

# SNOCOM & SNOPAC JOINT BOARD of DIRECTORS MEETING

## May 30, 2017 - Fire District 1

<b>SNOCOM Board Members &amp; Management in Attendance</b>	Bob Colinas	Brier	Seاون Richards	Mountlake Terrace
	Al Compaan	Edmonds Police	Scott Hugill	Mountlake Terrace
	Tom Mesaros	Edmonds	Chris Alexander	Mukilteo Fire
	Don Anderson	Edmonds Police	Kent Saltonstall	Town of Woodway
	George Hurst	Lynnwood	Brad Reading	Fire District 1
	Bryan Stanifer	Lynnwood Police	Robert Eastman	Fire District 1
	Pam Pruitt	Mill Creek	Terry Peterson	SNOCOM
	Greg Elwin	Mill Creek Police	Marlin Herolaga	SNOCOM
Jerry Smith	Mountlake Terrace	Andie Burton	SNOCOM	
<b>SNOPAC Board Members &amp; Management in Attendance</b>	Steve Guptill	Monroe Fire	Roy Waugh	Fire District 7
	James Lever	Everett Police	Darryl Neuhoff	Marysville FD
	Ty Trenary	SCSO	Murray Gordon	Citizen-at-Large
	Susan Neely	Snohomish County	Kurt Mills	SNOPAC
	Rick Smith	Marysville Police	Steve Dittoe	SNOPAC
	Dan Templeman	Everett Police	Steve Lawlor	SNOPAC
	Daniel Cone	Arlington Police		
<b>Others in Attendance</b>	Jay Reich, Pacifica Law	Nicola Smith, Lynnwood	Ralph Krusey, SERS	
	Deanna Gregory, Pacifica Law	Corbitt Loch, Lynnwood	Brenda Froland, SNOPAC	
	Brad Cattle, SNOPAC Attorney	Art Ceniza, Lynnwood	Sharon Brendle, SNOCOM	
	Karen Reed, JTF Facilitator	Doug Dahl, FD1		
	Bill Anderson, Woodway	Jon Nehring, Marysville		

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<b>Call to Order</b>	The meeting was called to order at 8:30 a.m. by SNOPAC Chair, Steve Guptill. Everyone in attendance stated their name for the record.	
<b>Remarks of the JTF Chair and Vice-Chair</b>	No comments made.	
<b>Review and Approval of Agenda</b>	Chair Guptill asked if any changes needed to be made to the agenda. The agenda was approved without comments.	
<b>Governance</b>	<p>Karen Reed, the JTF Facilitator, spoke about the four action items under the governance heading:</p> <p>a. <u>Board Structure</u>. The meeting packet provided the JTF recommendation of a 15 member board, with 10 seats for police agencies, and 5 seats for fire. Each caucus must elect one elected official and one operational staff member.</p> <p>Discussion followed surrounding the issue of moving Lake Stevens to the medium-size city caucus. Ms. Reed explained</p>	

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	<p>that the caucuses were divided more on a one person, one vote approach, as opposed to the population of the city.</p> <p><b>Councilmember George Hurst moved that SNOCOM approve the JTF compromise proposal which includes the modification of one elected for each operations staff on the police side. The motion was seconded by Chief Brad Reading.</b></p> <p><i>Mayor Pam Pruitt moved to amend the SNOCOM motion so that Lake Stevens is moved up one notch to the medium cities. The motion was seconded by Mayor Bob Colinas.</i></p> <p>There was additional discussion on whether to move Lake Stevens up to the medium cities category. A JTF committee member explained that the governance model was designed to allow for flexibility in city growth over time.</p> <p><i>The vote for the amendment proposed by Mayor Pruitt was called. The results were 3 in favor, 7 against. The motion failed.</i></p> <p><b>The vote for SNOCOM's main motion was called. The results were 7 in favor, 3 against. The motion passed.</b></p> <p><b>Chief Rick Smith moved that SNOPAC approve the JTF compromise proposal which includes the modification of one elected for each operations staff on the police side. The motion was seconded by Vice-Chair Jim Lever. The motion passed unanimously.</b></p> <p>Councilmember Hurst spoke on designated alternates for the future board. The JTF proposal stated that each caucus would identify a number of ranked alternates equal to the number of board members. He explained that at their previous board meeting, SNOCOM looked to Community Transit's model and recommended that designated alternates would be selected by each caucus. SNOCOM's intent was that these alternates would be strongly encouraged to attend the meetings.</p> <p><b>Councilmember Hurst moved that SNOCOM require the alternates to the board be selected by caucus; that their position be ranked 1, 2, and 3, and they would be expected to attend board meetings to stay informed. The motion was seconded by Councilmember Ian Cotton, and passed unanimously.</b></p> <p><i>Citizen-at-Large, Murray Gordon, moved that SNOPAC require the alternates to the board be selected by caucus; that their position be ranked 1, 2, and 3, and they would be expected to attend board meetings to stay informed. The motion was seconded by Commissioner Roy Waugh. The voting results were 3 in favor, 4 against. The motion failed.</i></p> <p><b>Sheriff Ty Trenary moved that SNOPAC allow each agency, as part of their caucus, the ability to identify an alternate</b></p>	<p>SNOCOM's amended motion failed</p> <p><b>SNOCOM approved the JTF proposal on Board Structure</b></p> <p><b>SNOPAC approved the JTF proposal on Board Structure</b></p> <p>SNOCOM motion passed</p> <p>SNOPAC motion failed</p> <p><b>SNOPAC motion</b></p>

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	<p><i>and that the alternates are strongly encouraged to attend each meeting as needed. The motion was seconded by Chief Smith, and passed unanimously.</i></p> <p><i>Councilmember Tom Mesaros moved that SNOCOM allow each agency, as part of their caucus, the ability to identify an alternate and that the alternates are strongly encouraged to attend each meeting as needed. The motion was seconded by Mayor Colinas, and passed unanimously.</i></p> <p>b. <u>Non-Cities Provider Membership in ILA for new consolidated agency.</u> Ms. Reed explained that the cities, towns and agencies that contract with other agencies for services hadn't been acknowledged in the discussion and they requested a way to be engaged in the ILA and, potentially, in governance. Three options were brought forward and the JTF recommended one of them. The recommended option provides those non-direct service provider agencies, whether police or fire, an opportunity to become an associate member of the ILA. If the agency eventually becomes a direct service provider, they could become a full member of the ILA without paying latecomer fees. With this option the agencies could not serve on the board, but attend caucus meetings, engage in dialogue, but not vote.</p> <p>Councilmember Hurst spoke on the direction that the SNOCOM Board took with regards to that issue. He explained that SNOCOM recommended Option 3 which allows non-providing agencies to jointly caucus and select a non-voting board member to participate in board discussions. He went on to explain that SNOCOM thought this option gave more of a voice to the non-service provider agencies.</p> <p>Lengthy discussion on this topic followed.</p> <p><i>Sheriff Trenary moved that SNOPAC authorize Option 3 which allows non-providing agencies to jointly caucus and select a non-voting board member to participate in board discussions. The motion was seconded by Mr. Gordon and approved unanimously.</i></p> <p><i>Chief Reading moved that SNOCOM authorize Option 3 which allows non-providing agencies to jointly caucus and select a non-voting board member to participate in board discussions. The motion was seconded by Councilmember Cotton and approved unanimously.</i></p>	<p>passed</p> <p>SNOCOM motion passed</p> <p>SNOPAC motion passed</p> <p>SNOCOM motion passed</p>
Break	A break was called at 9:30 a.m.	
Reconvene	The meeting reconvened at 9:36 a.m.	
Governance (continued)	<p>c. <u>Path to Consolidation.</u> Ms. Reed reviewed the four different ways to consolidate:</p> <ul style="list-style-type: none"> <li>▪ Start a brand new corporation, by dissolving SNOCOM and SNOPAC and create a new entity.</li> </ul>	

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	<ul style="list-style-type: none"> <li>▪ Have SNOCOM join SNOPAC</li> <li>▪ Have SNOPAC join SNOCOM</li> <li>▪ Pursue either a merger or consolidation of the PSAPs as allowed under the nonprofit corporation statute. The advantage of this option is that neither agency will need to be dissolved, it can be accomplished with more certainty and speed, and with less expense because it requires a 2/3 vote. The JTF has recommended this option.</li> </ul> <p>More information on the last option is included in the meeting packet on page 8.</p> <p>Jay Reich of Pacifica Law Group spoke to the joint board group about the recommended approach to consolidation. He listed the reasons why this last option carries less uncertainty and risk:</p> <ul style="list-style-type: none"> <li>▪ The current ILAs address dissolution, but not mergers or consolidation. Dissolution requires that there be 100% agreement of the legislative bodies. Because of this, a single entity has the ability to halt a dissolution with one vote.</li> <li>▪ In the case of SNOCOM, an entity must give 24 months' notice prior to leaving. This creates a long period of uncertainty.</li> </ul> <p>Since SNOCOM has changed their entity status to a nonprofit corporation, and SNOPAC is set to do the same thing in the next couple months, statutes are available that address the merger or consolidation of nonprofit corporations. The process is spelled out in a memo contained in the meeting packet on page 9. Mr. Reich also pointed out that the new entity, using this approach, would automatically assume all of the assets and liabilities of the old corporations. This would also eliminate the need to dissolve or nullify individual contracts, since they would simply roll over to the new entity. He went on to explain that besides the nonprofit status of the two entities, there are also ILAs, so the individual political jurisdictions that form the ILAs can consent to the merger or consolidation, or choose not to. If they choose not to join, the new corporation could then accommodate them as an associate member if they wish to join that way. If they want to break entirely, the jurisdiction is free to contract with another PSAP for dispatching services.</p> <p>Chair Guptill commented that it was the intent of the JTF that a new agency would be created out of the consolidation. The ILA would also be one that blends the two agencies together.</p> <p><b><i>Chief Al Compaan moved, on behalf of SNOCOM, to pursue a consolidation under the nonprofit statutes, subject to labor counsel's determination, if any, that a substantial advantage exists to doing a merger under the nonprofit consolidation statutes. The motion was seconded by Chief Chris Alexander and passed unanimously.</i></b></p>	<p>SNOCOM Motion approved</p>

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	<p><b><i>Vice Chair Lever moved, on behalf of SNOPAC, to pursue a consolidation under the nonprofit statutes, subject to labor counsel's determination, if any, that a substantial advantage exists to doing a merger under the nonprofit consolidation statutes. The motion was seconded by Chief Smith and passed unanimously.</i></b></p> <p>Ms. Reed also spoke about a hypothetical timeline for consolidation. She listed some possible dates for the process:</p> <ul style="list-style-type: none"> <li>▪ Draft ILA, Articles and a transition plan during the summer of 2017.</li> <li>▪ Distribute shared documents in the fall of 2017</li> <li>▪ Boards would be asked for their consolidation vote in October.</li> <li>▪ Agreements would be circulated among the individual jurisdictions for a decision on the consolidation plan during the period of October 2017 to January 2018.</li> <li>▪ New consolidation agency is created around March 1, 2018, along with the new unified board being in place.</li> <li>▪ Transition is worked on with completion on January 1, 2019.</li> </ul> <p>Ms. Reed went on to speak about budgetary processes during the transition period, as well as assessments and labor negotiations. During the transition time, operations would continue with two PSAP centers, so true economies of scale wouldn't begin until unified operations start.</p> <p>d. <u>Defining Supermajority Vote</u>. Ms. Reed briefly recapped when a supermajority vote would be needed. She listed the following issues:</p> <ul style="list-style-type: none"> <li>▪ Adding a new member</li> <li>▪ Terminating a member</li> <li>▪ Amending the Interlocal Agreement</li> <li>▪ Amending the bylaws</li> <li>▪ Approving a budget if it exceeds a certain cost increase threshold</li> <li>▪ Approving capital expenditures of a certain amount or more</li> <li>▪ Dissolving, merging or consolidating</li> </ul> <p>Councilmember Hurst added that SNOCOM had recommended that hiring an Executive Director be added to the list of issues requiring a supermajority vote.</p> <p><i>Chief Reading moved, on behalf of SNOCOM, to define a supermajority vote per the recommendations of the JTF, as support from 70% of board members in number present and voting, to include the hiring of an Executive Director as an issue requiring a supermajority vote, and in adding a new requirement</i></p>	<p><b>SNOPAC Motion approved</b></p>

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	<p><i>that would require at least one fire vote. The motion was seconded by Councilmember Cotton.</i></p> <p>Following some additional discussion, and a consensus to vote on each of the supermajority issues separately, Chief Reading withdrew his motion. Councilmember Cotton withdrew his seconding.</p> <p><b>Chief Reading moved, on behalf of SNOCOM, to define a supermajority vote per the recommendations of the JTF, as being support from 70% of board members in number present and voting. The motion was seconded by Councilmember Cotton. The results of voting were 8 in favor, 2 against. The motion passed.</b></p> <p><b>Sheriff Trenary moved, on behalf of SNOPAC, to define a supermajority vote per the recommendations of the JTF, as being support from 70% of board members in number present and voting. The motion was seconded by Chief Smith, and approved unanimously.</b></p> <p><b>Councilmember Cotton moved, on behalf of SNOCOM, to define a supermajority vote to include support from at least 1 board member from a large caucus (police or fire), a medium caucus (police or fire), and a small caucus (police or fire). The motion was seconded Councilmember Sean Richards. The results of voting were 6 in favor, 2 against, 1 abstaining. The motion passed.</b></p> <p><i>Commissioner Waugh moved, on behalf of SNOPAC, to define a supermajority vote to include support from at least 1 board member from a large caucus (police or fire), a medium caucus (police or fire), and a small caucus (police or fire). This motion failed to receive a second.</i></p> <p>Both boards decided to return to their separate meetings and discuss part 2 of the JTF Recommendation regarding a supermajority vote.</p> <p>Chair Guptill asked if there was any interest with the SNOPAC board to entertain a newly added part 3 of the JTF Recommendation: Any supermajority vote would need to include at least one police vote and one fire vote, regardless of caucus.</p> <p><b>Sheriff Trenary moved, on behalf of SNOPAC, that at least one fire voting member be present for a supermajority vote to occur. The motion was seconded by Susan Neely, and passed unanimously.</b></p> <p><b>Chief Reading moved, on behalf of SNOCOM, that at least one fire voting member be present for a supermajority vote to occur. The motion was seconded by Councilmember Cotton. The voting results were 8 in favor, 2 against. The motion passed.</b></p> <p>The quorum issue with discussion on whether a minimum</p>	<p>SNOCOM Motion withdrawn</p> <p>SNOCOM motion passed</p> <p>SNOPAC motion passed</p> <p>SNOCOM motion passed</p> <p>SNOPAC motion failed to proceed to a vote</p> <p>SNOPAC motion passed</p> <p>SNOCOM motion passed</p>

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	<p>threshold of those in attendance for voting purposes should be required. For a 15 member board a quorum would be 8 members. If a supermajority vote was needed that would only require 6 member voting in favor of an issue.</p> <p><b>Chief Reading moved, on behalf of SNOCOM, that board members receive a minimum of two weeks' notice before a supermajority vote is taken. The motion was seconded by Chief Compaan, and passed unanimously.</b></p> <p><b>Commissioner Waugh moved, on behalf of SNOPAC, that board members receive a minimum of two weeks' notice before a supermajority vote is taken. The motion was seconded by Chief Smith, and passed unanimously.</b></p> <p>Ms. Reed commented that in the case of an emergency, the boards may not want that 2 week requirement, so an emergency declaration clause may be appropriate. Sheriff Trenary recommended that this 2 week requirement be contained in the bylaws.</p> <p>Deanna Gregory of Pacifica Law Group explained that there is no rule on where to place a requirement such as the 2 week notice. She went on to state that some interlocal entities put such a requirement within their ILA, while others show it in Board policies and procedures. She cautioned about putting a requirements such as that in the ILA because it's difficult to amend it if and when practices change. Washington Law only requires 24 hour notice for a special meeting.</p> <p>Additional item for a supermajority vote:</p> <p><b>Chief Reading moved, on behalf of SNOCOM, the approval of the JTF's list of major issues requiring a supermajority vote, adding item h) the hiring of an Executive Director. The motion was seconded by Chief Alexander, and passed unanimously.</b></p> <p><b>Mr. Gordon moved, on behalf of SNOPAC, the approval of the JTF's list of major issues requiring a supermajority vote, adding item h) the hiring of an Executive Director. The motion was seconded by Commissioner Waugh, and passed unanimously.</b></p>	<p>SNOCOM motion passed</p> <p>SNOPAC motion passed</p> <p>SNOCOM motion passed</p> <p>SNOPAC motion passed</p>
<p><b>Finance Issues</b></p>	<p>a. <u>Rate Smoothing</u>. Mayor Colinas and Councilmember Cotton spoke on the action SNOCOM took at their previous board meeting. They recommended that a rate smoothing calculation be based upon a formula using actual numbers rather than a hypothetical assessment.</p> <p>Following discussion, there was consensus among SNOCOM Board members that they would address this topic for discussion at their next meeting.</p> <p>SNOPAC Chair Guptill stated that he thought this was more of a SNOCOM issue. For the fire districts at SNOPAC that fall into</p>	

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	<p>this category, he thought that SNOPAC could deal with them separately. He added that he felt the rate increase was being driven by a change in the formula rather than a philosophical difference.</p> <p>Chief Reading was asked a question about the potential of passing on the increase to contract cities responded that their contracts don't work that way. This increase would be strictly be for the unincorporated area that Fire District 1 serves.</p> <p>Mayor Colinas brought up the building situation and asked if there were any guarantees in writing that stated that a new building would not be needed for 10 years. Director Kurt Mills repeated a statement made last month by Chair Guptill in that there was never consideration for funding a new building out of assessments. The director then stated that a candidate for a building evaluation has been selected and negotiations will be starting. He added that there is an expected three month turn-around once the contract is signed.</p> <p>b. <u>Funding Transition Costs.</u></p> <p>Chief Smith moved on behalf of SNOPAC, to approve funding transition costs with reserves. The motion was seconded by Commissioner Waugh.</p> <p>Chief Smith withdrew his motion and agreed to table the discussion until a later meeting. Commissioner Waugh also agreed to withdraw his second.</p>	<p>SNOPAC motion withdrawn</p>
<p><b>Additional Items</b></p>	<p>Ms. Reed announced that June 20th presents a conflict with an AWC meeting that many of the board members will be attending. Chair Guptill called for a show of hands if June 19th would work. He requested that both boards be polled on this date.</p> <p>Mr. Bill Anderson, a citizen of Woodway, asked that the level of service continue with the consolidation. Ms. Reed replied that the pro forma statement assumes the service level would increase from where SNOCOM is now, with SNOPAC maintain their level of service.</p> <p>Ms. Reed asked if the JTF is authorized to continue working on the project. Director Terry Peterson said that Ms. Reed was asked to outline what the rest of the project would entail. This information will be brought back to the separate boards for consideration.</p>	
<p><b>Adjourn</b></p>	<p>SNOPAC Chair Guptill adjourned the meeting at 11:12 a.m.</p>	