

Board of Directors Members

Michael Brandstetter, City of Lakewood Councilmember
 Tim Curtis, City of Fife Councilmember
 Bruce Dammeier, Pierce County Executive
 Julie Door, City of Puyallup Councilmember
 Matt Holm, Central Pierce Fire & Rescue Commissioner
 Lillian Hunter, City of Tacoma Councilmember
 Pat McElligott, East Pierce Fire & Rescue Commissioner
 Bill Pugh, City of Sumner Mayor
 Dan Rankin, West Pierce Fire & Rescue Commissioner
 Doug Richardson, Pierce County Councilmember
 Robert Thoms, City of Tacoma Councilmember

Board of Directors Meeting

Meeting Date: August 28, 2019
Meeting Time: 9:00am
Meeting Place: Lakewood City Hall, Council Chambers

PUBLIC PARTICIPATION IN BOARD MEETINGS

Anyone may address any action item on the agenda for consideration. Rules for public comment were adopted by the Policy Board on March 28, 2012 and are available at <http://www.southsound911.org/DocumentCenter/View/341>.

Meeting Agenda is as follows:

- I. Call to Order
- II. Roll Call
- III. Public Comment
- IV. Consent Agenda
 1. Approval of Agenda
 2. Approval of Minutes of July 24, 2019 Meeting (page 2)
 3. Approval of Minutes of August 9, 2019 Special Meeting (page 6)
 4. Approval of Minutes of August 19, 2019 Special Meeting (page 9)
 5. Resolution 2019-05 Designation of agent to receive claims (page 13)
- V. Staff Updates
 1. Executive Director Briefing – Andrew Neiditz
- VI. New Business
 1. Preliminary 2020 Budget discussion (page 15)
 2. Bylaws (page 32)
 3. Code of Ethics (page 39)
- VII. Action Items
 1. Motion 2019-06 Approval of Financial Policies (page 43)
- VIII. Other Business / Announcements
- IX. Executive Session
- X. Adjournment



Board of Directors Meeting Minutes - DRAFT

Meeting Date: July 24, 2019
Meeting Time: 9:00am
Meeting Place: Lakewood City Hall, Council Chambers

I. Boardmember Doug Richardson called the meeting to order at 9:19am.

II. Roll Call -

- 1. Michael Brandstetter, City of Lakewood Councilmember present
- 2. Tim Curtis, City of Fife Councilmember present
- 3. Paul Pastor for Bruce Dammeier, Pierce County Executive present
- 4. Julie Door, City of Puyallup Councilmember present
- 5. Matt Holm, Central Pierce Fire & Rescue Commissioner present
- 6. Lillian Hunter, City of Tacoma Councilmember present
- 7. Pat McElligott, East Pierce Fire & Rescue Commissioner present
- 8. Bill Pugh, City of Sumner Mayor present
- 9. Dan Rankin, West Pierce Fire & Rescue Commissioner present
- 10. Doug Richardson, Pierce County Councilmember present
- 11. Robert Thoms, City of Tacoma Councilmember present

Boardmember Richardson welcomed two new members to the Board of Directors: Matt Holm - Central Pierce Fire & Rescue Commissioner, and Pat McElligott - East Pierce Fire & Rescue Commissioner.

III. **Consent Agenda**

- 1. Boardmember Richardson moved to approve the consent agenda as presented; there being no objections, the consent agenda passed – unanimously.

VII. **Action Items**

- 1. M2019-01 to appoint a Chair by vote of the Board of Directors to serve until February 2020
 - A motion was made (Hunter) to appoint Doug Richardson as Chair of the Board of Directors; 2nd (Door).
 - Vote held – passed unanimously.
- 2. M2019-02 to appoint a Vice-Chair by vote of the Board of Directors to serve until February 2020
 - A motion was made (Pastor) to appoint Bill Pugh as Vice-Chair of the Board of Directors; 2nd (Door).
 - Vote held – passed unanimously.
- 3. R2019-01 to establish a regular meeting schedule for the Board of Directors



- A motion was made (Pugh) to approve Resolution 2019-01 indicating the Board of Directors will hold regular monthly meetings on the fourth Wednesday of each month, commencing at 9:00am at Lakewood City Hall; 2nd (Door).
- Vote held – passed unanimously.

VIII. Staff Updates

1. Executive Director Briefing

- Chair Richardson advised that the first meeting of the Board of Directors is a significant date in South Sound 911's history and should be captured as a historical event. Executive Director Andrew Neiditz agreed.
- Executive Director Neiditz called attention to three foundational documents for the Public Authority:
 - 1) Interlocal Agreement – approved by all six legislative bodies
 - 2) The City of Tacoma Ordinance to establish the Charter of the Public Authority
 - 3) The City of Tacoma Charter – details membership and the mission/rules of the South Sound 911 Board of Directors
 Hard copies of each document were provided to Boardmembers for future reference and electronic copies are available upon request.

A. Code of Ethics

Executive Director Neiditz advised that he is reviewing sample Code of Ethics documents with General Counsel, Peter Beckwith. Boardmembers will be provided with recommendations at the August 28, 2019 Board of Directors meeting. Boardmembers were encouraged to provide comments and recommendations to Executive Director Neiditz.

B. Bylaws

Executive Director Neiditz advised that a draft of the Bylaws is prepared and Boardmembers will receive a copy prior to the August 28, 2019 Board of Directors meeting.

C. Significant documents

Executive Director Neiditz introduced several agreements (all which have been approved by Pierce County) which the Board of Directors will need to take action on.

- Long term funding agreement - This agreement continues funding from the sales tax revenue, along with a portion of the E911 excise tax (continuing the same revenue that has occurred the last six years).
- Financing agreement - Pierce County will be issuing bonds on South Sound 911's behalf to finance the PSCC. The finance agreement ensures the county's interests are being protected in terms of monitoring costs during the life of the construction project.
- Ground lease - Attached to the financing agreement as Exhibit A is the Ground Lease for the PSCC site. The Ground Lease authorizes South Sound 911 to construct and be responsible for the PSCC building. The lease acknowledges that



South Sound 911 has already paid \$2.6M of the \$2.95M purchase price and the remaining \$350K difference will be paid upon the effective date of the Ground Lease. The Ground Lease also includes South Sound 911's right to purchase the property at the conclusion of the lease in 2036. During the course of construction, the county will have a right, on a monthly basis, to review all construction documents and invoices.

- All three agreements will need to be approved before moving forward with the PSCC construction and it is being recommended the Board of Directors take action at the Special Meeting scheduled for August 9, 2019.
- Boardmember Pat McElligott asked for clarification regarding the \$350K payment.
 - i. Executive Neiditz answered the \$350K, along with the \$2.6M already paid is being referred to as "rent" in the lease, but nothing further is due once the lease is signed and the payment has been made. The transfer of land will not occur until the debt has been paid to Pierce County.
- Boardmember Michael Brandstetter noted some inconsistency between the Financing Agreement and the Ground Lease. The Ground Lease mentions "contingent rent" whereas the Finance Agreement does not. Boardmember Brandstetter recommended a legal review both documents to see if any language needs to be changed to ensure consistency and avoid any problems in the future.
- Vice-Chair Bill Pugh expressed concern over a paragraph in the Finance Agreement on page 19 of the agenda packet that states the County will deduct allocated costs from the sales tax revenue before remitting to South Sound 911. Vice-Chair Pugh requested an explanation of what those allocated costs entail and the dollar amount associated with each cost.
 - i. Executive Director Neiditz noted that his intent is to try to bring forward a specific dollar amount for those allocated costs, along with an itemized statement.
 - ii. Boardmember Julie Door concurred with Vice-Chair Pugh's concerns over the County's cost allocation.
 - iii. Boardmember Brandstetter suggested that the issue may not be a specific dollar amount, but rather agreeing on the services for which the Public Authority is going to rely on Pierce County. Boardmember Brandstetter requested the County list the calculation of the allocation based on a set menu of services. Boardmember Brandstetter advised that the Public Authority needs to know what is it that they are paying for and the cost associated with that particular service is.

D. Budget

Executive Director Neiditz advised the Board of Directors that a partial 2019 budget will need to be approved at the next meeting. The 2020 budget will be brought



forward for discussion at the August meeting, however no action will be taken until September.

E. PSCC construction contract

Executive Director Neiditz advised the PSCC construction contract will be presented at the Special Meeting and there will be a request to approve the contract. Two bids were received and are being reviewed – both came in under budget.

- i. Councilmember Lillian Hunter asked if there is an expectation when the bids come through that the contractor will use local labor. Executive Director Neiditz answered that it is not a specific requirement in the bid documents, however he expects local labor to be hired by subcontractors. Councilmember Hunter asked Executive Director Neiditz to put forth the recommendation that residents of Pierce County have first consideration for employment on the construction project.

VIII. New Business - None

IX. Action Items - None

IX. Other Business / Announcements

- Boardmember Brandstetter requested the formation of a Finance Committee be placed as an agenda item at the next meeting.
- Boardmember Brandstetter recommended that all Board of Directors ensure their PRA and OPMA training is up to date.

X. Adjournment – Chair Richardson adjourned the meeting at 10:17am.

Respectfully submitted,
Mandy Walters



Board of Directors Meeting Minutes - DRAFT

Meeting Date: August 9, 2019
Meeting Time: 9:00am
Meeting Place: Tacoma Mall Plaza, 2nd floor conference room

I. Chair Doug Richardson called the meeting to order at 9:00am.

II. Roll Call -

- | | |
|---|---------|
| 1. Michael Brandstetter, City of Lakewood Councilmember | excused |
| 2. Tim Curtis, City of Fife Councilmember | present |
| 3. Bruce Dammeier, Pierce County Executive | present |
| 4. Julie Door, City of Puyallup Councilmember | present |
| 5. Matt Holm, Central Pierce Fire & Rescue Commissioner | present |
| 6. Lillian Hunter, City of Tacoma Councilmember | present |
| 7. Pat McElligott, East Pierce Fire & Rescue Commissioner | present |
| 8. Bill Pugh, City of Sumner Mayor | present |
| 9. Dan Rankin, West Pierce Fire & Rescue Commissioner | present |
| 10. Robert Thoms, City of Tacoma Councilmember | excused |
| 11. Doug Richardson, Pierce County Councilmember | present |

III. Public Comment - None

VI. Consent Agenda

- a. A motion was made to approve the consent agenda as presented (Pugh); 2nd (Dammeier), passed – unanimously.

VII. Staff Updates

- 1. Executive Director Briefing
 - Executive Director Andrew Neiditz advised that a second special meeting will be held on August 19, 2019 to approve a construction contract that allows South Sound 911 to move forward with the PSCC project. There is a bid protest between the two qualified bidders regarding the timeliness of the bid submission. A court hearing is scheduled later this afternoon to bring resolution to the issue.
 - Both bids received by South Sound 911 are below budget. Executive Director Neiditz intends to increase the contingency within the budget from \$2M to \$5M. Even with this adjustment, South Sound 911 will not need the full \$65M bond issue and is instead anticipating a \$59M bond.
 - Executive Director Neiditz invited Board members to attend a community meeting scheduled on August 28, 2019 at 6pm. Mr. Neiditz advised that South Sound 911 has established a good relationship with the neighborhood and intends to continue the relationship with these community meetings.
 - Executive Director Neiditz called attention to a memo sent to all Board members regarding the use of local labor on the PSCC project. Mr. Neiditz advised that while



the use of local labor was not a requirement in the bid specifications, he expects there will be a willingness and eagerness of the selected contractor to utilize local labor. Mr. Neiditz understands this is an important issue to the Board of Directors and the community and it is his intent to discuss this with the contractor and report back to the Board.

Board member Tim Curtis arrived at 9:07am

- Board member Pat McElligott asked if there would be enough contingency if South Sound 911 were to request a lower bond amount.
 - Executive Director Neiditz advised the original contingency amount was \$2M and is now proposing a \$5M which would still be a part of the lower bond amount.
- Board member Lillian Hunter suggested asking the selected contractor to consider a local labor agreement for the PSCC project to ensure local labor is in fact used.
- Board member Bruce Dammeier noted that it has been a significant month for South Sound 911 and is pleased to hear the bids are under budget and the bond amount will be reduced. Board member Dammeier advised that bid protests are not uncommon and he does not believe the protest is concerning.

VIII. New Business - None

IX. Action Items

1. Motion 2019-03 to approve the Long Term Funding Interlocal Agreement between South Sound 911 and Pierce County
 - A motion was made (Pugh), 2nd (Rankin). Executive Director Neiditz reminded the Board this agreement continues the practice of remitting the 1/10th of 1% sales tax initiative that was approved in 2011, along with a portion of the E911 excise tax. Pierce County has already approved the agreement and Mr. Neiditz recommended approval.
 - Chair Doug Richardson called for a vote on the floor; passed unanimously.
2. Resolution 2019-03 to approve the PSCC Financing Agreement between South Sound 911 and Pierce County
 - A motion was made (Pugh), 2nd (Rankin). Executive Director Neiditz advised the agreement would allow Pierce County to provide financing for the PSCC up to \$65M. The agreement has been approved by Pierce County.
 - Wolf Optiz, Deputy Director of Pierce County Budget and Finance, advised the development of bond materials is on track and will enter the market on August 21, 2019.
 - Chair Richardson called for a vote on the floor; passed unanimously.
 [Clerk's note: Supermajority 66% weighted vote required. Weighted vote in the affirmative – Tacoma 29%, Pierce County 24.4%, Puyallup 6.7%, Sumner .06%, Fife .06%, Central Pierce 6.9%, West Pierce 3.6%, East Pierce for Fire Commissioners Association 8.8%. Lakewood 8.0% not present.]



3. Resolution 2019-04 to approve the PSCC Ground Lease between South Sound 911 and Pierce County
 - A motion was made (Pugh); 2nd (Rankin). Executive Director Neiditz advised the lease acknowledges that South Sound 911 will own and maintain the building, while Pierce County will own the land until the debt is paid off in 2036. The lease agreement has been approved by Pierce County. Chair Richardson advised Pierce County has a two-step process in selling land – declaring the property surplus and then ratifying the sale. The County Council has already determined the property surplus and the ratification of the sale is included in the lease agreement.
 - Chair Richardson called for a vote on the floor; passed unanimously.
 5. Motion 2019-04 to approve a Motorola contract providing 38 radio consoles and necessary communications components needed for the PSCC
 - A motion was made (Rankin); 2nd (Door). Executive Director noted the Motorola project is included in the PSCC Budget. Tim Hannah, Assistant Director of Technical Services, advised the approval of this contract is an urgent matter due to the amount of time the engineers and technicians need to complete the project. Approving the contract today also allows South Sound 911 to get cost incentives.
 - Chair Richardson asked how a single system would come into play with the new equipment. Assistant Director Hannah advised that a single system is at least two years out and this equipment is needed to begin operations at the PSCC.
 - Board member Dammeier asked if the Motorola equipment will support universal call-taking. Assistant Director Hannah answered yes, the contract is strictly in regards to the dispatch radio communication to those in the field.
 - Chair Richardson called for a vote on the floor; passed unanimously.
- X. **Other Business / Announcements**
- Executive Director Neiditz advised the Board of the South Sound 911 community meeting being held on August 28, 2019 from 6:00-7:00pm at the Tacoma-Pierce County Health Department Auditorium.
 - A Board of Directors Special Meeting will be held on August 19 from 12:15 – 1:15pm and the location is to be determined. An update will be sent out to all Board members when the location is confirmed.
 - Chair Richardson thanked all jurisdictions and entities that moved quickly to adopt the ILA and completing other documents to get into the market for bonds.
- XI. **Adjournment** - Chair Richardson adjourned the meeting at 9:30am.

Respectfully submitted,
Mandy Walters



Board of Directors Meeting Minutes - DRAFT

Meeting Date: August 19, 2019
Meeting Time: 12:15pm
Meeting Place: Lakewood City Hall, Council Chambers

I. Chair Doug Richardson called the meeting to order at 12:15pm.

II. Roll Call -

- | | |
|---|---------|
| 1. Michael Brandstetter, City of Lakewood Councilmember | present |
| 2. Tim Curtis, City of Fife Councilmember | present |
| 3. Bruce Dammeier, Pierce County Executive | present |
| 4. Julie Door, City of Puyallup Councilmember | present |
| 5. Matt Holm, Central Pierce Fire & Rescue Commissioner | present |
| 6. Lillian Hunter, City of Tacoma Councilmember | present |
| 7. Pat McElligott, East Pierce Fire & Rescue Commissioner | present |
| 8. Bill Pugh, City of Sumner Mayor | present |
| 9. Dan Rankin, West Pierce Fire & Rescue Commissioner | present |
| 10. Robert Thoms, City of Tacoma Councilmember | present |
| 11. Doug Richardson, Pierce County Councilmember | present |

III. Public Comment - None

Boardmember Julie Door arrived at 12:16pm.

IV. Consent Agenda

1. A motion was made to approve the consent agenda as presented (Pugh); 2nd (Brandstetter), passed – unanimously.

Boardmember Robert Thoms arrived at 12:18pm.

VI. Staff Updates

1. Executive Director Briefing
 - Executive Director Andrew Neiditz called attention to the PSCC project budget included in the agenda packet and noted the overall bond issue has been reduced from \$65M to \$59M, contingency has been increased to \$5M, and the budget for the 35th Street backup improvements has been increased to \$2M.
 - Executive Director Neiditz introduced two members from Kassel & Associates, Vice President Bob Lubash and Project Manager Chris Burke.



- Project Manager Burke reported that his team at Kassel & Associates is looking forward to starting the project and expressed their commitment to use local labor.
- Executive Director Neiditz acknowledged a letter he received from the Tacoma City Council and forwarded to the Board of Directors regarding concerns about utilizing local labor in a formalized way. Mr. Neiditz advised the agency is committed to using local labor and is open and willing to hear how the Board of Directors would like to proceed formalizing this commitment.
- Boardmember Robert Thoms asked what a formalized commitment would look like after the contract documents are signed since the original bid specs did not have a local labor agreement.
 - (a) Executive Director Neiditz advised a change order can be negotiated with the contractor at an additional cost. If there is a desire from the Board to ask the contractor to take on some additional tasks or processes that were not originally specified, there would be a negotiation process to discuss the additional cost and the specifics of what would be included.
- Boardmember Thoms asked if the construction would need to be delayed or if Mr. Neiditz anticipates putting a change order in place to address the local labor issue.
 - (a) Executive Director Neiditz answered that a change order would be a less expensive option rather than starting the process over with a re-bid. Mr. Neiditz indicated he is not able to speculate the cost of what the change order would be at this time.
- Boardmember Thoms asked Project Manager Burke if he has completed any projects within the last ten years that had a labor agreement.
 - (a) Project Manager Burke advised that a project that took place at Sea-Tac Airport several years ago had a labor requirement. He also indicated that state school projects require 15% of labor had to be apprenticeships.
- Boardmember Lillian Hunter advised that the intent of the Tacoma City Council letter was not to open a re-bid discussion. The intent was to make sure local labor is used since this is a tax payer project and Pierce County workers should have first priority. Boardmember Hunter suggested the contractor produce a letter of intent to act as a formal agreement to use local labor. Boardmember Hunter asked what the approximate timeline of getting an agreement in place after the construction contract was signed.
 - (a) Executive Director Neiditz answered that it would depend on the specific format that is being requested. A change order would take approximately one to one and a half weeks to discuss. A letter of intent is a less formal option that could be completed in a matter of days.



- Boardmember Hunter acknowledged and appreciates the increase to the 35th Street backup facility and is looking forward to seeing a formalized letter of intent to use local labor.
- Boardmember Tim Curtis asked for clarification in regards to what is specifically being asked from the contractor in regards to using local labor - is the Board going to ask for an effort to use local labor, a specific number, or a percentage of workers.
- Boardmember Michael Brandstetter asked about the upcoming community meeting and if the neighborhood was going to hear anything different than what was previously committed to them.
 - (a) Executive Director Neiditz advised that the agency has established a good relationship with the community and at the upcoming meeting they will get a chance to meet the contractor and hear their plans to address parking/noise concerns.

X. Action Items

1. M2019-05 Approval of PSCC Construction Contract
 - A motion was made (Pugh), 2nd (Curtis) to award the PSCC construction contract to Kassel & Associates in the amount of \$32,753,000, with a contingency of \$5,000,000 for a total project cost of \$37,753,000 plus sales tax.
 - Executive Director Neiditz advised that Kassel & Associates is the responsive low bidder. A standard AIA contract format is being used and the contractor is being asked to finish the project within 18 months of the documents being signed.
 - Boardmember Hunter brought forth a motion to include an amendment for Kassel & Associates to sign a formal letter of intent to commit to priority hiring of Pierce County labor, 2nd (Thoms).
 - Executive Director Neiditz advised that he is open to the Board of Director pursuing the confirmation of efforts that have been discussed, but indicated placing conditions on the original contract can create a legal issue.
 - Chair Richardson advised he is not inclined to support an amendment to the contract and would rather this request be presented as a separate motion.
 - Boardmember Julie Door asked for specific information that would be included in the letter of intent.
 - (a) Boardmember Thoms advised that the agency would have to speak to experts within the industry to find reasonable numbers.
 - Vice Chair Pugh noted that a PLA is a cause for concern as it is an agreement that the City of Tacoma has yet to use on a construction project. Vice Chair Pugh noted that amending the contract in terms of intent and prioritizing the workforce could have legal implications.
 - Boardmember Pat McElligott advised that Boardmember Hunter's motion may facilitate a better discussion once the construction contract is approved.



- Boardmember Hunter withdrew her motion for an amendment to the construction contract.
- Chair Richardson noted there were no objections and withdrew the motion.
- Chair Richardson called for a vote on the floor on the approval of the PSCC construction contract. Ayes (9), Nays (2 – Hunter, Thoms). Motion passed per majority vote.

X. Other Business / Announcements

- A motion was made (Hunter), 2nd (Thoms) to ask the Executive Director to get a letter of intent from Kassel & Associates stating that Pierce County residents will get priority hiring.
- Boardmember Brandstetter objected to the motion as Special Meetings do not allow for walk-on motions.
- Chair Richardson confirmed and ruled the motion is not in compliance with Robert's Rules. Chair Richardson requested the discussion of a letter of intent be placed in "other business" on the agenda at the next regularly scheduled meeting.
- Boardmember Hunter withdrew her motion for a letter of intent.
- Chair Richardson noted there were no objections and withdrew the motion.
- Boardmember Bruce Dammeier recommended a broad discussion at the next meeting regarding the commitment to get local labor working on the PSCC project.
- Chair Richardson expressed his concern regarding discussions about a change order to the contract on the day the contract is being executed and is not in favor of pursuing a change order.

XI. Adjournment - Chair Richardson adjourned the meeting at 1:00pm.

Respectfully submitted,
Mandy Walters

REQUEST FOR POLICY BOARD ACTION

Date action is requested: 8/28/2019

Title: Resolution 2019-05 Designation of Agent to Receive Claims

Attachments: Resolution

Type of action: Resolution

SUBMITTED BY: Andrew E. Neiditz, Executive Director

RECOMMENDATION: It is recommended that the Board of Directors pass the resolution to designate the South Sound 911 Clerk of the Board to receive claims on behalf of the agency in compliance with RCW 4.96.020.

BACKGROUND: RCW 4.96.020 requires local governmental entities to designate an agent to receive any claims for damages.

ALTERNATIVES: No practical alternatives exist.

FINANCIAL IMPACT: None.

Executive Director Review



RESOLUTION NO. 2019-05

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH SOUND 911, A PUBLIC AUTHORITY, DESIGNATING AN AGENT TO RECEIVE CLAIMS FOR DAMAGES

WHEREAS, RCW 4.96.020 requires local governmental entities to designate an agent to receive any claim for damages; and

WHEREAS, the South Sound 911 Clerk of the Board is an appropriate agent to receive such claims;

NOW, THEREFORE BE IT RESOLVED THAT THE POLICY BOARD OF SOUTH SOUND 911 DOES HEREBY ADOPT THE FOLLOWING RESOLUTION:

Section 1: The South Sound 911 Clerk of the Board is designated as the agent to receive any claims against South Sound 911.

Section 2: The Executive Director shall record such designation with the Pierce County Auditor and will develop and make available to the public appropriate procedures and forms for this purpose.

Section 3: This resolution shall take effect and be in full force from and after its passage.

ADOPTED by the Board of Directors of South Sound 911, Pierce County, Washington.

DATED and SIGNED this _____ day of _____ 2019

SOUTH SOUND 911

BOARD OF DIRECTORS CHAIR

ATTEST:

Clerk of the Board

APPROVED AS TO FORM:

Legal Advisor



2020 PRELIMINARY BUDGET

BOARD OF DIRECTORS AUGUST 28, 2019

2020 Preliminary Budget Discussion

- Operational Assumptions/Highlights
- Revenues
- Operational Expenditures
 - Administration
 - Technical Services
 - Communications
 - LE Support Services
- Non-Operating Funds
- 2020 Cost Allocation
 - Fire Summary
 - LE Summary
- Long-Term Financial Projections

Assumptions/Highlights – 2020 Preliminary Budget

- Tax Revenues increase by 2.9% from 2019 estimates (Pierce County estimate)
- E911 Excise Tax Distribution
 - Continuation of \$0.20 tax of \$2,398,560 – original allocation to South Sound 911
 - Increase of \$309,930 (16%) to the current \$1,900,650 PSAP Distribution to \$2,210,580
 - Total revenue from E911 Excise Tax is \$4.6M in 2020
- Full-Time Equivalents (FTEs) – total increase of 4.0 FTEs
 - Add 2 LE Comm Supervisors (staffing to 9 FTEs – one for QA/QI)
 - Add 5 Information Specialists (Permitting/Data Channel)
 - Eliminate 3 Technical Services positions
- Personnel Benefit Adjustments:
 - Estimated increase of 2%-3% in Medical premiums; 0%-9% in Dental premiums and 0% in Vision premiums
- Debt Service
 - \$5.7M for 2012 and 2013 Radio Bonds
 - \$3.2M for 2019 PSCC Bonds (annual payment from 2021 to 2036 is \$4.2M)
- Facility Reserve Fund
 - 2020 Budget assumes use of \$3M from \$7.3M balance

2020 Preliminary Budget – Financial Policies

The Finance Committee recommended financial policies that have the following effects on the proposed 2020 Preliminary Budget:

- Addition of General Operating Fund Contingency of \$750,000
 - Approximately 2% of Operations
 - Use of Contingency will be reported to the Board of Directors

- Adoption of General Operating Fund unrestricted budgetary fund balance at 15% of operating expenditures

- Creation of Strategic Reserve Fund of \$1.5M
 - Spending will require approval of Board of Directors
 - Use of funds requires a financial plan to bring the fund balance back to \$1.5M within two years

Revenues – 2020 Preliminary Budget

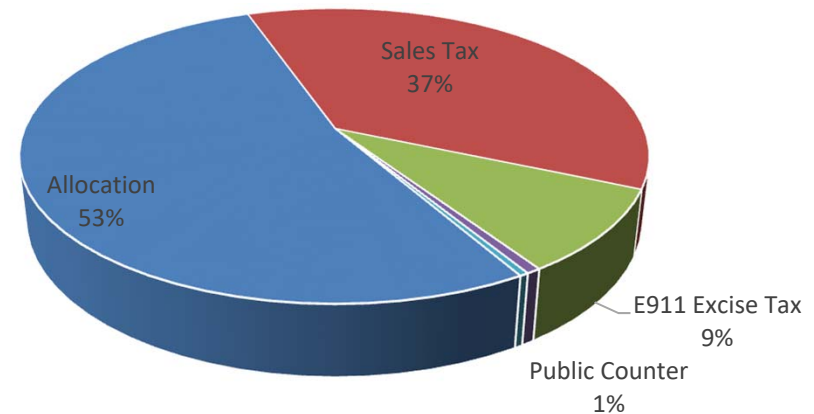
Major Revenue Sources

- Sales Tax - \$18.5M
- E911 Excise Tax - \$4.6M
- Allocation \$26.2M

Allocation Revenue by PSAP

- Fire Communications - \$3.5M
- Law Enforcement Communications - \$15M
- LE Support Services - \$4.8M
- Tacoma Fire Communications - \$2.9M
 - TFD Exp.: \$3.5M
 - Oper. Offset/E911 Dist.: \$651,620

2020 Budgeted Revenues



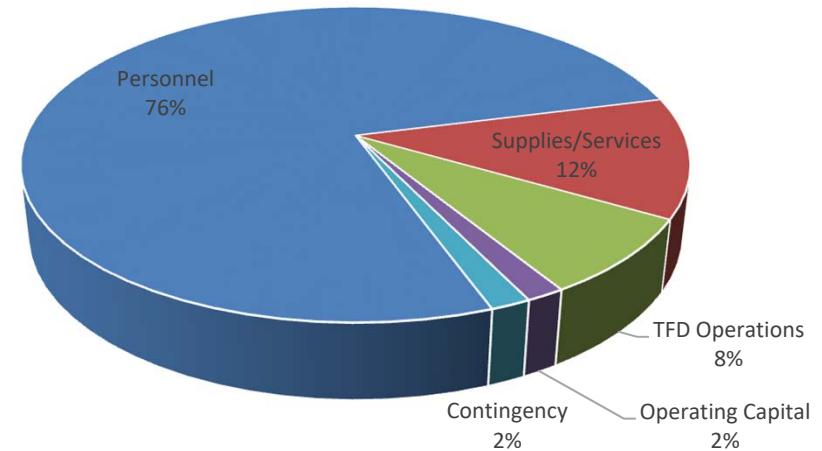
	2017 Actual	2018 Actual	2019 Budget	2019 Revised	2020 Budget
Allocation	23,644,371	23,418,384	26,121,750	26,121,750	26,253,260
Sales Tax	16,459,638	17,980,597	17,032,810	18,019,000	18,540,000
E911 Excise Tax	4,216,073	4,250,526	4,287,990	4,287,990	4,609,140
Public Counter	401,161	426,937	268,500	318,500	318,500
Other	166,372	297,682	75,000	275,000	200,000
Total	44,887,614	46,374,126	47,786,050	49,022,240	49,920,900

Expenditures – 2020 Preliminary Budget

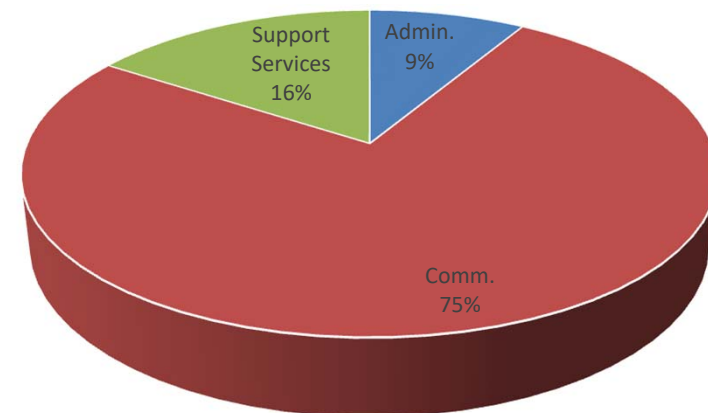
Operating Expenditures – Assumptions

- 4 additional FTEs
 - 2 LE Comm Supervisors
 - 5 Information Specialists
 - Eliminate 3 Technical Services positions
- Overtime
 - LE Comm \$1.4M (\$2.4M 2019 est.)
 - Fire Comm \$350K (\$352K 2019 est.)
 - Records \$463K (\$854K 2019 est.)
- TFD Expenditures are informational only
- Addition of Operating Fund Contingency

2020 Operating Expenditures by Use



2020 Operating Expenditures by Division



Expenditures – 2020 Preliminary Budget



SOUTH SOUND  911

Operating Departments in 2020

- Administration
 - Admin/Finance
 - Community Relations
 - Executive
 - Facilities Maintenance (new in mid-2019)
 - Human Resources
 - Legislative
 - Contingency (new)
- Communications
 - CAD (formerly part of Comm Systems)
 - Fire Communication
 - LE Communications
 - LE Data Channel
 - TFD Communications (informational only)
- LE Support Services (formerly Information Services)
 - Disclosure (formerly part of LE Comm and Records)
 - Network Operations (formerly part of Comm Systems)
 - RMS (formerly part of IS)
 - Support Center

Administration – 2020 Preliminary Budget

Budget Goals/Objectives:

- Addition of Project Coordinator in 2019 (replaces Admin Program Manager)
- Coordination of PIO/Outreach Committee
- Development of Facilities Maintenance Plan

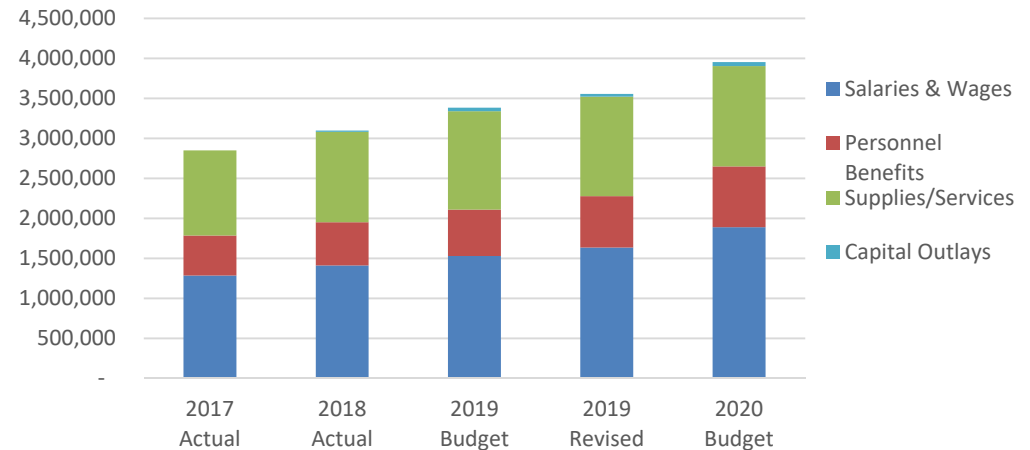
Justification:

- Salaries/Benefits:
 - Addition of Admin Clerk in 2019 (replaces Public Records Officer from LE Comm)
 - Allocate .25 FTE Asst. Mgr. – IS and .15 FTE Receptionist
 - Addition of Facilities Maintenance Tech mid-2019
 - Funding for Special Assignments in Community Relations and HR
- Capital: \$60K for Vehicle



	2017 Actual	2018 Actual	2019 Budget	2019 Revised	2020 Budget	
Salaries & Wages	1,284,269	1,411,829	1,529,910	1,634,700	1,878,990	22.8%
Personnel Benefits	500,793	539,498	579,770	641,550	756,240	30.4%
Supplies/Services	1,063,749	1,131,245	1,230,940	1,244,880	1,270,050	3.2%
Capital Outlays	-	14,851	44,000	34,000	70,000	59.1%
Total	2,848,811	3,097,423	3,384,620	3,555,130	3,975,280	17.5%

Administration



FTEs	2017 Actual	2018 Actual	2019 Budget	2019 Revised	2020 Budget	Change
Admin/Finance	5.0	5.0	5.0	6.0	6.4	1.4
Community Relations	1.0	1.0	1.0	1.0	1.0	-
Executive	2.0	2.0	2.0	2.0	2.0	-
Facilities Maintenance	-	-	-	1.0	1.0	1.0
Human Resources	4.0	5.0	5.0	5.0	5.0	-
Legislative	-	-	-	-	-	-
Total	12.0	13.0	13.0	15.0	15.4	2.4

Technical Services – 2020 Preliminary Budget

Budget Goals/Objectives:

- Begin implementation of RMS software as recommended by LE RMS Working Group
- Develop comprehensive replacement plan for network infrastructure equipment
- Decommission radio sites supporting legacy fire radio system

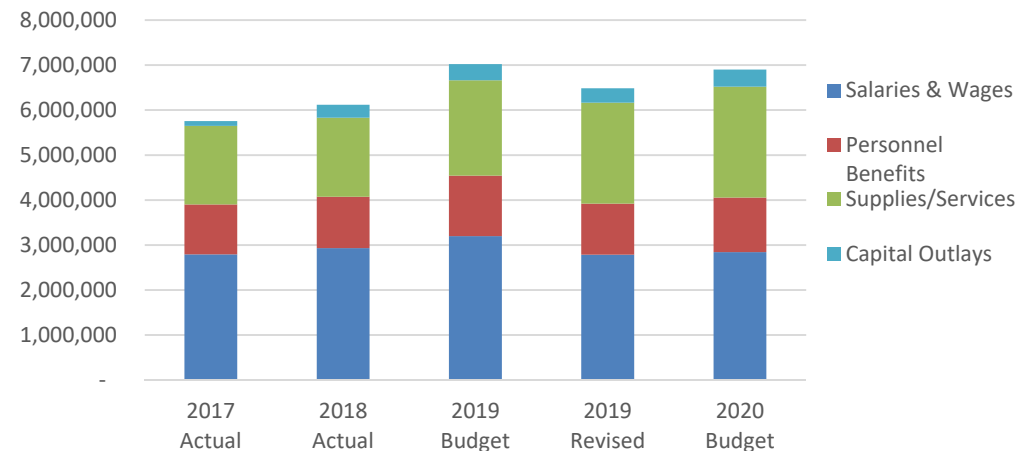
Justification:

- Salaries/Benefits: Reduction of 5.0 FTEs
 - Transition Asst. Director IS to Records (.75) and Admin (.25)
 - Transition Intelligence Analyst to Crime Analysis
 - Eliminate 3 positions (2 developers; 1 Support Center Manager)



	2017 Actual	2018 Actual	2019 Budget	2019 Revised	2020 Budget	
Salaries & Wages	2,791,665	2,933,779	3,200,250	2,786,020	2,827,210	-11.7%
Personnel Benefits	1,112,473	1,139,588	1,341,680	1,134,050	1,208,100	-10.0%
Supplies/Services	1,743,975	1,758,430	2,120,850	2,242,230	2,451,940	15.6%
Capital Outlays	106,175	288,114	360,000	323,000	380,000	5.6%
Total	5,754,289	6,119,911	7,022,780	6,485,300	6,867,250	-2.2%

Technical Services



FTEs	2017 Actual	2018 Actual	2019 Budget	2019 Revised	2020 Budget	Change
CAD	-	-	-	-	3.15	3.15
Network Operations	-	-	-	-	5.2	5.2
RMS	-	-	-	-	10.4	10.4
Support Center	-	-	7.0	6.0	6.25	(0.75)
Comm Systems	8.0	8.0	8.0	8.0	-	(8.0)
Information Services	23.0	23.0	15.0	13.0	-	(15.0)
Total	31.0	31.0	30.0	27.0	25.0	(5.0)

Communications – 2020 Preliminary Budget

Budget Goals/Objectives:

- Increase Professional Development/Training for staff
- Improve QA/QI processes

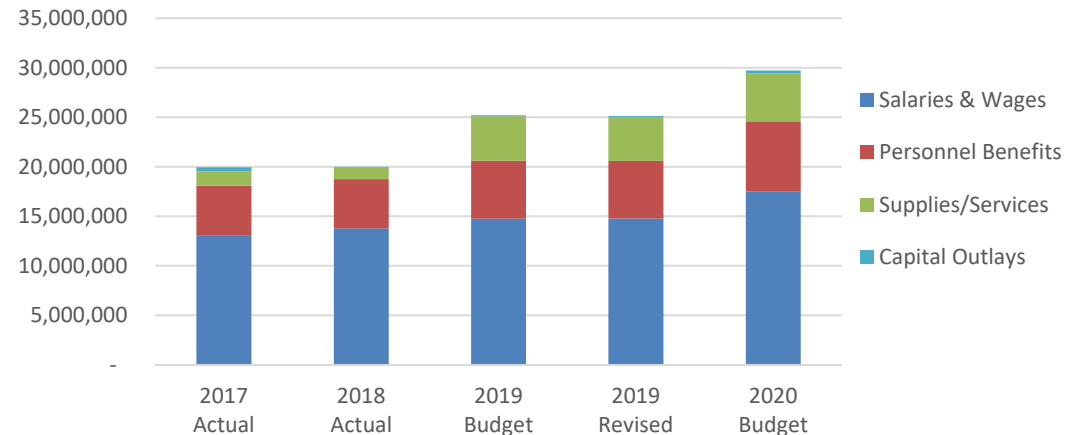
Justification:

- Salaries/Benefits:
 - Transition Data Channel from Records to Communications Division (26.0 FTEs)
 - Move 2 LE Comm Analysts to Disclosure; Transition Public Records Officer to Admin Clerk
 - Add 2 LE Comm Supervisors
 - \$1.2M Contingency for Overhire
- Capital:
 - Transition EMD to Digital Platform (\$200K in 2020)
 - S. 35th Street Parking Improvements and HVAC Replacement



	2017 Actual	2018 Actual	2019 Budget	2019 Revised	2020 Budget	
Salaries & Wages	13,095,171	13,766,946	14,750,460	14,768,290	17,420,820	18.1%
Personnel Benefits	4,997,875	4,988,301	5,859,880	5,814,770	7,046,510	20.3%
Supplies/Services	1,440,688	1,181,036	4,487,850	4,396,240	4,983,080	11.0%
Capital Outlays	406,986	65,431	100,000	135,000	291,000	191.0%
Total	19,940,719	20,001,714	25,198,190	25,114,300	29,741,410	18.0%

Communications



FTEs	2017 Actual	2018 Actual	2019 Budget	2019 Revised	2020 Budget	Change
Fire Communications	27.75	27.75	28.00	27.75	27.50	(0.50)
LE Communications	120.75	120.75	120.75	120.75	119.75	(1.00)
LE Data Channel	-	-	-	-	26.0	26.00
TFD Communications	-	-	-	-	-	-
Total	148.5	148.5	148.75	148.5	173.25	24.5

LE Support Services – 2020 Preliminary Budget

Budget Goals/Objectives:

- Implement Reorganization of Records
- Review LE Support Services and Cost Allocation plan

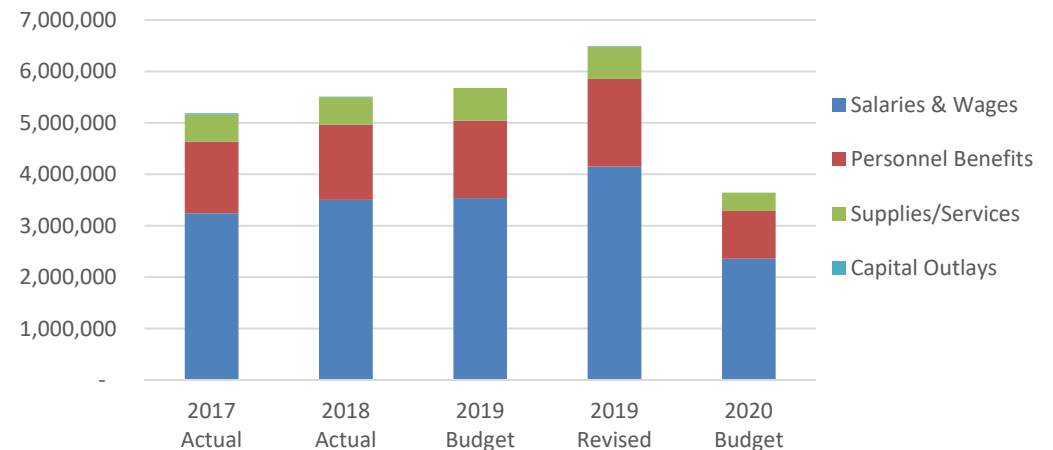
Justification:

- Salaries/Benefits:
 - Transition of Data Channel to Communications (26.0 FTEs)
 - Addition of 4 FTEs for Records/Permitting
- Supplies/Services:
 - Chair Replacement for Data Channel
 - Transition of GovQA software maintenance from Admin to Disclosure



	2017 Actual	2018 Actual	2019 Budget	2019 Revised	2020 Budget	
Salaries & Wages	3,241,500	3,502,668	3,537,580	4,149,980	2,345,860	-33.7%
Personnel Benefits	1,391,364	1,462,171	1,505,060	1,705,960	924,140	-38.6%
Supplies/Services	528,449	536,011	635,310	628,660	353,910	-44.3%
Capital Outlays	24,955	8,851	-	6,650	-	
Total	5,186,268	5,509,702	5,677,950	6,491,250	3,623,910	-36.2%

LE Support Services



FTEs	2017 Actual	2018 Actual	2019 Budget	2019 Revised	2020 Budget	Change
Crime Analysis	-	-	-	-	1.0	1.0
Disclosure	-	-	-	-	3.4	3.4
Records/Permitting	-	-	-	-	18.45	18.45
Records/Data Channel	40.25	40.25	40.25	40.25	-	(40.25)
	40.25	40.25	40.25	40.25	22.85	(17.4)

Non-Operating Funds – 2020 Budget

- Radio System Fund
 - Debt Service on 2012 and 2013 Bonds of \$5,687,500
 - \$1.1M for Public Safety Radio User Fee Support: Subject to LOU between parties by end of 2019 (CCN, City of Tacoma, City of Puyallup and SS911)
- Radio System Maintenance
 - Commitment to Support VHF Overlay (managed by CCN) - \$200,000
- Facility Capital Project Fund
 - Continuation of PSCC Construction (2019 Budget)
 - Debt Service of \$3,202,150 for 2019 Bonds (\$4.2M annual payment 2021 thru 2036)
- Facility Reserve Fund
 - Transfer of \$3M for 2019 Bond payment
 - Balance remaining of \$4.3M at the end of 2020 for future debt service
- Strategic Reserve Fund – New in 2020
 - Balance of \$1.5M to be retained for emergency purposes
 - Spending must be authorized by Board of Directors

BUDGET SUMMARY 2020

	General Operating Fund				Strategic Reserve	Facility Reserve	Radio Systems	Capital Projects	Total All Funds
	Admin.	Comm.	Support Services	Total General Fund					
Revenues:									
Allocation	-	21,446,610	4,806,650	26,253,260					26,253,260
Taxes	-	20,938,560	-	20,938,560					20,938,560
Licenses & Permits	-	-	250,000	250,000					250,000
Intergovernmental	-	2,210,580	-	2,210,580					2,210,580
Charges for Services	-	-	68,500	68,500					68,500
Interest/Misc.	200,000	-	-	200,000					200,000
Total Revenues	200,000	44,595,750	5,125,150	49,920,900	-	-	-	-	49,920,900
Expenditures:									
Salaries & Wages	1,878,990	17,786,290	4,807,600	24,472,880					24,472,880
Personnel Benefits	756,240	7,197,660	1,981,090	9,934,990					9,934,990
Supplies	99,440	207,650	144,290	451,380					451,380
Services & Pass-Thru Pmts.	1,170,610	6,017,090	1,419,900	8,607,600			1,300,000		9,907,600
Total Operations	3,905,280	31,208,690	8,352,880	43,466,850	-	-	1,300,000	-	44,766,850
Capital Outlay	70,000	441,000	230,000	741,000					741,000
Debt Service	-	8,889,650	-	8,889,650					8,889,650
Contingency	750,000	-	-	750,000					750,000
Total Expenditures	4,725,280	40,539,340	8,582,880	53,847,500	-	-	1,300,000	-	55,147,500
Other Sources (Uses):									
Transfers In	-	3,000,000	-	3,000,000	1,500,000	-	1,300,000		5,800,000
Transfers Out	-	(2,800,000)	-	(2,800,000)		(3,000,000)			(5,800,000)
Total Other Financing	-	200,000	-	200,000	1,500,000	(3,000,000)	1,300,000	-	-
Change in Fund Balance	(4,525,280)	4,256,410	(3,457,730)	(3,726,600)	1,500,000	(3,000,000)	-	-	(5,226,600)
Beginning Fund Balance				9,987,770	-	7,300,000	-	-	17,287,770
Ending Fund Balance	(4,525,280)	4,256,410	(3,457,730)	6,261,170	1,500,000	4,300,000	-	-	12,061,170

2020 Preliminary Budget – Cost Allocation

- 2020 Fire Communications Allocation:
 - 70% CFS and 30% Assessed Value as adopted by Cost Allocation Working Group in 2018
 - CAD Data used for allocation will be based on a three-year average (2 years available for 2020 Budget)
 - Agencies with fewer than 100 calls for service (annual average) will be assessed a flat rate of \$1,050
 - Agencies with fewer than 200 calls for service (annual average) will be assessed a flat rate of \$2,100
 - Flat rate assessments increased by 5%
 - Annual increases limited to 7.5% and decreases limited to 4.0%

2020 Preliminary Budget – Cost Allocation

- 2020 LE Communications Allocation:
 - 85% CFS and 15% Population as adopted by Cost Allocation Working Group in 2018
 - CFS defined as:
 - Any activity generating a CAD event exclusive of:
 - Off Duty Logins
 - Medical Aid calls where LE is not dispatched
 - All field events (including traffic stops, suspicious person stops, etc.) weighted at 50%
 - Field events were weighted at 10% for 2019 and will increase to 20% for 2020
 - CAD events will be attributed to the agency for which the closing officer (the officer who enters the final disposition) is employed
 - CAD Data used for allocation will be based on a three-year average (2 years available for 2020 Budget)
 - Annual increases limited to 7.5% and decreases limited to 4.0%
- 2020 LE Support Services Allocation: Commissioned Officers and/or Population

MEMORANDUM

DATE: August 20, 2019
TO: Board of Directors
FROM: Executive Director Andrew Neiditz
RE: Bylaws and Code of Ethics

At the August 28, 2019 meeting the following documents will be discussed:

Bylaws

The South Sound 911 Charter authorizes the adoption of bylaws to provide additional rules for governing the agency and its activities. A significant portion of the proposed bylaws comes directly from the Charter. Some additional language of note is as follows:

Art. III Section 1 Governing Board.

Language has been added at the request of the cities of Fife, Sumner and Bonney Lake for how the 5th, 6th and 7th largest communications assessment agencies will rotate through their two seats.

Art. III Section 4 Representation and Communication

Language has been added to acknowledge that the Board Members representing the 5th, 6th and 7th largest assessment along with the Board Member appointed by PCFCA will represent their respective disciplines' smaller agencies as well.

Art. III Section 6 Annual Disclosure

Language has been added requiring Board Members to annually disclose that they are aware of the ethics code as required by the Charter and are in compliance with state required PRA and OPMA trainings.

Art. III Section 7 Finance Committee

Language has been added creating a finance committee

Art. III Section 8 Operations Committee

Language has been added creating an operations committee. The structure came out of the Interlocal Executive Group.

Art. IV Section 5 Public Comment

Language is from the public comment policy adopted by the Policy Board.

Art. IV Section 8 Voting

Language has been added that addresses supermajority split voting between two board members representing one agency (Tacoma/Pierce County). In that instance, each Board Member receives one half of the weighted vote of their agency.

Art. V Section 1 Executive Director

Language has been added regarding the authority of the Executive Director.

Art. V Section 2 Budget

Language has been added regarding the budget process.

Code of Ethics

The Charter requires the Board to adopt a Code of Ethics policy. The proposed policy applies to both Board Members and employees and addresses prohibited use of agency position/equipment for personal gain; conflict of interests; acceptance of gifts; and campaign activities. The policy also authorizes the establishment of a Board of Ethics to investigate alleged violations by Board Members. Alleged violations by employees will follow the agency's personnel policies.

Action on the above documents is anticipated for the September 25, 2019, meeting.

SOUTH SOUND 911 PUBLIC AUTHORITY GOVERNING BOARD

BYLAWS

ARTICLE 1

Name and Authority

The name of this corporation shall be the “SOUTH SOUND 911 PUBLIC AUTHORITY”, d/b/a/ “South Sound 911”.

South Sound 911 is a public corporation organized pursuant to Ordinance No. 28595 of the City of Tacoma, Washington adopted on July 9, 2019, as existing or as hereinafter amended (the “Enabling Ordinance”), that approved the Charter of South Sound 911 Public Authority (“Charter”), pursuant to the Revised Code of Washington (“RCW”) 35.21.730 through 35.21.755.

These Bylaws and Rules of Procedures are adopted pursuant to Article X of the Charter. In any inconsistencies between the Bylaws and Rules of Procedure and the Charter, the Charter shall prevail.

ARTICLE II

Purpose and Duties

South Sound 911 is authorized to provide the following services:

1. Communication services (“Communication Services”), including 24-hour dispatch for law enforcement and fire agencies, radio system operations, and other communication services as approved by the Board.
2. Agency support services (“Support Services”), including law enforcement records, firearm licensing, fingerprinting, and any other agency support services approved by the Board.

ARTICLE III

Organization

SECTION 1: Governing Board (Board of Directors)

The management of all South Sound 911 affairs shall reside in the Governing Board (the “Board”). The Board shall be comprised of 11 members appointed as follows:

Relative size of most recent approved Communications Assessment	# of Board Seats	Appointing Authority
As among City and County Contract Agencies		

1 st largest communications assessment	2	City or County Council
2 nd Largest communications assessment	2	City or County Council
3 rd largest communications assessment	1	City or County Council
4 th largest communication assessment	1	City or County Council
5 th , 6 th and 7 th largest communications assessments	2	City Councils of the three jurisdictions
As among Fire District Contract Agencies		
1 st largest communications assessments	1	Board of Fire Commissioners
2 nd largest communications assessment	1	Board of Fire Commissioners
All Fire District Contract Agencies with small communications assessments	1	Pierce County Fire Commissioners Association Board

The 5th, 6th, and 7th largest communications assessment agencies shall select their two seats on a rotational basis as follows:

First term: initial 5th and 6th largest communications assessment agencies shall each appoint one member.

Second term: initial 6th and 7th largest communications assessment agencies shall each appoint one member.

Third term: initial 7th and 5th largest communications assessment agencies shall each appoint one member.

Subsequent terms shall continue this rotation with each agency having two terms on, then one term off. If an agency moves out of the 5th-7th positions, the new agency will step into its place in the rotation.

SECTION 2: Tenure of Board Members

Board Members shall be appointed for three-year terms. There shall be no restriction on Board Members serving successive terms.

SECTION 3: Officers

Each February the Board shall elect from among themselves the following officers: Chairperson, and Vice Chairperson. The Chairperson and the Vice Chairperson may not be the same person. The term of any officer shall expire at such time as such officer's membership on the Board ceases or terminates, or at such sooner time as the term of office expires and the office has been filled by appointment or reappointment.

a. Chairperson

The Chairperson shall preside at all meetings of the Board, in which they are present and shall have the duties normally conferred by parliamentary usage of such office. The Chairperson shall have the authority to:

1. Appoint persons to ad hoc committees and generally perform other duties as may be prescribed in these Bylaws and Rules of Procedure.
2. Sign, on behalf of the Board, those documents that require such signature.
3. Call regular and special meetings of the Board.

b. Vice Chairperson

The Vice Chairperson shall work in close cooperation with the Chairperson and shall perform such duties as the Board shall assign. In the absence or incapacity of the Chairperson, the Vice Chairperson shall be vested with all powers and perform all the duties of the office of the Chairperson.

SECTION 4: Representation and Communication

All Board Members serve in the public interest as representatives of their respective agencies. Each member's mission is to serve the public and specifically the agencies they represent by keeping their agency informed of Board activities. Members representing the 5th, 6th or 7th largest city/county communications assessment and the Member appointed by the Pierce County Fire Commissioners Association shall also represent contract agencies with smaller communication assessments as appropriate.

SECTION 5: Code of Ethics

Board Members shall conduct themselves in accordance with all applicable laws, including but not limited to, chapter 42.23 RCW (the Code of Ethics for Municipal Officers) and policies of South Sound 911.

SECTION 6: Annual Disclosure Statement

Annually each Board Member shall sign a disclosure statement that the member:

1. Received a copy of the South Sound 911 code of ethics policy, has read and understands the policy, and agrees to comply with the policy;
2. Received Public Records Act training in compliance with RCW 42.56.150; and
3. Received Open Public Meetings Act training in compliance with RCW 42.30.205.

SECTION 7: Finance Committee

1. **Scope of Authority.** A Finance Committee is established to advise the Governing Board and the Executive Director on any matters related to South Sound 911 finances.

2. Appointment. The Governing Board shall appoint up to four of its members to serve on the Finance Committee.
3. Rules of Procedure: The Committee may adopt its own rules of procedure.

SECTION 8: Operations Committee

1. Scope of Authority. An Operations Committee is established to advise the Governing Board and the Executive Director on any matters related to South Sound 911 operations.
2. Selection: Each entity represented on the Governing Board shall appoint an equal number of Operations Committee members as it has seats on the Board. The Executive Director may appoint, subject to Board confirmation, up to 8 additional members.
3. Eligibility: Any police or fire chief, or an individual directly reporting to a police or fire chief, from a contract agency is eligible to be a member. For so long as the County has two Board Members, one of the members must be a law enforcement official primarily responsible for providing sheriff services in a city contracting with the County for such services.
4. Alternates: Operations Committee members are authorized to designate an alternate from time to time who may attend in their absence.
5. Term: There are no terms. Operations Committee members serve until replaced or no longer qualified to serve (for example, due to retirement, leaving employment of their appointing agency or their appointing agency is no longer on the Board).
6. Rules of Procedure: The Committee may adopt its own rules of procedure.

ARTICLE IV Meetings

SECTION 1: Regular Meetings

A schedule of regular meetings shall be approved by resolution. Regular meetings are currently held on the fourth Wednesday of each month, commencing at 9:00 a.m. at Lakewood City Hall.

SECTION 2: Special Meetings

Special meetings may be called by the Chairperson or by a majority vote of the members. Notice shall be sent to all members at least five (5) working days prior to any special meeting and shall specify the purpose of such a meeting. Public notice of special meeting will be given pursuant to RCW 42.30.080, the Open Public Meetings Act.

SECTION 3: Quorum

At all meetings of the Board, a quorum of the Board must be in attendance in order to do business on any issue. A quorum shall be defined as a majority of the Board members in number, excluding any Board member whose voting rights have been suspended due to delinquency in payment of

assessments, or who has given notice of withdrawal or has been terminated as a member by vote of the Board.

SECTION 4: Open Public Meetings

All Board meetings, including committee meetings, shall be open to the public to the extent required by chapter 42.30 RCW. The Board and committees may hold executive sessions to consider matters enumerated in chapter 42.30 RCW or matters as authorized by law.

SECTION 5: Public Comment

1. The Public Comment period is reserved for public testimony on items on the agenda. Comments on items not on the agenda may be allowed by the Chairperson, if time allows.
2. Comments will be limited to three minutes, unless otherwise announced by the Chairperson. In the event of a significant number of public comments, the Chairperson reserves the right to limit all persons' comments to an equal period of less than three minutes.
3. Speakers may address the Board once during the Public Comment period.
4. Public comment sign-up forms will be made available.
5. The Chairperson will begin the Public Comment period by calling names of those who have signed up. Those wishing to speak who did not place their name on the sign-up form may approach the podium following those that signed in.
6. Those wishing to speak should identify themselves and the topic(s) on the agenda they will address for the public record.
7. All remarks shall be addressed to the Board as a whole and not to individuals, staff or the public.
8. The Public Comment period may not be used to promote or oppose any candidate for public office.
9. The Public Comment period may not be used for advertising.
10. All speakers shall be courteous in their language and demeanor.
11. Speakers who disrupt the orderly conduct of any Board meeting or fail to comply with the rules governing public participation in Board meetings may forfeit their right to address the Board and may be removed from the meeting at the discretion of the Chairperson.

SECTION 6: Parliamentary Procedure

The rules in the current edition of Robert's Rules of Order Newly Revised, 11th Edition, shall govern the meetings in all cases to which they are applicable, where they are not inconsistent with the Charter or Bylaws.

SECTION 7: Telephonic Participation

Board Members may participate in a regular or special meeting through the use of any means of communication by which all Board Members and members of the public participating in such

meeting can hear each other during the meeting, as determined by the Chairperson. Any Board Member participating in a meeting by such means is deemed to be present in person at the meeting for all purposes including, but not limited to, establishing a quorum.

SECTION 8: Voting

Voting shall ordinarily be by voice vote, but a roll call vote may be conducted if requested by the Chairperson or any other Board Member. The Chairperson and Vice Chairperson shall have full voting rights and may make motions like any other member of the Governing Board. In a supermajority vote where there is a split vote between two board members representing one agency, each Board Member will vote one half of the weighted vote of the agency represented.

ARTICLE V Administration

SECTION 1: Executive Director

The Governing Board may appoint, designate, employ and remove an Executive Director of South Sound 911. The Director shall be responsible to the Board for the administration of the affairs of South Sound 911.

The Director is authorized to:

1. Supervise and be responsible for the effective management of the administrative affairs of South Sound 911;
2. Sign documents and contracts on behalf of South Sound 911;
3. Prepare and present a proposed budget;
4. Employ, supervise and terminate employees;
5. Approve and administer personnel policies and procedures; and
6. Perform such other duties as assigned by the Board.

SECTION 2: Budget

1. The Executive Director, in consultation with the Board, shall annually present a proposed budget for Board consideration. The proposed budget shall include programs and objectives, estimated revenues and expenditures, any changes in the calculation of fees or assessments, and the required financial participation for each contract agency for the following year.
2. The budget process shall include a process for public participation, or a public hearing on the budget, prior to final adoption.
3. The Board shall adopt the final annual budget, including Assessments and Fees, and submit to the contract agencies by September 30.
4. Each contract agency shall pay its assessment in four equal installments payable within 20 days from the beginning of the quarter or in other installments as agreed to in writing.

ARTICLE VI

Amendments

Any Board Member may propose an amendment to the Bylaws (which may consist of a new set of Bylaws) at any meeting (regular or special) of which thirty (30) days' advance notice has been given to each Board Member. Notice of any proposed amendment shall include the text of the amendment presented in a format with strikes over material to be deleted and underline under new material and shall be accompanied by a statement of its purpose and effect. If notice of a proposed amendment to the Bylaws is given, and information including the text of the proposed amendment and a statement of its purpose and effect, then the Board may vote on the proposed amendment at the same meeting as the one at which the amendment is introduced. If such notice and information is not so provided, the Board may not vote on the proposed amendment until the next regular Board meeting or special meeting of which thirty (30) days' advance notice has been given. Germane amendments to the proposed amendment within the scope of the original amendment will be permitted at the meeting at which the vote is taken. Approval shall require a supermajority vote pursuant to the Charter.

South Sound 911 Code of Ethics

Section 1 – Policy

South Sound 911 is committed to conducting its business in a fair, open, efficient and accountable manner. Public Officials and Employees shall conduct their public and private actions and financial dealings in a manner that shall present no apparent or actual conflict of interest between the public trust and that private interest. Each Public Official and Employee is assumed and expected to act in accordance with all laws and codes of ethics that may apply to his or her position, as well as striving to avoid even an appearance of impropriety in the conduct of his or her office or business. Each Public Official and Employee should be informed of this Code of Ethics and meet its requirements. This Code of Ethics is supplemental to RCW 42.23, as now or hereafter amended.

Section 2 – Definitions

Throughout this Code of Ethics, the following definitions shall apply.

2.1 Public Official

For the purposes of this Code of Ethics only, “Public Official” includes Governing Board Members, as well as members of Commissions, Committees, or other multi-member bodies appointed by the Governing Board.

2.2 Family

Spouse, parent, child, sibling, aunt, uncle, niece, nephew, cousin, grandchild, grandparent or any parent-in-law, son- or daughter-in-law, or brother- or sister-in-law.

2.3 Financial Interest

a. Existence – A financial interest may be deemed to exist in any of the following situations:

- (1) A creditor, debtor or ownership interest in any corporation, partnership, joint venture or other entity (including without limitation, ownership evidenced by stock purchase) in an amount or value to or greater than a one percent (1%) interest in any such entity, or
- (2) Any paid employee, agent, consultant or officer of any corporation, partnership, joint venture, business or other entity

b. Exceptions – Notwithstanding the provisions of Section 2.3 (a)(1) and (2), a financial interest shall not be deemed to exist:

- (1) in any component investment within any fund or plan where an owner of an interest in a mutual or other pooled investment fund or in any employee or retirement benefit plan (including without limitation, pension plans, profit sharing plans and deferred compensation plans): 1) has no right to control or influence the selection of component investments; 2) has not influenced the selection of component

investments; and 3) has not created or used the fund or plan to subvert the intent of this code; or

(2) when the Public Official is acting in their official capacity with or for a public entity.

2.4 Gift

A rendering of money, property, services, discount, loan forgiveness, payment of indebtedness, reimbursements from or payments by persons, other than South Sound 911 for travel or lodging or anything else of value in return for which legal consideration of equal or greater value is not given and received, excluding:

- (a) Things of minimal value.
- (b) Any contribution under chapter 42.17 RCW (Disclosure – Campaign Finances – Lobbying – Records).
- (c) Any informational material transferred for the purpose of informing the recipient about matters pertaining to official South Sound 911 business, and that is not intended to financially benefit the recipient.
- (d) Any symbolic presentation not intended to financially benefit the recipient.
- (e) Things of value not used and that, within thirty (30) days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;
- (f) Things of value received in the normal course of private business or social interaction or from family that are not related to South Sound 911 actions or policy decisions.
- (g) The acceptance of a gift on behalf of South Sound 911 pursuant to South Sound 911 rules regarding acceptance of gifts.

2.5 Immediate Family

Spouse and dependent children.

2.6 Employee

An Employee is any individual who is an employee of South Sound 911.

Section 3 – Prohibited Conduct

3.1 A Public Official or Employee shall not knowingly use his or her office or position for personal or family gain or profit.

3.2 A Public Official or Employee shall not use South Sound 911 owned property or South Sound 911 services for personal or family gain or profit.

3.3 A Public Official or Employee shall not disclose or use any confidential, privileged or proprietary information gained by reason of his or her position as a Public Official or Employee for a purpose other than a South Sound 911 purpose; provided that nothing shall prohibit disclosure or use of information which is a matter of public knowledge or which is available to the public on request.

Section 4 – Conflict of Interest

4.1 A Public Official or Employee shall not knowingly engage in activities which are in conflict, or which have the potential to create a conflict, with performance of official duties. Examples of conflicts, or potential conflicts of interest include but are not necessarily limited to, circumstances where the Public Official or Employee:

- (a) Influences the selection or non-selection of or the conduct of business between South Sound 911 and any entity when the Public Official or Employee has a financial interest.
- (b) Solicits for himself or herself or for another, a gift or any other thing of value from South Sound 911 or from any person or entity having dealings with South Sound 911; provided, however, that no conflict of interest for the Public Official or Employee shall be deemed to exist with respect to solicitation for campaign contributions required to be reported under Chapter 42.17 RCW or for charitable contributions.
- (c) Accepts any retainer, compensation, gift or other thing of value which is contingent upon a specific action or non-action by the Public Official or Employee.
- (d) Accepts a gift in any manner other than as provided in Section 5 (Acceptance of Gifts).
- (e) Intentionally uses or discloses information not available to the general public and acquired by reason of his or her official position which financially benefits himself or herself, family, friends or others.

4.2 A Public Official shall not take part in any official action, as that term is defined in Chapter 42.30 RCW, concerning any contract, property, or other matter of any kind, in which the Public Official or his or her immediate family has a financial interest, or which otherwise creates a conflict of interest.

4.3 A Public Official voting or providing a recommendation on an issue shall disclose the fact and extent of a conflict of interest for the official minutes of South Sound 911 prior to the Governing Board taking any action related to the interest. In the event a Public Official has a conflict of interest, all action taken by the Governing Board related to such interest shall be by a vote sufficient for the purpose without counting the vote of the Elected Official having the interest.

Section 5 – Acceptance of Gifts

Except as provided in Section 2.4, a Public Official or Employee may not accept cash gifts in any amount or other gifts.

Section 6 – Campaign Activities

Employees may participate in the political process only on their own time, and only outside of the workplace by working on campaigns for the elections of any person to any office, or for the promotion of or the opposition to any ballot proposition, and shall not use or authorize the use of the facilities of South Sound 911 for such purposes except as may be authorized by law.

Section 7 – Board of Ethics

7.1 Any alleged violation of this Code of Ethics shall be submitted to the Chairperson, or in the event the allegation is against the Chairperson, the Vice Chairperson wherein the Chairperson shall be recused.

7.2 The Chairperson shall appoint three (3) members to a Board of Ethics for the purpose of investigating the allegation and issuing an advisory opinion at which time their appointment shall expire.

7.3 The appointed members shall not have previously been a Public Official or Employee. Common sense shall be used to avoid appearances of unfairness in member appointment.

7.4 A majority of the Board of Ethics members shall constitute a quorum. The Board shall meet as frequently as deemed necessary and shall adopt procedures for governing the conduct of its meetings, investigations, hearings and the issuance of its opinion. In the absence of unforeseen circumstances, an opinion shall be issued within 30 days of appointment to the board.

7.5 Employees shall be made available to assist the Board of Ethics as appropriate.

7.6 Final action on the alleged violation shall be taken by a majority vote of the Governing Board. If the allegation is against a Governing Board Member the Member shall be recused. Final action may include: dismissal, verbal admonishment; written reprimand; or removal from position or written request for removal to the appointing agency.

Section 8 – Complaint Against Employee

Any and all alleged violations by an Employee shall be brought to the Employee's supervisor. The supervisor, or appropriate individual as determined by the Executive Director, shall investigate the alleged violations. All action related to an alleged violations by an Employee shall be in accordance with South Sound 911 policies and procedures.

REQUEST FOR BOARD OF DIRECTORS ACTION

Date action is requested: 8/28/2019

Title: Motion 2019-06 Adoption of Financial Policies

Attachments: Proposed Financial Policies

Type of action: Motion

SUBMITTED BY: Finance Committee (Boardmembers Brandstetter, Door and Pugh)

RECOMMENDATION: Adopt South Sound 911 Financial Policies as presented.

BACKGROUND: The Finance Committee has reviewed and discussed proposed financial policies for South Sound 911 at their meetings during the past few months. The attached proposed policies are being recommended for full board approval. Highlights include:

- Establishing an unrestricted budgetary fund balance in the general operating fund of no less than fifteen percent of regular general fund operating expenditures
- Budgeting annually a general fund contingency representing two percent of regular general fund operating expenditures
- Establishing a Strategic Reserve fund of \$1.5M for emergency purposes only
- Allocating one-third of any excess fund balance to be placed in an allocation reduction fund.
- Reserving the remaining two-thirds of any excess fund balance for capital expenditures
- Establishing the use of replacement funds for capital assets
- Including long-term financial planning with the annual budget process

ALTERNATIVES: Refer to Finance Committee for further review

FINANCIAL IMPACT: None

Executive Director Review _____



South Sound 911 Financial Policies

Introduction:

The financial integrity and sustainability of South Sound 911 is vitally important to the member and non-member agencies that rely on the agency for essential public safety services. These policies are intended to assist both the governing board and the administration in the financial management of the agency. Written, adopted financial policies assist with discussions regarding financial matters, build public confidence and provide continuity as leadership changes in both the governing board and administration.

Accounting and Financial Reporting:

South Sound 911 complies with the Washington State Budgeting, Accounting and Reporting System (BARS) for accounting practices. Financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

South Sound 911 uses the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available, and expenditures are generally recorded when a liability is incurred.

Reserve Levels:

South Sound 911 will maintain unrestricted budgetary fund balance in the general operating fund of no less than fifteen percent of regular general fund operating expenditures. This level shall be maintained for cash flow and financial stability to support general operations.

South Sound 911 shall include a general operating fund contingency line item in its annual budget to support unfunded mandates or other unforeseen operational expenditures. The contingency reserve shall be budgeted annually and shall equal two percent of regular general fund operating expenditures. Administration shall report use of the contingency reserve quarterly to the governing board.

South Sound 911 will maintain a strategic reserve fund of \$1.5M. Spending from the fund will require approval of the governing board and a financial plan to bring the fund balance back to \$1.5M within two years.

Excess fund balance in the general operating fund on December 31 shall be allocated as follows:

- One-third of the excess balance shall be placed in an allocation reduction fund to offset future assessments. Reductions applied to assessments shall be listed separately on allocation notifications to distinguish between regular charges for services and one-time reductions.
- Two-thirds of the excess balance shall be reserved for one-time capital project expenditures identified in the agency's six-year capital improvement plan.

Fund balance in capital project funds will be reserved for project specific expenditures. No minimum fund balance will be required

South Sound 911 will maintain a replacement fund for computer workstations. Additionally, replacement funds will be established for essential network infrastructure, major equipment and

South Sound 911 Financial Policies

building systems with a minimum replacement value of \$5,000. Fund balances will vary based on replacement schedules and will be reserved solely for replacement purposes. The agency shall maintain a fund balance level to cover two years' planned replacement.

When necessary, South Sound 911 will develop reserve funds for future debt service or new agency initiatives. Due to the infrequency and the specific purpose of these funds, a minimum fund balance is not required.

Operating Budget:

State law requires that the agency adopt a balanced budget. A statutorily balanced budget is when total estimated resources (beginning fund balance plus revenues) equal the total appropriation (expenditures plus ending fund balance). In a statutorily balanced budget, beginning fund balance may be used as a revenue source. In a structurally balanced budget, the total expenditure is limited to the annual estimated revenues. In a structurally balanced budget, beginning fund balance may not be used as a revenue source.

South Sound 911 administration will develop an annual budget calendar that allows for the distribution of assessments to member and non-member agencies prior to September 1 of each year. The cost allocation formulas used to determine annual assessments will be adopted by the governing board. Due to the biennial budget process used by many member and non-member agencies, South Sound 911 will provide estimated assessments for the second year during each biennial budget cycle.

Revenues:

South Sound 911 does not have the authority to levy taxes. Tax revenue supporting the agency is levied by Pierce County and distributed to the agency as prescribed. The 1/10th of 1% Emergency Communications Sales and Use Tax was approved by voters in November, 2011. The tax was assessed on April 1, 2012 and will sunset on December 31, 2036. Pierce County also levies a \$0.70 Enhanced 911 (E911) Excise Tax. \$0.20 of the tax is distributed to South Sound 911 for call-taking purposes and a portion of the \$0.50 is distributed to South Sound 911 as agreed between South Sound 911 and the Pierce County E911 Program Office.

Allocation revenue, licenses and charges for services are determined annually based on the financial need to support the level of services specified by the governing board.

Expenditures:

Debt service for bonds issued by Pierce County for South Sound 911 initiatives (radio upgrades; PSCC) is funded from the 1/10th of 1% Emergency Communications Sales and Use Tax. Funds are transferred from the tax revenue to Pierce County debt service funds monthly to ensure semi-annual principal and interest payments are supported.

All department heads share in the responsibility of understanding the long-term financial viability of South Sound 911. New agreements that create fixed ongoing operational expenses and/or potential future capital replacement, shall include cost implications for a minimum of 5 years prior to being presented to the Executive Director. The Executive Director is responsible for communicating cost

South Sound 911 Financial Policies

implications to the governing board if the agreement is approved. Conversely, expenditures that will reduce future operating costs, such as investments in technology and equipment that streamline operations, will be given high priority. Initial expenditures and future costs savings shall be communicated to the governing board.

Regional initiatives to increase interoperability or data sharing among member and non-member agencies will be presented to the Operations Board (Committee) for concurrence prior to being presented to the governing board for approval.

Administration and department heads will generally review actual expenditures in comparison with budgetary expenditures on a monthly basis. Information will be presented to the governing board quarterly.

Capital:

Capital assets are defined by South Sound 911 as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets that are deemed essential for the operation of South Sound 911 will be assigned a useful life and replacement value, and will be added to a replacement schedule to ensure funds are available for replacement at end of life.

Maintaining current assets to ensure quality performance and maximum life is a high priority. The department overseeing the asset(s) will be responsible for establishing a maintenance plan to minimize future repair and maintenance costs.

Long-Term Financial Planning:

As a part of the annual budgetary process a five-year financial outlook of South Sound 911 operations will be presented to the Finance Committee for review. The plan is intended to support the budgetary process by identifying potential changes in fund balances, revenue patterns and/or expenditure trends that may affect future assessments of member and non-member agencies.

Additionally, South Sound 911 will develop a long-term financial projection that extends beyond the sunset of the 1/10th of 1% Emergency Communications Sales and Use Tax (December 31, 2036). This projection is intended to develop a plan for the use of excess tax revenue once radio bonds mature (2022 and 2023) and to mitigate the impact of the loss of tax revenues after 2036. The plan will be updated at least annually to coincide with budgetary updates.

Investment:

Pierce County is the treasurer for South Sound 911 and excess funds will be invested as prescribed in the County's investment policy. Currently, all excess funds are invested with the Local Government Investment Pool (LGIP) managed by the Washington State Treasurer.

Interest income is generally allocated to the general operating fund; however, funds that receive resources outside of general operating revenues (bond proceeds, grants) will be allocated a proportionate share.