

Council Agenda Bill

AB Number

AB25-087

Agenda Bill Information

Title*

Interlocal Agreement Between the City of North Bend and the City of Snoqualmie for Police Services

Action*

Motion

Council Agenda Section

Discussion

Council Meeting Date*

09/15/2025

Staff Member

Dena Burke

Department*

Legal

Committee

Finance and Administration

Committee Date

Exhibits

Packet Attachments - if any

final ILA.docx

59.05KB

Summary

Introduction*

Brief summary.

The cities of Snoqualmie and North Bend, with the aid of outside counsel, have negotiated an Interlocal agreement for police services.

Proposed Motion

Move to authorize the Mayor to sign the Interlocal Agreement Between the City of North Bend and the City of Snoqualmie for Police Services

Background/Overview*

What was done (legislative history, previous actions, ability to hyperlink)

In 2019, a renewal interlocal agreement (the "2019 Renewal ILA") was entered into between the City of North Bend and the City of Snoqualmie. Snoqualmie provided North Bend with formal notice to renew the 2019 Renewal ILA on December 29, 2022. The first Amendment to the 2019 Renewal ILA was approved by both cities in 2023.

North

Bend and Snoqualmie were unable to agree to terms prior to the expiration of the 2019 Renewal ILA on December 31, 2024.

North Bend and Snoqualmie came to an agreement and entered into another renewal ILA (the "2025 Renewal ILA"), on January 29, 2025. North Bend issued a request for proposals (RFP) for police services on March 14, 2025. Snoqualmie along with the King County Sheriff's office submitted responses to the RFP. North Bend's City Council unanimously approved authorizing North Bend's Mayor to negotiate terms and conditions for a new ILA with the King County Sheriff's Office.

A dispute arose between North Bend and Snoqualmie regarding the rights and obligations under the 2019 Renewal ILA and the 2025 Renewal ILA.

On June 26, 2025, Snoqualmie filed a Complaint for Declaratory Relief and Damages in King County Superior Court against North Bend Seeking declaratory judgement regarding the rights and obligations under both renewal ILAs.

Snoqualmie alleged breach of contract, unjust enrichment, and quantum meruit claims. North Bend filed an Answer to the complaint on July 21, 2025, and asserted counterclaims against Snoqualmie for breach of contract, unjust enrichment, and quantum meruit.

Analysis*

To avoid further expenditures, both cities desire to release their past and present controversies regarding prior ILAs for police services and the interim police service agreement, as well as all claims and counterclaims raised in the lawsuit.

The proposed ILA includes the following key terms:

Snoqualmie will provide police services to North Bend through March 31, 2026.

North Bend will pay a monthly fee of approximately \$236,306, retroactive to June 2025. That monthly fee will increase to \$294,000 per-month for January, February, and March 2026. Under the current Interim Agreement entered in May 2025, North Bend is paying \$219,849 per month.

Snoqualmie is not entitled to recover additional costs such as officer overtime. North Bend is not entitled to recover any pro rata reductions in fees.

North Bend will pay costs for transition costs of personnel testifying or participating in the prosecution of cases for 3 years at a staff hourly rate of \$128.42 per-hour. A maximum cap of \$100,000 is set for the 3 years.

The Equipment Replacement and Repair Fund (ERRF) is ended. Upon termination of the ILA, Snoqualmie will pay North Bend \$240,000 and transfer four vehicles to North Bend. The specific vehicles are noted in the ILA.

Staff recommends entering into this ILA.

Budgetary Status*

This is an extra-budget expenditure.

Budget Summary

The North Bend Police Services ILA, on its face value, will result in a net increase of \$197,653 to the City of Snoqualmie (the City). This is comprised of \$337,653 in increased fees from the City of North Bend (NB) for the period of June 2025 to March 2026, \$100,000 in potential revenue for transitional services, and a payment to NB from the Equipment Replacement & Repair (ER&R) Fund (#501) of \$240,000. See a table illustrating this in the next section.

The ILA also has more complex implications on City inflows and outflows, including the revenue received by the City, Police Department overtime and expenditures, the ER&R Fund, staff time, and litigation, of which the full costs and risks are difficult to predict. These items are addressed in the following paragraphs.

City Revenue

The final date of the ILA was in debate by the two cities, with the City believing the agreement ended on June 1, 2025 and NB believing it should extend to November 30, 2026. If NB's interpretation of the ILA were to be enforced absent the proposed ILA, then under the terms of the new ILA, the City would lose the revenue from April to November of 2026, totaling \$1,978,641. However, this revenue is also tied to a myriad of expenses associated with providing police services to NB, meaning that the loss of this revenue is mitigated by the savings associated with ending the ILA early.

Police Overtime and Other Expenditures

Since NB terminated the police services agreement, a number of police officers and staff have chosen to leave the City on their own terms, before the official ending of the agreement. This has resulted in excessive overtime as the Police Department provides the required level of service to NB. If the proposed ILA is signed, the level of service requirement would be lower beginning in April of 2026, requiring less overtime and potentially preventing burnout. Overtime spent in covering vacancies is typically paid for by the savings of the vacant positions themselves. However, the cost of burnout related to this overtime is harder to estimate and can result in more staff leaving the City or going on extended periods of leave.

Replacing officers is expensive and time consuming. As an example, the City of Seattle is currently paying \$50,000 bonuses for lateral hires, as it can be difficult to find fully trained officers. New recruits may have a wait time to get into the academy, take four and a half months to go through the academy, and have an additional period of local training where they are not patrolling independently. During this time, seasoned staff still incur overtime which is no longer funded by a vacant position.

The Police Department will also have certain expenses related to rebranding of vehicles and uniforms, the purchase of assets, and renegotiation of contracts that covered both cities. These expenditures tend to go up over time and being able to negotiate them earlier rather than later is likely to save the City a small but potentially meaningful amount of money.

Equipment Replacement and Repair

Since 2019, NB has paid approximately \$70,000 annually to the City for police vehicle replacement. The two cities have disagreed about the appropriate amount of repayment. If this decision were not to be settled by the current ILA, likely a different amount will be determined. Whether this is higher or lower than the \$240,000 specified within the ILA is hard to forecast. This amount would be paid for from the ER&R Fund (#501) and will require a budgetary amendment of \$240,000, which will be brought forward during the Mid Biennium Review

later this year.

Staff Administrative Time and Other Expenditures

Some of the items established within the proposed ILA have required and will require significant staff time, both in providing documents to NB and in negotiating the appropriate amounts due to each City. The time spent on these items has not been estimated for the purposes of this Budget Statement; however, it represents substantial time that would be diverted from other important matters if the proposed ILA is not signed. In addition, the City has spent \$24,418 on legal expenditures related to this ILA through July 2025. This number is likely to increase if this agreement is not signed.

Fiscal Impact

Amount of Expenditure	Amount Budgeted	Appropriation Requested
\$240,000.00	\$0.00	\$240,000.00

Fiscal Impact Screenshot

	May 2025 ILA	Proposed ILA
June 2025	\$ 219,849.00	\$ 236,306.17
July 2025	\$ 219,849.00	\$ 236,306.17
August 2025	\$ 219,849.00	\$ 236,306.17
September 2025	\$ 219,849.00	\$ 236,306.17
October 2025	\$ 219,849.00	\$ 236,306.17
November 2025	\$ 219,849.00	\$ 236,306.17
December 2025	\$ 219,849.00	\$ 236,306.17
January 2026	\$ 219,849.00	\$ 294,000.00
February 2026	\$ 219,849.00	\$ 294,000.00
March 2026	\$ 219,849.00	\$ 294,000.00
Total	\$ 2,198,490.00	\$ 2,536,143.19
Payment Increase =	\$	337,653
ER&R Payment	\$	(240,000)
Transition Services =	\$	100,000
NET VALUE GAINED =	\$	197,653