco executive director providing a summary of the District's strategy for the fiscal year, anticipated revenues and projected expenses, along with a summary of significant changes from the previous fiscal year budget.

## Section 2: District Overview

Section 2 provides a brief summary about the history of the Denco Area 9-1-1 District. A summary narrative description of the assigned services, functions, and activities of all organizational units is included.

## Section 3: Budget Process and Financial Policies

Section 3 describes the process for preparing, reviewing, and adopting the budget. It also describes the procedures for amending the budget after adoption. District financial policies governing budget preparation and management are described.

## Section 4: Revenue

Section 4 presents a summary of the major revenue sources and amounts anticipated in fiscal year 2024.

## Section 5: Expenditures

Section 5 includes a summary of anticipated costs to be incurred by the District for equipment, services and payment of recurring expenses necessary to achieve the mission and goals of the agency.

## Section 6: Budget Summary

Section 6 provides the summary of both anticipated revenues and proposed expenditures in a single table, reflecting the percentage distribution of budget across the major budget categories, as well as the estimated Fund Balance.

## Section 7: Five-Year Projections

Section 7 includes the five-year projection summary depicting 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 projected for the next five.

## Section 8: Reference Materials

Section 8 includes reference material that provides guidelines under which the District operates. Included are copies of resolutions defining the budget approval process, House Bill 1984 that provides the statutory requirements for budget approval, legislation under which Denco operates and Denco goals. It also provides background information about the 9-1-1 system, its terminology and the benefits it provides.

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# **Denco Area 9-1-1 District**

**Fiscal Year 2024  
Annual Budget**

## **Section 1**

**Budget Message**

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# Denco Area 9-1-1 District

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To: Denco Area 9-1-1 District Board of Managers

Date: July 13, 2023

Subject: Denco Area 9-1-1 District Fiscal Year 2024 Financial Plan

In accordance with state statutes and Denco governing resolutions, I am pleased to present the proposed budget for fiscal year 2024. The budget projects revenues in the amount of \$7,540,000. Expenses are projected at \$7,322,735. This represents a balanced budget including one-time equipment and projects costs. The anticipated revenues and proposed expenses represent a realistic projection given all available information. The proposed budget continues Denco's commitment to provide a state-of-the-art, high availability, emergency 9-1-1 system to the citizens of the district and providing exceptional support to the emergency communications functions of partner jurisdictions. The budget documents provide a forecast of funding and costs over the next five years to ensure our long-term financial stability in the face of increasing costs and continued decline in wireline revenue.

This budget represents a significant investment in agency staff through continued competitive pay, full restoration of staffing, and continued investments in employee professional development, especially in the area of technical services. There is nothing more fundamental to the ability of Denco to provide basic services than the agency employees who serve the citizens and partner agencies. It is imperative that we continue to invest in our most important asset – the public servants who work daily to ensure the delivery of exceptional services.

The budget adds a 9-1-1 data analyst to the workforce and provides funding for the vacant technical services manager position. The data analyst will support the performance analysis of various 9-1-1 systems, networks, equipment, software, programs and vendors. This staffing is necessary to meet the community and partner agencies expectations of exceptional 9-1-1 services.

Additional budget highlights for fiscal year 2024 include:

- Expansion of the indoor mapping and vertical location projects to enhance location information received and displayed in the emergency communications center (ECC).
- 50% cost share for relocation and upgrade of Roanoke microwave site to accommodate the new police facility. These costs were originally budgeted in fiscal year 2023 but remain unspent due to the project timeline.
- Migration of Denco's GIS data to cloud hosting to minimize onsite hardware and enhance data security.
- Replacement of UPS batteries at the Annex facility.

- Continued focus on critical cybersecurity protection of public safety networks including a comprehensive independent security audit.
- Enhanced maintenance and configuration of data center HVAC system.
- Continuation of software, training, certification and quality assurance for emergency medical dispatch programs at emergency communications centers in the district.
- Continued recruiting and testing to support emergency communications centers in the district.
- Employee compensation adjustments, included at 4.7%, based on consumer price index changes defined by the Bureau of Labor Statistics and potential merit pay increases estimated at 3%.
- General increases in software, office supplies, language interpretation services, instructor contracts and utilities.

In October 2022, Denco was awarded a multi-year grant through the Commission on State Emergency Communications for funding to support the ongoing operation of next generation 9-1-1. The grant period expense eligibility continues through December 31, 2024. During the recent legislative session, House Bill 9 was approved and signed by the Governor. The law is linked to a constitutional amendment which will be presented to voters in the general election in November 2023. If passed, Denco would receive approximately \$3.8 million to support ongoing operations and help mitigate the impact of increased costs and revenue reductions in the wireline service fee. As this additional revenue is contingent upon voter approval, the proposed budget includes no changes to the wireline service fee for fiscal year 2024, which is currently set at \$1.50 for residential service and \$1.80 for business service.

The grant revenue and conservative spending in fiscal year 2023 contributed to a projected increase in the agency fund balance of more than \$2.4 million and the proposed budget anticipates spending \$217,265 less than projected revenue in fiscal year 2024. The proposed spending plan is in line with the overall priorities established by the Board of Managers through the strategic planning process and previous budgets.

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



Gregory S. Ballentine, Executive Director



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# **Denco Area 9-1-1 District**

**Fiscal Year 2024  
Annual Budget**

## **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**

In the 1980's citizens in Denton County were using a myriad of seven-digit phone numbers for Police, Fire, and EMS assistance. The Emergency Telephone Number Act (established 1985) laid the foundation for a better method. The purpose of the act was to establish the number 9-1-1 as the primary emergency telephone number to improve emergency communication and response. The act allowed for the creation of districts to counties with a population of more than 75,000.

In order to establish the District, an election was required within the proposed district jurisdiction. The election would allow for the establishment of the District and authorize the collection of a 9-1-1 emergency service fee. The election occurred on August 8, 1987, voters approved the emergency communication district with 81% of votes cast, and 9-1-1 service began three years later, on August 8, 1990.

Over the past several years, the District has experienced many internal and external influences that have changed the way it conducts business. For example, the Telecommunications Act of 1996 led to multiple new telephone companies entering the area. The explosion in the popularity of wireless telephones significantly affected call volume in virtually every area of the District. Identified needs for joint training and educational programs resulted in development of robust, cooperative activities on a district level and the evolution of technology has paved the way for implementation of Next Generation 9-1-1 services to include text-to-911. Denco continues to build and maintain reliable 9-1-1 systems as technologies, populations, and public communication practices evolve. Denco Area 9-1-1 District provides:

- A fully redundant telecommunications network
- 24/7 support of call processing equipment
- Multiple 9-1-1 location databases
- Enhanced functionality to accommodate cell phones, hearing-impaired callers, and text-to-911
- Training for emergency telecommunicators, supervisors, trainers, and responders
- Resource tools for hiring and retaining 9-1-1 telecommunicators
- Provide Texas licensure testing services for telecommunicators, peace officers, and jailers
- Digital mapping and addressing of rural areas to display caller's location
- Community education to promote appropriate use of 9-1-1
- Legislative and industry advocacy for 9-1-1 matters at local, state, and national levels

### **District Overview**

The District supports seven primary emergency communications centers operated by local government and two secondary emergency communications centers serving university campuses in the Denton Area. Emergency communications centers supported by the District include: City of Denton, County

of Denton, Town of Flower Mound, City of Highland Village, City of Lewisville, City of Roanoke, City of The Colony, Texas Woman’s University and University of North Texas.

**Major Accomplishments**

- 1995: First Digital 9-1-1 Tandem in Texas
- 1999: Interconnected ECCs with Frame Relay
- 1999: First in Texas for Phase I Wireless Location
- 2001: Began Tier 1 Support for 9-1-1 Equipment
- 2002: First (or Second) in Texas for Phase II Wireless
- 2006: Use of Microwave Network for Path Diversity
- 2010: Facility Addition to host Expanded Training
- 2014: First ESInet routed 9-1-1 call in Texas
- 2016: Implemented Text-to-911
- 2019: Constructed Denco Annex for Enhanced Survivability

**Partner Jurisdictions**

The participating jurisdictions of the District are the following:

<i>Argyle</i>	<i>Hackberry</i>	<i>Northlake</i>
<i>Aubrey</i>	<i>Hebron</i>	<i>Oak Point</i>
<i>Bartonville</i>	<i>Hickory Creek</i>	<i>Pilot Point</i>
<i>Copper Canyon</i>	<i>Highland Village</i>	<i>Ponder</i>
<i>Corral City</i>	<i>Justin</i>	<i>Providence Village</i>
<i>Corinth</i>	<i>Krugerville</i>	<i>Roanoke</i>
<i>Cross Roads</i>	<i>Krum</i>	<i>Sanger</i>
<i>Denton</i>	<i>Lake Dallas</i>	<i>Shady Shores</i>
<i>DISH</i>	<i>Lakewood Village</i>	<i>The Colony</i>
<i>Double Oak</i>	<i>Lewisville</i>	<i>Trophy Club</i>
<i>Flower Mound</i>	<i>Little Elm</i>	<i>Unincorporated Denton County</i>

**Governance 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 members to the board. Members serve staggered two-year

terms and are eligible for reappointment. The following members currently sit on the Board of Managers:

<b><u>Board Member</u></b>	<b><u>Represents</u></b>
Mr. Bill Lawrence, Chair	Denton County Commissioners Court
Ms. Sue Tejml, Vice Chair	Participating Municipalities
Mr. Jim Carter, Secretary	Participating Municipalities
Mr. Jason Cole	Denton County Commissioners Court
Chief Jason Collier	Denton County Fire Chiefs' Association
Mr. George Karatzis	Verizon Business, Advisory

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.

### **Agency Services, Programs and Organization**

The Denco Area 9-1-1 District has established organizational units or program areas that support the overall mission of the agency. The organizational units include administrative services, technical services, geographic information services/data integrity, public education/outreach, emergency communications center support and the public safety training academy. Each of the organizational units require personnel and operational expenditures to provide all of the elements of the 9-1-1 system. The proposed budget provides for seventeen full-time staff positions to provide the planning, operations, and maintenance functions of the District. The organizational structure of the District includes program areas that serve the citizens, 9-1-1 emergency communication centers and emergency service providers within the district. As a small governmental agency with a lean staffing model, several personnel overlap support of more than one organizational unit. Therefore, within the budget framework, personnel services are not allocated to specific functions.

### **Administrative Services**

The administrative services activity includes agency governance, management and oversight, legislative and regulatory advocacy, legal services, human resources, financial coordination, strategic planning, inter-agency

coordination and records management. The administrative services function includes establishing internal controls to ensure compliance with all agency policies, legal obligations, contractual requirements and accreditation standards. In addition to overseeing program effectiveness across the agency, administrative services is responsible for the following strategic goals:

- Ensure adequate technical and financial planning to support continuous enhancement of the systems to leverage technology advancements and integrate emerging communications methods.
- Actively participate in local, state and Federal legislative and regulatory processes to ensure that 9-1-1 service integrity focuses on the needs of citizens and public safety response agencies remain a priority.
- 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 support policy development and maintenance 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.
- 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 achieve the Denco Area 9-1-1 District mission, goals, vision and objectives.

### **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, security and performance; software functionality, hardware preventive maintenance, critical repair, and a number of other activities such as facility, user, and dial plan maintenance. Technical services staff support the following strategic goals:

- 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 as close to 100% up-time for all critical components of the 9-1-1 system by properly planning, managing and performing system monitoring, maintenance and repair activities.
- Rapidly and effectively respond to emergency communications center requests for 9-1-1 system technical support.
- Maintain Denco equipment and facilities to ensure asset accountability and long-term functionality.
- Ensure Denco's security practices are continually enhanced and responsive to emerging threats, by applying the principles and best practices of risk management to improve the security and resilience of Denco's NG9-1-1 critical infrastructure and administrative systems. Establish and maintain procedures for real-time network monitoring, threat analysis, and early warning notifications of cyber threats or attacks.

#### **Geographical Information Services/Data Integrity**

The Denco Area 9-1-1 District is responsible for the overall integrity of the public safety GIS data used for mapping and routing 9-1-1 calls in ECCs in the district. Denco obtains local GIS data from a variety of sources including directly from local government partner agencies. Staff reviews and aggregates the data into a single district public safety dataset distributed to all emergency communications centers for both 9-1-1 call mapping and Computer Aided Dispatching, if requested. The Denco GIS staff maintains the accuracy of all location data used for 9-1-1 call routing and issues addresses for unincorporated Denton County. GIS/Data Integrity staff support the following strategic goals:

- 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 GIS data preparation for spatial routing by aggregating each partner jurisdiction's GIS data into a seamless district dataset to maximize use of clean data and superior geometry.
- Ensure accurate indoor and outdoor locations are visually depicted on detailed maps at emergency communications centers when data is obtainable.

## **Public Education and Outreach**

The Denco Public Education and Outreach program educates the public 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 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. Denco coordinates media campaigns locally on jurisdiction specific information such as texting and with regional partners in metropolitan-wide broadcast media activities. The Denco Public Education and Outreach staff support the following strategic goals:

- 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.

## **Emergency Communications Center Support**

The Denco Area 9-1-1 District provides important support services to partner jurisdictions to 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 staff support the following ECC support goals:

- 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.



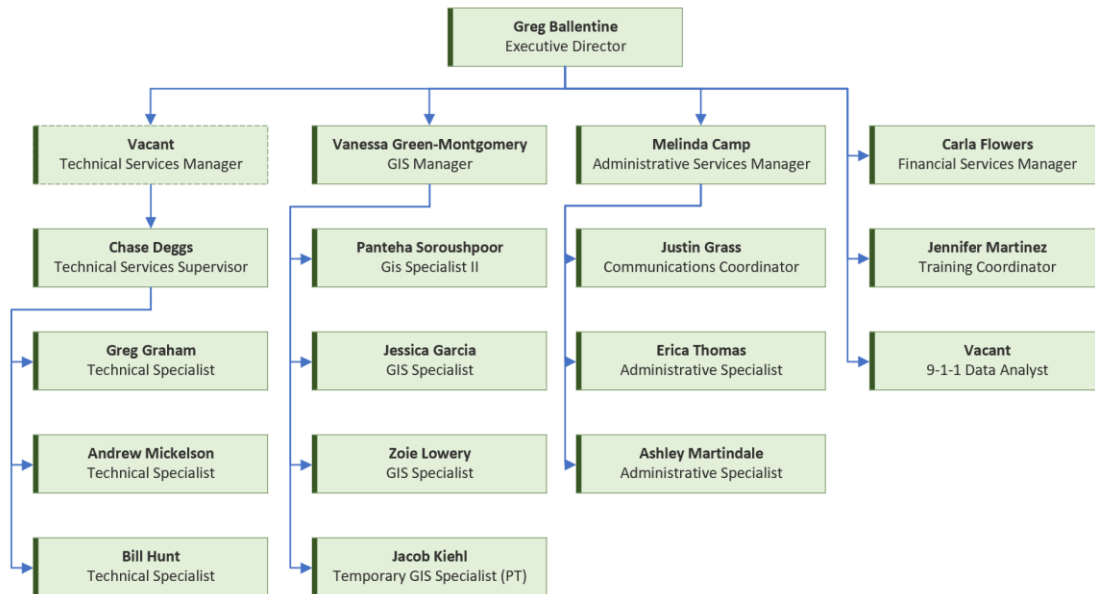
- Enhance and support opportunities to assist partner agencies retain high quality 9-1-1 staff and to minimize the adverse impact of telecommunicator turnover.

### **Public Safety Training Academy**

Denco operates one of the most robust 9-1-1 training academies, utilizing resources of both staff and contract instructors. The training academy offers high quality basic, intermediate and advanced training courses to public safety personnel along with specialized training for Fire, emergency medical dispatch and supervisor/managers. Denco's public safety training academy operates as a TCOLE licensed training provider and is one of a very few nationally accredited 9-1-1 academies through the Commission on Accreditation of Law Enforcement Agencies (CALEA). The Denco training academy staff support the following strategic goals:

- Ensure high quality training programs and courses 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 curricula remain contemporary and relevant.

### **Staff Organizational Chart**



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# **Denco Area 9-1-1 District**

**Fiscal Year 2024  
Annual Budget**

## **Section 3**

**Budget Process and  
Financial Policies**

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# DENCO AREA 9-1-1 DISTRICT

## Budget Process

Texas statute requires that the District Executive Director prepare an annual budget for the District under the direction of the Board of Managers. The District fiscal year begins on the first day of October and ends on the last day of September of each calendar year. The budget process occurs over a seven-month period through the collective efforts of Denco staff members, supervisors/managers, the executive director and Board of Managers. Preparation of the budget is composed of six steps.

### **Step #1 - Preliminary Analysis, Planning and Forecasting**

The executive director formally initiates the annual budget process in March by engaging all managers, supervisors, and employees of the district. Denco notifies partner agency representatives responsible for overseeing the emergency communications centers of budget preparation and deadlines for notification of projects involving Denco's equipment or services. Initial submissions are due in April. The management team reviews the strategic plan and goals for the current fiscal year to determine initiatives that will complete and any that need to be carried forward. An examination of the current year budget is conducted to examine actual revenue trends, expenditure needs for the remaining period and a reforecast of end of year position.

Staff are challenged to consider activities and enhancements proposed for the following fiscal year, including identification of equipment, vehicle, software, facilities or other items needed over the next 5-year period of longer-term financial planning. Denco desires to identify all major expense items as far in advance as possible to allow accurate multi-year cost projections.

Staff identifies any program areas that will likely experience significant growth or activity reduction, and the potential cost impact associated with the change in activity. Additionally, Denco considers any program enhancements or new investment (tied to the mission statement and strategic plan goals) and develops revenue/cost detail. Finally, each year staff is challenged to consider

opportunities to reduce costs within current programs and operations without significantly degrading service quality.

## **Step #2 - Budget Development**

During May, the executive director, working with agency personnel, reviews all revenue trends, re-forecasted revenues and expenditures, planned projects and program requests from step #1 to prepare the proposed budget and recommended service fees for presentation to the Board of Managers.

After assessing relevant information, the executive director prioritizes proposed expenses and reviews all revenue sources to compile the proposed budget recommendations and draft document. If necessary, a budget workshop may be scheduled with the Board of Managers in advance of the formal proposed budget presentation.

## **Step #3 - Adoption of Draft Budget and Setting of Service Fees**

The executive director presents the proposed budget to the Board of Managers at the July board meeting. Board members discuss policy objectives and the spending plan in relation to strategic plan, statutory and contractual obligations and Board priorities. The Board makes any modifications to the proposed budget prior to considering a resolution to adopt the draft budget and set the wireline 9-1-1 service fee for the following fiscal year.

## **Step #4 – Partner Agency Review of Draft Budget**

Following adoption of the draft budget, the executive director, on behalf of the Board of Managers, submits the draft budget to each of the governing bodies of the partner jurisdictions. In a transmittal letter accompanying the draft budget, the executive director will include a statement requesting that the governing bodies of each of the participating jurisdictions review the draft and submit any comments to the Board prior to or on the date the budget is scheduled for final consideration and adoption by the Board.

Denton County and the municipalities approving the draft proposed budget by resolution will submit a copy of the resolution to Denco. If the governing body of a municipality does not approve or disapprove the budget before the sixty-first day after the date the body received the proposed budget for review, the budget is approved by operation of law.

### **Step #5 - Final Adoption of Budget**

The Board of Managers considers final adoption of the draft budget at its regular meeting in September, occurring at least forty-five days after the July meeting. The executive director informs the Board of partner agencies approving, disapproving and commenting on the draft budget along with presenting any comments received. The Board makes any modifications to the proposed budget and passes a resolution adopting the final budget.

### **Step #6 - Implementation**

Within three business days of the Board meeting, the executive director on behalf of the Board will:

- send a letter to each of the governing bodies of the partner jurisdictions stating that the Board adopted the proposed budget without any changes, or
- send a copy of the budget adopted by the Board and include, in a letter, the differences between the proposed and adopted budget. If the adopted budget is different than the draft proposed budget the executive director will include a statement requesting approval of the Board's adopted budget by the governing bodies of the partner jurisdictions within sixty days of receipt.

### **Step #7 – Budget Amendment**

Texas statute permits the Board of Managers to amend the budget at any time during the fiscal year. If the budget amendment results in an increase in the bottom line, the Board of Managers will follow the same process for amendment approval as for adoption of the approved budget.

## Budget Calendar

The schedule for the budget approval process this year is the following:

**March 2023**: Preliminary Analysis, Planning and Forecasting.

**April 2023 – June 2023**: Budget Development.

**July 13, 2023**: The Board of Managers considers approval of the Draft Denco Area 9-1-1 District fiscal year 2024 Budget and Financial Plan and sets 9-1-1 service fees.

**July 14, 2023**: Staff mails letter notifying partner jurisdictions the Draft 2024 Budget is located on the Denco website for review and consideration.

**July 14 through August 31, 2023**: As required by statute, partner jurisdictions have 45 days to review the draft budget and provide comments to the Board of Managers for consideration.

**September 14, 2023**: The Board of Managers considers comments on the Draft 2024 Budget and adopts a final budget for fiscal year 2024.

**September 15, 2023**: If changes are made to the draft budget, Denco sends the approved budget to participating jurisdictions with a letter outlining the changes. If the draft budget is approved without changes, a letter is sent to jurisdictions advising of budget approval.

## Financial Policies

The Denco Area 9-1-1 District budget is developed and managed consistent with the policy framework of the Board of Managers. Current financial policies include:

### **Financial Standards**

The fiscal year of the District shall begin on October 1 and end on September 30 of each year. The operating budget will be balanced with current, and projected, revenues and prior year surpluses greater than or equal to expenditures. The District, generally, should not in any given fiscal period, spend more than it reasonably expects to receive in income for routine expenses. Excess cash balances are reserved for unforeseen emergencies and planned or capital expenditures of a non-recurring nature.

Routine replacement of capital equipment is treated as an operating expense for purposes of this standard but may be funded from accumulated balances identified through the budgeting process.

The District will make all capital improvements in accordance with an adopted multi-year plan for revenues and expenses, updated annually.

### **Basis of Budgeting and Accounting**

The budgetary and accounting policies contained in the budget document conform to generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). During the fiscal year, financial records and reports are developed on a cash accounting basis; revenues are recorded as they are received, and expenses are recorded as disbursements are actually made.

The formal audit at the end of the fiscal year transitions the method of reporting to a modified accrual basis of accounting in which revenues are recorded when accrued and expenses are recorded when incurred. Expenditures represent a decrease in net financial resources and are recorded when the fund liability is incurred, if measurable. Based on this transition from cash to accrual reporting, there are slight differences in the end of year financial statements consistent with GAAP. These modifications are fully disclosed by the auditor.

### **Independent Audit and Report**

Texas statute requires the Board of Managers to have an independent financial audit of the district performed annually. The audit is performed as soon as practicable after the end of each District fiscal year. Upon completion of the audit, the executive director presents to the Board and to each partner jurisdiction in writing a sworn statement of all money received and expended by the District during the preceding fiscal year.

As a non-Federal entity that expends \$750,000 or more during the fiscal year in Federal awards, Denco is required to have a single or program-specific audit conducted for each year in which this spending threshold is surpassed.

### **Pension Plan Funding**

Denco participates in the Texas County and District Retirement System and annually contributes its actuarially determined contribution (ADC) as a minimum. Recognizing the inherent uncertainties surrounding public sector pensions, Denco desires to manage and smooth the volatility of its required ADC by maintaining the previous year's rate in years that the ADC rate drops. This excess contribution is evaluated annually and generally is kept within a range of 0 to 1 percentage points above the upcoming year's ADC. The Board of Managers, as part of its annual budget deliberations, will determine where in the range contributions will be made taking into consideration overall funded status, recent trends in both the ADC and funded status and other budgetary needs.

### **Contingent Budget Planning**

The revenues and expenditures are monitored and reported on a monthly basis to both management and the Board of Managers including an analysis of whether projected revenues and expenditures are forecast to end the year within budget. The executive director is ultimately responsible for determining when a projected shortfall requires corrective action.

### **Budgetary Controls**

The executive director and authorized management staff exercise budgetary control. A system of internal controls safeguard assets and ensure timely, accurate financial reporting. These controls are reviewed annually as part of the independent financial audit. Revenues and expenditures are reported to the Board of Managers on a monthly basis, to include whether projected revenues and expenditures are within budget. The executive director is responsible to determine when a projected shortfall requires corrective action, which may include a variety



of measures to produce short-term savings to the district. With approval of the responsible manager and the executive director, expenditure allocations are transferred between line items, provided the line-item adjustment does not exceed the total approved budget.

### **Budget Amendments**

Texas state statute permits the Board of Managers to amend the budget at any time during the fiscal year. If the budget amendment results in an increase to the bottom line, the Board of Managers will follow the same process for the amendment as for adoption of the approved budget.

### **Service Fee Revenue**

Texas statute authorizes the District to establish a monthly per-line fee from each telephone customer of up to six percent of the principal telephone service provider's base rate. Annually, the board establishes the service fee rate for the following fiscal year as part of the budget process. Texas Statute Sec. 772.314. Subsection D (e) requires the Board of Managers to "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." In addition to the fee established by the Board of Managers, the District also receives a portion of the statewide surcharge on wireless telephone service. The surcharge is assessed at the statutory rate per activated handset, and is distributed to authorized 9-1-1 jurisdictions based upon population.

### **Investments**

Investments shall be made in conformance with the District's Investment Policy, with the primary objectives of:

1. Safety – preservation of capital in the investment portfolio;
2. Liquidity – portfolio remains sufficiently liquid to meet operating requirements;
3. Yield – earn the maximum rate of return allowed on investments within the policies imposed by safety and liquidity objectives, investment strategies, and state and federal laws governing the investment of public funds.

### **Grants**

The District will pursue grant opportunities based on financial need. Each grant is evaluated on the financial need and the long-term sustainability of the project. The District will only accept grants for one-time or capital items or when

the continued funding of the program is incorporated into future budgets. All grants and other federal and state funds are managed to comply with the laws, regulations, and guidance of the grantor, and all gifts and donations shall be managed and expended according to the wishes and instructions of the donor.

### **Reserve Fund Balance**

When making multi-year projections in the annual budget, accumulated funds are allocated to one of the following categories:

- Committed Fund Balance: Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Managers are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the Board of Managers removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- Assigned Fund Balance: Amounts that are constrained by the agency's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance.
- Unassigned Fund Balance: This classification represents a fund balance that is not assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

The District does not have any non-spendable, restricted, or committed fund balances at the end of fiscal year 2023.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, then unassigned funds.

The Government Finance Officers Association recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating expenditures. For FY2023, the projected end of year fund balance is \$6,987,889 or 96%. This amount includes surplus reserve needs anticipated for future equipment and technology upgrades. The current assigned reserves for future equipment needs is \$1,500,000 leaving a projected unassigned fund balance at the end of fiscal year 2023 of \$5,487,889.

## **Workforce Compensation**

To achieve Denco's mission and vision, the agency must attract, motivate, and retain highly qualified and dedicated employees. Employee compensation shall be externally competitive in the metropolitan area, following budgetary guidelines and financial responsibility. The District shall also strive for internal organizational equity in employee compensation.

The compensation philosophy provides a broad framework in order to understand and guide decisions that affect pay and benefits. It reflects the importance District employees play in the delivery of public safety related services and programs that support partner agencies and directly serve the community. Denco's compensation philosophy establishes the commitment and necessity to maintain comparability with jurisdictions that are most likely to affect recruitment and retention of the District's highly skilled workforce.

The small workforce of specialized personnel results in an extreme adverse impact when staff turnover occurs. The highly technical nature of systems, equipment and processes, limits the recruiting pool from which to fill personnel vacancies in specific classifications. All compensation factors drive recruitment and retention. Denco strives to maintain an excellent benefits package as part of its overall compensation program.

The District's pay classifications are competitive at a midpoint with the 75<sup>th</sup> percentile of comparator organizations in the primary labor market. The primary labor market is Texas 9-1-1 Districts, other 9-1-1 districts, and public/private Information Technology agencies for management and technical staff. For administrative and GIS staff, the counties of Denton, Collin, Dallas and Tarrant are considered the primary labor market.

At least every three years, the District conducts a market study utilizing a qualified independent contractor to establish benchmark positions based on job descriptions. The contractor will recommend the competitive posture of the organization and propose a plan of action. Each year, an independent source will establish whether market adjustments are warranted based on assessment of pay competitiveness through reliably published compensation survey data.

Annually, the executive director will recommend a budget for general salary adjustments based upon the overall competitive posture of the organization, market rate adjustments, comparator organizations in the primary labor market and financial affordability. The executive director may propose a salary increase pool for the application of performance-merit increases in recognition of performance that meets and exceeds expectations. Merit increases are not automatic.

## **Assets, Technology Enhancements and Replacement**

Infrastructure, technology, and major equipment are the material foundation for providing services and meeting statutory obligations. The procurement, design, construction, maintenance, and operation of capital assets are a critical activity of the District and therefore require careful planning. Technology planning is extremely dynamic given the rapid pace of change in technologies used by the public to call for help, location and call delivery enhancements, uncertain fiscal resources and other external influences. The equipment replacement strategy serves as a planning tool; structured to present a meaningful, multi-year perspective of equipment needs.

The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Denco records such assets at cost when acquired or constructed and estimated lifecycle is determined for planned replacement purposes. The District maintains its physical assets at a level adequate to protect the District's capital investment, to minimize future maintenance and replacement costs, and to continue service levels.

The equipment replacement strategy is a five-year or longer forecast of equipment replacement needs. The plan alerts the Board and partner agencies of equipment replacement projects needed to maintain the efficiency of the 9-1-1 system and Denco services. The adopted budget becomes the first year of the plan. The remaining four years represents estimated replacement needs and the related funding.

Each year staff re-evaluates the equipment needs and adjusts the schedule accordingly. The proposed budget includes five-year projections for Board consideration. The time-periods specified for the strategies, projects and actions in the projections reflect the best estimates possible, but the District will modify timelines in response to changing priorities and economic conditions. The results of actual equipment refurbishments, extended life expectancy and more precise cost estimates will be included in the annual budget.

Within the multi-year plan, funding requirements vary from year to year in order to maintain a consistent budget and to ensure adequate reserves for equipment needs. The year-to-year requirements to fund the plan are subject to market-price fluctuations, technological churn, and expansion or contraction of projected needs. As the District does not issue debt for capital projects, the reserve fund balance will experience dramatic movement as Denco continues its save-spend-save cycle.

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# **Denco Area 9-1-1 District**

**Fiscal Year 2024  
Annual Budget**

## **Section 4**

**Revenue**

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# DENCO AREA 9-1-1 DISTRICT

## Revenue

The District has several revenue sources with 9-1-1 services fees accounting for the largest percentage. The 9-1-1 service fees are derived from wireline and wireless phone service in the district. Other sources of revenue include interest income, training course registrations, service contracts, disposal of surplus equipment, and grants.

The Board of Managers is required by Texas statute to assess and adjust the wireline 9-1-1 service fee, at least annually, to ensure that current revenue streams are sufficient to support current and future operational needs, as well as save for future capital improvement needs that deliver enhanced mission critical services.

The authority and parameters for levying the 9-1-1 service fee in the district are also statutorily defined. The Board of Managers set the service fee rate annually as part of the budget process. The service fee, as derived through this assessed rate, is based on a percentage of the "base rate charge," or its equivalent. 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 residents of the location use the lines.

The statutory definition of a base rate charge is the "rate or rates billed by a service supplier, as stated in the service supplier's charges approved by the appropriate regulatory authority, that represent the service supplier's recurring charges for local exchange access lines or their equivalent, exclusive of all taxes, fees, license costs, or similar charges."

With telecommunications deregulation, base rates are becoming antiquated from the rate-regulated system of the Texas Public Utilities Commission but have not disappeared completely. While local exchange carriers may still file tariffs, they are not subject to approval in deregulated areas. Most wireline Competitive Local Exchange Carriers (CLECs) and Voice over Internet Protocol (VoIP) providers do not have filed rates.

Annually, as part of the rate setting process, Denco identifies the principal service supplier by query into the 9-1-1 database and identification of the entity that provides the most central office lines within the district. Denco identifies the official base rate of the principal service supplier for both residential and business service.

For Fiscal Year 2024, the principal supplier for the district is Frontier Communications. Frontier Communications' general exchange Schedule of Rates is \$31.00 monthly for residential service and \$49.99 for Business Line/Trunk service.

The 9-1-1 service fee may be any amount set by the Board of Managers up to a maximum of six percent of the monthly base rate charged a service user by the principal service supplier in the district. Once the fee is set, it is applied districtwide to all residential and business classifications regardless of CLEC or signaling (i.e., VoIP) provisioning.

Based on these rates and the fee cap in Texas statute, the maximum allowable fees for FY2024 are \$1.86 per month for residential service and \$3.00 per month for business service. During the July 2022 Board meeting, the FY2023 wireline 9-1-1 service fees rates for residential and business lines were established by the board at:

\$1.50 for residential  
\$1.80 for business

These amounts are recommended to carryforward to fiscal year 2024, unchanged.

### **Wireline Service Fee Assumptions**

Traditional wireline telecommunications providers will continue to experience a decline in total line count, as seen over the past several years. Competitive carriers offering VoIP service will also see reductions but at a slower pace. Based on the 9-1-1 service fee level established by the Board of Managers, total wireline revenues anticipated for fiscal year 2024 are \$2,055,000.

### **Wireless 9-1-1 Service Fee**

The revenue associated with wireless 9-1-1 service is authorized in Texas Statute 771. The statute establishes the statewide emergency service fee for wireless telecommunications connections to provide for automatic number identification and automatic location identification of wireless 9-1-1 calls. The fee is imposed on each wireless telecommunications connection and the statute

prohibits political subdivisions from imposing another fee on a wireless service provider or subscriber for 9-1-1 emergency service.

The wireless service provider collects the fee in an amount equal to \$0.50 a month for each wireless telecommunications connection from its subscribers and remits the money collected, minus an allowed one percent administrative fee, to the Texas State Comptroller not later than the thirtieth day after the last day of the month during which the fees were collected.

The Comptroller distributes wireless service fees collected to each emergency communication district that does not participate in the state program [*Denco does not participate*]. The amount distributed is the pro rata share of total service fees collected, that bears the same proportion of population of the area served, as the pro rata population of the state.

A prepaid wireless 9-1-1 emergency service fee of two percent of the purchase price of each prepaid wireless telecommunications service purchased, by any method, shall be collected by the seller from the consumer at the time of each retail transaction of prepaid wireless telecommunications service occurring in this state and remitted to the Comptroller. A seller may deduct and retain two percent of prepaid wireless 9-1-1 emergency services fees that it collects under this section to offset its costs in administering this fee. The Comptroller distributes prepaid wireless service fees consistent with the procedures in place for wireless emergency services fees.

### **Distribution Percentage**

According to Texas Administrative Code, the State Commission on Emergency Communications (CSEC) shall use the most recent annual population estimates from the Texas Demographic Center to determine the proportionate amount of wireless and prepaid wireless emergency service fees remitted attributable to each emergency communication district. In the Dallas/Ft. Worth metroplex, due to the number of overlapping jurisdictions, CSEC modifies the adopted distribution percentages to account for changes in 9-1-1 service boundaries not reflected in the state demographer's population estimates. Denco Area 9-1-1 District, North Central Texas 9-1-1 and Tarrant County 9-1-1 District collaborate and reach consensus on this calculation to ensure its accuracy.

Denco Area 9-1-1 District's population percentage is calculated at 2.44%.



### **Wireless Service Fee Assumptions**

The amount of wireless service fee collected at the state level has continued to increase slightly over the past few years and is expected to remain relatively constant, with a slight increase. Based on this assumption, no change in the wireless service fee rate and the above noted distribution percentage, total wireless revenues anticipated for fiscal year 2024 are \$3,735,000.

### **Non-Service Fee Revenue**

Non-service fee revenue includes grant income, investment income, charges for services and sale of surplus property.

### **Non-Service Fee Assumptions**

- Denco has received allocation of grant funding from the Texas Senate Bill 8 program authorizing funds for the ongoing operation of next generation 9-1-1. During fiscal year 2024, Denco is expected to receive \$1.4 million in grant support.
- Denco will continue to charge a nominal fee to training program participants from outside the district. Fiscal year 2023, training program revenue is estimated to remain steady.
- Denco and Denton County have a long-standing agreement for District 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.
- Estimated interest earned on investments is projected to be significantly higher due to higher interest rates and the increase in fund balance.

Based on the noted assumptions, non-service fee revenues anticipated for fiscal year 2024 are \$1,750,000.

### **Revenue Summary**

Total revenues anticipated for fiscal year 2024 are \$7,540,000 with 76.8% being derived from 9-1-1 service fee revenue.

## Anticipated Revenues

Fiscal Year 2024

	Proposed	Percent of Total Revenue
<b>Wireline Service Fee Revenue</b>		
Business	\$ 1,350,000	17.9%
Residential	\$ 705,000	9.4%
Net Wireline Service Fee Revenue	\$ 2,055,000	27.3%
<b>Wireless Service Fee Revenue</b>	<u>\$ 3,735,000</u>	49.5%
<b>Total Service Fee Revenue</b>	<b>\$ 5,790,000</b>	<b>76.8%</b>
<b>Non-Service Fee Revenue</b>		
Grants and Contributions	\$ 1,400,000	18.6%
Interest Revenue	\$ 280,000	3.7%
Contract Service Revenue	\$ 20,000	0.3%
Miscellaneous Revenue (Expenses)	<u>\$ 50,000</u>	0.7%
<b>Total Non-Service Fee Revenue</b>	<b>\$ 1,750,000</b>	<b>23.2%</b>
<b>Total Anticipated Revenues</b>	<b><u>\$ 7,540,000</u></b>	<b>100.0%</b>

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# **Denco Area 9-1-1 District**

**Fiscal Year 2024  
Annual Budget**

## **Section 5**

**Expenditures**

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# DENCO AREA 9-1-1 DISTRICT

## Expenditures

### **Expenses**

The total expenditures proposed in the fiscal year 2024 budget reflect a \$1,513,755 increase in spending when compared to the estimated expenditures for fiscal year 2023; and a \$1,065,787 increase in spending compared to the fiscal year 2023 approved budget.

### **Administrative Services – General Government**

#### Personnel

The fiscal year 2024 budget is structured in alignment with the annual audit accounting for both personnel and administrative expenditures in the combined category of general government. This category reflects organizational functions that support the overall operation of the agency. Expenses include personnel, benefits, business software, contract services, office equipment, travel and professional development for administrative functions. General government expenditures proposed for fiscal year 2024 are \$2,836,185 or 38.7% of the total budgeted expenditures. Total personnel expenditures proposed in 2024 is \$2,362,585 or 32.3% of the total budget.

The fiscal year 2024 budget includes the addition of a 9-1-1 data analyst. This critical staff addition will collect, evaluate, and analyze data regarding performance of the various 9-1-1 systems, networks, equipment, software, programs and vendors. This new staff position will utilize Denco's various maintenance and monitoring platforms to develop and implement essential analytics processes for system performance that will help identify and track leading indicators of potential future service irregularities. Additionally, this staff function will provide resources for the development of system performance metrics to promote a high level of confidence with the citizenry and partner agency leadership. Also included in the budget is funding of the currently vacant technical manager position. Funds for this unfilled position have been allocated to provide additional technical specialist staffing and external technical consultancy, however the position was retained for future need. The FY24 budget assumes filling this position during the year.

Salaries reflect 3% for potential merit-based pay increases and skills-based (certification) pay and 4.7% cost of living adjustment based on the consumer price increases in the Dallas-Fort Worth Consolidated Statistical Area (CSA) for the year ending in May 2023, according to the U.S. Bureau of Labor Statistics. The salary and wage increase is necessary for the District to remain competitive in the volatile

economy and trend of unstable workforce conditions. The Dallas-Fort Worth Core Based Statistical Area includes the counties of Collin, Dallas, Denton, Ellis, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, Somervell, Tarrant, and Wise. In early 2023, Denco contracted with an independent human resources consulting firm to conduct a thorough review of Denco's employee pay classifications to validate both internal equity and market appropriateness. The study examined similar jobs in the comparator organizations based on duties, competencies and qualifications. Salary ranges were set for each position to ensure Denco remains competitive in the aggressive employment market.

Total benefit expenditures proposed in fiscal year 2024 represent a slight increase in the required contribution rate for the Texas County and Districts Retirement System. Denco and its employees are participants in the Texas County and Districts Retirement System (TCDRS). TCDRS, maintains a fully diversified portfolio to help manage risk. The down investment market in 2022 resulted in an actuarial investment loss. The TCDRS Board passed through system reserves to employer plans to mitigate the effect of the actuarial investment loss on rates. The loss was also partially offset by gains from previous years. Investment gains and losses are recognized over five years to smooth the impact on rates over time. Most employers will experience rate increases this year and over the next few years as deferred losses are recognized, unless offset by future gains. TCDRS has shown strong performance over long periods, exceeding industry-standard benchmarks over multi-year timeframes. Denco's required contribution rate for 2024 is 9.40% of total payroll including all fees and insurance.

Employers may adopt an elected rate that is greater than the required contribution rate to reduce future variations in the required contribution rate. An elected rate provides a buffer so that future adverse experience is less likely to impact the actual contribution rate paid and provides stronger funding to the plan. Keeping with Denco's long-standing philosophy of maintaining the retirement account as close as possible to fully funded and creating budget consistency by avoiding wide swings in the required contribution rate based on market factors, the fiscal year 2024 budget includes an elective contribution rate to TCDRS of 10.00%, slightly above the required rate.

The budget includes an increase in health insurance premiums. Denco employees are provided access to medical insurance through Texas Health Benefits Pool (formerly TML Health Benefits). Due to rising medical costs and the financial impact of the three-year COVID pandemic, medical insurance premiums for fiscal year 2024 have experienced a 24% increase. Medical premium increases for employees are funded by Denco; Denco covers 50% of increases in family coverage and employees with families are responsible for 50% of the increase. Dental insurance premiums have increased 8%.

## Facilities

The batteries supporting the Uninterruptible Power Supply units serving the Denco Annex are nearing the end of their normal life expectancy. These battery packs are budgeted for replacement in fiscal year 2024.

The dual computer room air conditioning (CRAC) units servicing the Denco data center are sophisticated, redundant systems, which constitute a critical component to continuous operations. The budget includes upgrading the environmental control and maintenance/reprogramming of the data center air conditioning systems to improve efficiency, reliability and monitoring.

## **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 academy, public education, and supporting capital projects. These services account for \$4,486,550 or 61.3% of the fiscal year 2024 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 system configuration maintenance.

## Emergency Communications Center Relocation Planning

The fiscal year 2024 budget carries forward projected expenses included in the fiscal year 2023 budget for Denco's share of microwave costs to support the relocation of the Roanoke Police Department and emergency communications center into a newly constructed facility planned for 2025. The Roanoke site will be upgraded to dual path redundancy to enhance continuity of operations in this high growth area. Planning is also underway for relocation and expansion of the Lewisville emergency communications center in 2025.

## Equipment

The budget includes the addition of a 9-1-1 workstation to support expansion of The Colony emergency communications center. Additionally, the Vesta Analytics server is scheduled for replacement in fiscal year 2024. The

current server has reached end-of-service life and is no longer supported by the manufacturer or Motorola.

The routers supporting the Denton County/Denco microwave system are approaching end-of-service life and will no longer be supported by Cisco or Aviat as of November 2024. The budget includes expenses associated with replacement of microwave routers.

### Cybersecurity

The security and reliability of the 9-1-1 system and related networks are crucial to public safety in the district. District staff remain vigilant by continually monitoring changing threats and vulnerabilities, utilizing Federal and non-profit information and system security resources, to react and respond to emerging threats. Over the past few years Denco has been moving business operations to cloud platforms to achieve financial and operational economies and to dramatically improve the cybersecurity profile of the agency over operating onsite hardware.

The fiscal year 2024 budget includes continuation of critical cybersecurity mitigation services through various partners, and an independent, comprehensive cybersecurity assessment.

### Technical Training

Denco has several new technicians who require advanced training on the public safety microwave system and Vesta 9-1-1 call-handling system. Funds are included in the fiscal year 2024 budget to host on-site training. Conducting training on-site allows all staff to participate and permits Denco to make training available to partner agency technical personnel, if relevant. On-site training minimizes staff travel expenses and ensures critical resources remain local and available, if needed.

### **Geographic Information and Database Integrity Services**

During fiscal year 2024, Denco will continue to focus and expand efforts to advance indoor mapping of key facilities such as schools, hospitals, event venues, shopping centers, transportation hubs, churches, etc. A major focus of this next year will be to complete indoor mapping for the major universities in the district, and large hotel/apartment facilities. The indoor mapping project has provided critical improvements to the display of 9-1-1 caller location in emergency communications centers.

During fiscal year 2024, Denco will work with RapidSOS to implement enhanced features for 9-1-1 including integration of Denco's locally authoritative GIS data. RapidSOS is an intelligent safety platform that securely links life-saving

data from connected devices, apps and sensors to 9-1-1 emergency communications centers through the Denco provided Vesta call-handling platform. Integrating Denco's GIS data ensures the most current location data is available to emergency communications center professionals in both Vesta and RapidSOS as 9-1-1 calls are received.

Beginning in fiscal year 2024, Denco will migrate its GIS data to an ESRI partner online platform to eliminate the need for onsite hardware and to improve overall security.

### **Public Education and Outreach**

The Public Education and Outreach program educates the public and public officials about the District's 9-1-1 system. Public education and outreach staff actively engage citizens through multiple strategic approaches, which together constitute the integrated education and outreach program.

During fiscal year 2024, Denco will continue outreach efforts for critical programs such as the PulsePoint AED registry, indoor mapping, and Kari's Law. Denco will continue to conduct both paid and earned media campaigns to educate the public on important public safety related topics. Denco staff and board members will continue meeting with citizen groups and local governments to provide updates on agency initiatives.

Denco is reestablishing its long-standing school safety educational programs paused during the COVID pandemic. The approach for fiscal year 2024 is to shift the timing from the Spring to the Fall, to better align with the beginning of the school year and to provide better timing flexibility, if needed.

### **Emergency Communications Center Support**

The proposed budget continues Denco's operational support services to partner jurisdiction ECCs to enhance the ability to respond to calls for emergency assistance, including enhanced support of the Emergency Medical Dispatching (EMD) activities, recruitment and pre-employment testing, licensure testing, and data analytics support.

Denco continues to provide its long-standing support for training, maintenance and quality assurance of the EMD program. Denco serves as a designated licensure testing facility for the Texas Commission on Law Enforcement; and, as a testing facility, Denco administers state-required licensing examinations for telecommunicators, police officers, and jailers.

The proposed budget includes costs associated with continued support of 9-1-1 data analytics, recruiting activities, and the multivalent pre-employment testing support provided to emergency communications centers.



## **Public Safety Training Academy**

Denco continues to operate a Texas Commission on Law Enforcement contract training facility and a nationally recognized and accredited 9-1-1 training academy. The District uses subject matter expert resources of both its professional 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. Denco has established a training advisory committee to oversee input on academy programs. The budget continues the practice of an annual training needs analysis to ensure the academy programs support the training needs of emergency communications centers.

Denco provides free access to all training programs for partner agencies within the district. Training participants from outside agencies pay a nominal registration fee. Denco also covers the recertification costs associated with emergency medical dispatch, communications training officer and fire dispatcher certification for all telecommunicators with in-district partner agencies.

Annually, the Board of Managers 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. The District also provides scholarships for telecommunicators to attend the Texas Public Safety (APCO/NENA) Conference.

**Proposed Expenditures  
Fiscal Year 2024**

	<b>Proposed</b>	<b>Percent of Budget</b>
<b>Personnel</b>		
Salaries	\$ 1,653,400	22.6%
Benefits	\$ 709,185	9.7%
<b>Total Personnel</b>	<b>\$ 2,362,585</b>	
<b>Administration</b>		
Office Expenses	\$ 62,500	0.9%
Contract Services	\$ 173,050	2.4%
Facilities	\$ 173,700	2.4%
Memberships/Subscriptions	\$ 8,350	0.1%
Professional Development	\$ 22,550	0.3%
Travel	\$ 33,450	0.5%
<b>Total Administration</b>	<b>\$ 473,600</b>	
<b>Total General Government</b>	<b>\$ 2,836,185</b>	<b>38.7%</b>
<b>Direct Services</b>		
Operations	\$ 1,572,350	21.5%
Network Services	\$ 2,227,200	30.4%
Equipment	\$ 446,000	6.1%
Facilities — Annex	\$ 241,000	3.3%
<b>Total Direct Services</b>	<b>\$ 4,486,550</b>	<b>61.3%</b>
<b>Capital Projects Expenditures</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Proposed Expenditures</b>	<b>\$ <u>7,322,735</u></b>	<b>100.0%</b>

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# **Denco Area 9-1-1 District**

**Fiscal Year 2024  
Annual Budget**

## **Section 6**

**Budget Summary**

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**Summary of Anticipated Revenues and Proposed Expenditures  
Fiscal Year 2024**

	<b>Proposed</b>	<b>Percent of Budget</b>
<b>Beginning of Year Estimated Fund Balance</b>	<b>\$ 6,987,889</b>	
<b>Anticipated Revenues</b>		
9-1-1 Service Fee Revenue	\$ 5,790,000	76.8%
Capital Grants and Contributions	\$ 1,400,000	18.6%
Interest Revenue	\$ 280,000	3.7%
Contract Services Revenue	\$ 20,000	0.3%
Miscellaneous Revenue (Expense)	\$ <u>50,000</u>	0.7%
<b>Total Anticipated Revenues</b>	<b>\$ 7,540,000</b>	<b>100.0%</b>
Personnel	\$ 2,362,585	32.3%
Administration - General Government	\$ 473,600	6.5%
Direct Services	\$ 4,486,550	61.3%
Capital Projects	\$ <u>-</u>	0.0%
<b>Total Proposed Expenditures</b>	<b>\$ 7,322,735</b>	<b>100.0%</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 217,265</b>	
<b>End of Year Estimated Fund Balance</b>	<b><u>\$ 7,205,154</u></b>	

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# **Denco Area 9-1-1 District**

**Fiscal Year 2024  
Annual Budget**

## **Section 7**

**Five-Year Projections**

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# DENCO AREA 9-1-1 DISTRICT

## Five-Year Projections

### **Five-Year Projections**

This multi-year budget projection provides financial projections for the Board of Managers to plan future expenses in an attempt to avoid wide swings in service fee rates and ensuring sufficient fund balances are in place when necessary expenditures are projected. Staff identifies major capital expenditures as far in advance as possible. The goal of the Five-Year Financial Plan is to introduce greater stability in the financial planning and budgeting process and prioritize spending for major expenses that cannot be funded with a single year of revenues.

While there are many variables that will affect the Plan over its lifespan, it includes revenue and expenditure projections, fund balance reserves, and anticipated economic drivers. The Five-Year Financial Plan will quantify the policies set by the Board of Managers. The Five-Year Projections table depicts the long-term financial position and stability of the District.

### **Summary of Significant Projections**

The multi-year projections identify cost associated with ongoing operations and significant one-time investments in the near future. Expenses to continue existing programs and activities reflect a modest inflationary factor. The specific, one-time costs projected for the next four fiscal years are the relocation of the Roanoke and Lewisville emergency communications centers.

### **Fund Balance Projections**

Denco's fund balance is an accumulation of revenues minus expenditures. Denco projects the final fund balance in the budgeting process and reports the total at the end of the fiscal year. The actual fund balance is audited annually. As Denco's ability to issue debt is severely limited, Denco utilizes fund balances for anticipated major expenditures that exceed the agency's single year revenue. Therefore, the agency experiences dramatic movement in fund balance reserves while it progresses through the planned save-spend-save cycles.

The agency projects to end fiscal year 2023 with revenue of approximately \$2,423,520 more than expenses, resulting in a net fund balance of approximately \$7 million. In fiscal year 2024, we will continue to receive significant grant funding. Due to extremely unusual circumstances over the past 3-4 years, evaluation of normal revenue flow has not been possible. The agency is still evaluating the result of the Carrollton separation, the COVID-19 pandemic, significant economic inflation, and the impact population percentages on wireless fee distribution. The 2023 Texas legislative session ended without additional revenue sources confirmed, although structure was enacted to permit future revenue based on the results of a constitutional amendment planned for Fall 2023. The service fee rates will be adjusted in future years as necessary to align revenues to operational needs and to set aside reserve funds for future system enhancements.

## Five Year Projections

Fiscal Year 2024

	FY 2023 Estimated	FY 2024 Proposed	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
<b>Beginning of Year Fund Balance</b>	\$ 4,564,369	\$ 6,987,889	\$ 7,205,154	\$ 6,374,003	\$ 5,338,725	\$ 4,190,881
<b>Revenue</b>						
Net Service Fee Revenue	\$ 5,830,500	\$ 5,790,000	\$ 5,882,550	\$ 5,903,000	\$ 5,924,000	\$ 5,944,000
Capital Grants and Contributions	\$ 2,100,000	\$ 1,400,000	\$ 330,000	\$ -	\$ -	\$ -
Interest Revenue	\$ 238,000	\$ 280,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Contract Services Revenue	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Miscellaneous Revenue (Expense)	\$ 44,000	\$ 50,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000
<b>Total Revenue</b>	<b>\$ 8,232,500</b>	<b>\$ 7,540,000</b>	<b>\$ 6,273,550</b>	<b>\$ 5,964,000</b>	<b>\$ 5,985,000</b>	<b>\$ 6,005,000</b>
<b>Expenditures</b>						
Personnel	\$ 1,731,800	\$ 2,362,585	\$ 2,440,555	\$ 2,521,147	\$ 2,604,452	\$ 2,690,563
Administration	\$ 385,300	\$ 473,600	\$ 490,320	\$ 507,659	\$ 525,641	\$ 544,291
Direct Services	\$ 3,691,880	\$ 4,486,550	\$ 4,173,826	\$ 3,970,473	\$ 4,002,752	\$ 4,035,677
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 5,808,980</b>	<b>\$ 7,322,735</b>	<b>\$ 7,104,700</b>	<b>\$ 6,999,278</b>	<b>\$ 7,132,845</b>	<b>\$ 7,270,531</b>
<b>Increase (Decrease) In Fund Balance</b>	<b>\$ 2,423,520</b>	<b>\$ 217,265</b>	<b>\$ (831,150)</b>	<b>\$ (1,035,278)</b>	<b>\$ (1,147,845)</b>	<b>\$ (1,265,531)</b>
<b>End of Year Total Fund Balance</b>	<b>\$ 6,987,889</b>	<b>\$ 7,205,154</b>	<b>\$ 6,374,003</b>	<b>\$ 5,338,725</b>	<b>\$ 4,190,881</b>	<b>\$ 2,925,350</b>



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# **Denco Area 9-1-1 District**

**Fiscal Year 2024  
Annual Budget**

## **Section 8**

**Budget Resolutions**

**House Bill 1984**

**District Legislation**

**9-1-1 Basics & Glossary**

**Strategic Plan**

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## DENCO AREA 9-1-1 DISTRICT

### RESOLUTION

#### DEFINING PROCEDURES FOR CONSIDERATION AND APPROVAL OF A BUDGET

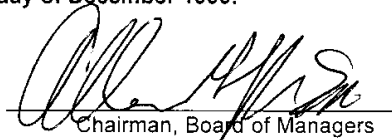
**WHEREAS**, Sections 772.309(b)&(c), Texas Health and Safety Code have been amended by the Texas Legislature to specify certain procedures for the consideration and approval of a budget by the Board and governing bodies of participating jurisdictions.


**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 45<sup>th</sup> 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 2<sup>nd</sup> day of December 1999.**

  
Chairman, Board of Managers

  
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, ~~(D)~~ D, or E, 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) 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.

## **SUBCHAPTER D. EMERGENCY COMMUNICATION DISTRICTS: COUNTIES WITH POPULATION OVER 20,000**

### **§ 772.301. Short Title**

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

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

#### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1999, 76th Leg., ch. 1405, § 32, eff. Sept. 1, 1999.

#### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

#### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1995, 74th Leg., ch. 76, § 5.95(82), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 638, § 15, eff. Sept. 1, 1995.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1999, 76th Leg., ch. 1406, § 2, eff. Aug. 30, 1999.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1995, 74th Leg., ch. 638, § 16, eff. Sept. 1, 1995.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

#### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1993, 73rd Leg., ch. 936, § 14, eff. Aug. 30, 1993; Acts 1999, 76th Leg., ch. 1203, § 5, eff. June 18, 1999.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1993, 73rd Leg., ch. 936, § 15, eff. Aug. 30, 1993; Acts 1995, 74th Leg., ch. 638, § 17, eff. Sept. 1, 1995.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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).

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1993, 73rd Leg., ch. 936, § 16, eff. Aug. 30, 1993; Acts 1995, 74th Leg., ch. 638, § 18, eff. Sept. 1, 1995.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

#### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

#### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

#### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

**§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

**§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

**§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

### **§ 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.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

## **Supplemental 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 herein).

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.

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 mapping, non-emergency and radio communications integration. Also sometimes referred to as "call-handling" or "call-taking" workstation. Denco has 77 integrated call-taking workstations at its nine (9) 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.