

Proposed Governance Restructuring

jointly submitted by the
Strategic Governance Initiative
Task Force, Regional Advisors
and Board of Officers
April 2008

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May 13	6 pm EDT	Western
May 14	10 am EDT	East Coast
May 15	5 pm EDT	North Central
May 16	11 am EDT	Gulf Coast



APCO International, Inc.

Strategic Governance Initiative

Proposed Resolutions #1 & #2 & Supporting Material
for Consideration by the 2008 Quorum

[Click on the [blue](#) text below to link directly to the applicable report in this .pdf file compilation.]

General Material

1. [Letter from Executive Council Regional Advisors, 4/28/2008](#)
2. [Letter from Bob Gurs, Regulatory Counsel, 4/10/2008](#)
3. [Proposed Governance Restructuring – Overview](#)

Resolution #1 – Restructure Governance/Streamline Bylaws

6. [Letter from Board of Officers, 3/31/2008](#)
7. [Letter from Heather Vargas, Corporate Counsel, 4/29/2008](#)
8. [Resolution #1 + Bylaw Amendments](#)
9. [Governance Document Matrix](#)

Resolution #2 – Conversion to 501(c)(3) + Merger of Entities

10. [Letter from Board of Officers, 3/31/2008](#)
11. [Letter from Jackie Henson, Special Tax Counsel, 3/31/2008](#)
12. [Letter from Bob Johnson, Controller, 4/7/2008](#)
13. [Resolution #2 + Amendments to Articles of Incorporation](#)

Supplemental Material

14. [Open Letter to the Membership, 2/5/2008](#)
15. [Mid-Year Executive Council Notes - EXCERPTS](#)
16. [Web Conferencing Instructions](#)



APCO International

Association Of Public-Safety Communications Officials-International, Inc.

EXECUTIVE DIRECTOR

George S. Rice, Jr.
riceg@apcointl.org

HEADQUARTERS

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An Open Letter from Your Regional Advisors to the Strategic Governance Initiative

April 28, 2008

Dear Executive Council Colleagues:

We have each provided our respective regions an update regarding the progress being made in developing amendments to streamline the governance of the Association. We were very pleased with where this process began earlier on this month, and we are all the more convinced as of today that we are on the right path to reforming our governance. The Strategic Governance Initiative (SGI) Task Force, comprised of Steve Proctor (chair), Steve Souder and Michael Mangini, has done an outstanding job of outlining a workable structure and has listened and addressed our questions and concerns at every turn.

What you will review as part of this package is the result of two substantial redrafts from the version that kick-started this process on April 1. As we conveyed in our earlier report, we all met over the April 12-13 weekend for a very thorough discussion of the concepts, a point-by-point review of the actual bylaw language, and to define a vetting process going forward which engages you and other key stakeholders prior to submission of final language to the Quorum by late June in accordance with notice requirements.

Although what we are doing by way of the work of SGI is ambitious, it is being done because of the importance of the goal. We are confident that once you read and analyze what is truly being proposed, you will be impressed with the sheer common logic used to support these recommendations. At the core, our goal is to tighten the span of control on decision-making (through a body of 15, not 52), which will result in greater transparency and a more results-accountable form of leadership supporting the work of this Association. This new Board of Directors will be still be guided by a chapter-oriented structure of the existing Executive Council and will still answer ultimately to the Membership Quorum.

There are other changes, but none are radical. The basic organizational functions will remain the same, but this new structure will allow us to be pro-active in today's ever-changing world, more responsive to opportunities, better able to compete with other associations, and allow us to channel the full talents of our volunteer and staff leadership in the most productive and timely manner as we carry out our collective vision.

There is still a lot of work to do; our small advisory group does not pretend to have all the answers or have thought of every potentiality. We now need your active engagement in this process over the next few months and, ultimately, your trust that what we have initiated is in keeping with our proud past, preserves the best of today, and prepares us well for the future.

Thank you for your interest and support.

Sincerely,

REGIONAL ADVISORS



Lynne Feller
Ohio Chapter Representative
[since 1991]



Peter Thomas
Mid-Atlantic Chapter Representative
[since 2001]



Richard Granado
CPRA Chapter Representative
[since 2004]



Woody Glover
Louisiana Chapter Representative
[since 2004]

SECOND VICE-PRESIDENT CANDIDATES



Gregg Riddle
Illinois Chapter



Barry Woodward
Louisiana Chapter



APCO International

Association Of Public-Safety Communications Officials-International, Inc.

April 10, 2008

EXECUTIVE DIRECTOR

George S. Rice, Jr.
riceg@apcointl.org

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Mr. Willis Carter
President
APCO International
351 N. Williamson Blvd.
Daytona Beach, FL 32114

Dear Willis:

I am writing regarding recent proposals concerning APCO's corporate governance documents and tax-exempt status.

APCO is considering whether it should replace its current Constitution and Bylaws ("C&B") with a single Bylaws document similar to that used by most non-profit corporations and organizations. I strongly support this change as I believe that the current C&B contains many provisions that more properly belong in policy and operations manuals, and should not be subject to the rigorous amendment process required of corporate bylaws. Furthermore, as your outside corporate counsel explained at the last Executive Council meeting, the current C&B structure leaves the association open to potential liability.

I have also reviewed a letter from your outside tax counsel regarding a change in the association's tax-exempt status. While tax law is outside of my areas of expertise, the analysis presented appears to be thorough, well-reasoned, and consistent with my more limited knowledge of the relevant law.

Finally, I want to congratulate you for your leadership in pursuing important governance issues that will have a lasting positive impact on the association. Please let me know if I can be of further assistance in this endeavor.

Sincerely,

Robert M. Gurs
Director, Legal & Government Affairs



Goals of the SGI Task Force

Streamline a governance structure that:

1. complies with all legal requirements for our association and minimizes liability to officers, director, staff & membership;
2. allows for managerial flexibility while governing for results accountability;
3. better positions us in the competitive environment of telecommunications associations and an ever-changing public safety communications field; and
4. fosters organizational support for board and staff with defined roles to facilitate:
 - mission fulfillment,
 - strategic development, and
 - operational sustainability.

Strategic Governance Initiative 1



Top 10 Reasons To Modify Our Governance.

1. Enhance our ability to shift directions quickly to meet industry and member needs.
2. Refine our association governance, distinct from our competitors, but nimble like them.
3. Improve service responsiveness to members and better position APCO to advocate for and secure government and private grants and funding that fulfill member needs.
4. Better outline the roles of the governing body, director and staff and clarify the lines of responsibility and accountability in the organization's management.
5. Foster leadership development opportunities for members who desire to have a larger role as an association leader.

[Continued on Next Page]

Strategic Governance Initiative 2

Top 10 Reasons To Modify Our Governance. [continued]



6. Minimize legal exposure under our bylaws, while ensuring compliance and consistency across our policies and procedures.
7. Save on overhead with restructuring APCO under one tax-exempt entity to streamline accounting and auditing compliance.
8. Allow the member's regional representatives to be more directly involved in the association's direction, development, policy formation and oversight on a regular basis.
9. Integrate our vibrant commercial sector responsibly with a seat on the association's decision-making body through a representative selected by their peers.
10. Improve information flow between the regional representatives in interactions with Executive Council members from each chapter.

Strategic Governance Initiative 3

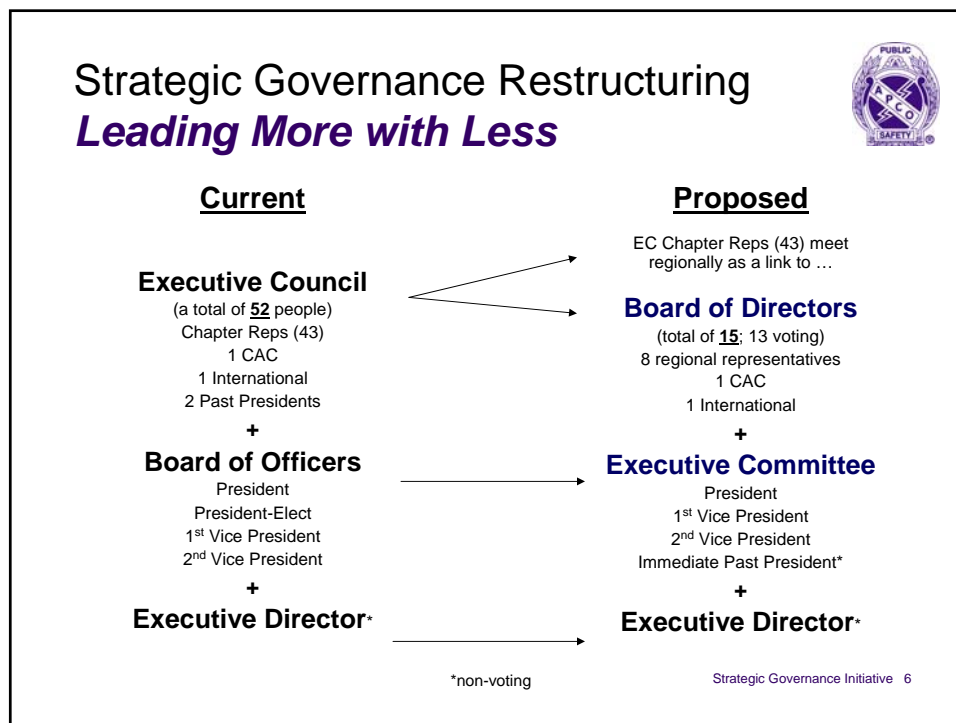
Proposals (In Summary)



- **Resolution #1**
 - Restructure governance
 - Streamline bylaws
- **Resolution #2**
 - Convert International to a 501(c)(3) nonprofit
 - Merge subsidiaries to create one tax-exempt entity
+ PSFA remains a stand-alone foundation
- **Process Steps**
 - Review Timeline (Mar 31 – Aug 3)
 - Implementation Timeline (2008 – 2010)

Strategic Governance Initiative 4

APCO International - Strategic Governance Initiative





More with Less ...

- **Executive Committee** (current Board of Officers)
 - less years of “active” service
 - more continuity (i.e., Immediate Past President)
- **Executive Council**
 - still conduit between national & chapters, BUT linked to ...
- **Board of Directors**
 - less members, but still diverse
 - more frequent meetings; more involvement in the business
- **Decision-making**
 - less dispersed
 - more knowledgeable and accountable

Strategic Governance Initiative 7



Executive Committee (current Board of Officers)

- 2 VPs (no prez-elect)
- President
- Past President (non voting)

Executive Council

- Chapter Reps (43) meet regionally as a link to ...

Board of Directors

- Regional Representation – TWO per region
 - Discussed 1 per region (same as Advisory Comm structure)
 - Up'd it to 2 per region (need for back-up person)
- Elected to serve 2-year terms, staggered (max of 4-yr *consecutive*)
- One Commercial
- One International
- Must Serve on Board/EC before an officer candidate (Executive Comm)

Charities Commission Survey: Approx 92% of respondents had governing bodies with 15 or fewer members.

Strategic Governance Initiative 8



Board of Director Relationship

- More intimate meetings
- Four times per year (e.g., Oct, Feb, May, Aug)
- Better information flow
- Quicker decision-making
- Fostering leadership
- BoD more *involved* in the process
- BoD has a coordinative role with regions (through chapter reps on Executive Council)

HQ can support Directors with info flow thru regionally-branded web pages, Dboards, eLists

Strategic Governance Initiative 9

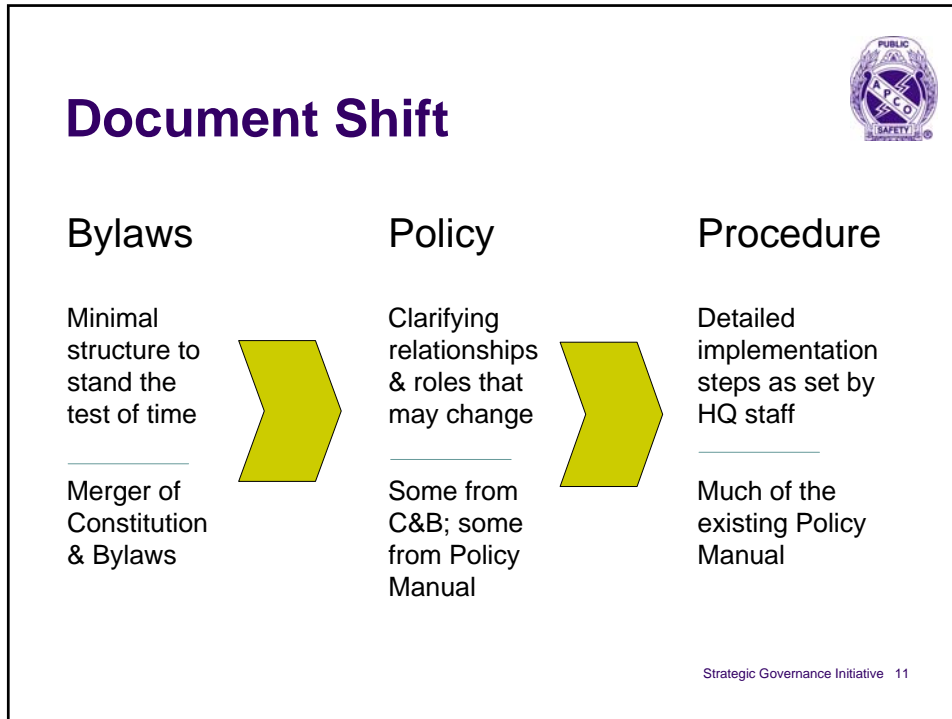


Bylaw Revisions – Cobb & Cole*

- Recommendation: “vacate all current documents and adopt only those bylaws that are required by law.”
 - hamper the efficient operation of the association,
 - impair APCO's flexibility and adaptability,
 - bog down multiple layers of governance and management in overlapping minutiae,
 - needlessly expose the organization to legal risk.

*Recommendation from Heather Vargas, Corporate Counsel, first advanced in a November 16, 2006 letter to President Wanda McCarley, re-issued on September 17, 2007 to President Willis Carter, and conveyed to the Executive Council on January 26, 2008.

Strategic Governance Initiative 10



Conversion to 501(c)(3) Status

Considerations

- Status enjoyed by IACP, IAFC, NENA and *many* associations
- Educational purpose for profession *and* public
 - training, standards development, Projects, advice on regulations
- Lessen the burdens of Government
 - APCO's family of non-profits all serve the PSAP (govt employees)
- Just say **no** to ...
 - Lobbying (above \$400K for our size; actual = \$75K / 7% of dues)
 - Political campaigning, endorsements, PAC support
 - Private inurement / excess personal gain
- Public support test – nearly 15,000 geo-diverse members
 - No more than a third of income from unrelated business activity

Strategic Governance Initiative 12



501(c)(3) Status + Merger

Considerations

- One legal entity (Intl, Institute, AFC, Heritage Fdtn) + **PSFA**
- Simplify accounting & tax reporting; yield admin savings
 - BUT each division still separately accountable
- One brand identity to pitch to corporate and foundation donors
- Improved governance (one Board, Bylaws; Ad Comms still okay)
- Liability Concerns?
 - Separate corporate veils easily pierced now ... due to same board, same executive mgmt, controller, etc.
 - Easier to protect via strong indemnity language in all contracts and D&O and other liability insurance coverages
- Greater disclosures required ... but doing that now w/ subsidiaries
 - Donors disclosed to IRS only; but not made available to public

Strategic Governance Initiative 13



Timeline

- "... we feel it behooves this Association to engage in vigorous discussion and debate over these matters in the coming months through a process guided by the SGI task force ...
- ... to allow for further refinement of this document under the continued watchful eye of counsel up until time to properly fulfill the 30-day notice requirement for the 2008 Annual Conference Quorum."

APCO International Board of Officers, 3/31/2008

Strategic Governance Initiative 14



Review Timeline

- Mar 31 Board Submission of Resolutions & Amendments
- Apr 12-13 Review w/ EC Advisors to Incorporate Feedback
- Apr 23 Revisions shared with EC Advisors for Comment
- Apr 30 SGI Package v1 Distributed to Stakeholders
- May 12 Web Conference w/ Past Presidents Group
- May 13-16 Regional EC Web Confs w/ SGI Task Force
- May 21 Additional Input, If Any, Due from EC Advisors
- Jun 2 SGI Package v2 Distributed to Stakeholders
- Jun 18 Web Conference w/ entire EC (optional)
- Jun 30 Final Amendment Language Posted
- Jul 9-23 Series of Web Confs w/ Membership
- Aug 1-2 Executive Council @ Annual Conference
- Aug 3 First Business Session

Strategic Governance Initiative 15



Implementation Timeline

2008

- Aug 7 Effective Date of Quorum Changes
assuming SGI proposals approved:
 - New Bylaws Take Effect
"Move the adoption of the new bylaws and require the migration of other provisions to Policy or Procedure as appropriate."
 - Initial Board of Directors Installed
(based on selections made @ regional caucuses during the Exec Council mtg, on contingent basis, or after #2 Gen Bus Session)
 - Executive Committee Seated
(Pres, Pres-elect, 1VP, 2VP + Past President)
- Oct (and ongoing) First Quarterly Mtg of the new Board of Directors
 - Re-ratification of provisions (e.g., Membership Policy) w/ support from C&B Comm & legal counsel

[continued – next page]

Strategic Governance Initiative 16



Implementation Timeline, cont.

2009

- Jan to Aug Executive Committee Transition
 - Incumbents for 1st VP and 2nd VP declare and stand for re-election during Annual Conference in Las Vegas
 - President-Elect position sunsets at close of Quorum

Meanwhile ... Determine election guidelines for future Board elections and regions develop timetable for conducting the elections.

2010

- by Jun 1 Board of Director Transition
 - One-half of the BoD posts are elected by region/sector with names submitted to Executive Director at least 60 days prior to Annual Conference
 - First election is for one Director per region + CAC rep (the other incumbent regional Director + Intl Chapter rep continue to serve an additional year to stagger the terms)

Strategic Governance Initiative 17



Board of Officer Transition*

FY	President	Pres-elect	1 st VP	2 nd VP
08	Carter	Fischer	Mirgon	Carrow
09	Fischer	Mirgon	Carrow	Mr. X <small>(elected in Aug '08)</small>
10	Mirgon	n/a	Carrow	Mr. X <small>(re-elected in Aug '09)</small>
11	Carrow	n/a	Mr. X	Mr/s. Y <small>(elected in Aug '10)</small>

*The names associated with these patterns of advancement assume a continuation of recent historical trends in which Board incumbents generally stand unopposed for election to the next highest office.

Strategic Governance Initiative 18



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March 31, 2008

George S. Rice, Jr.
APCO International
351 N. Williamson Blvd
Daytona Beach, FL 32114

Via Email

RE: Resolution to Amend the Constitution & Bylaws

Dear George:

Pursuant to our authority as the Board of Officers, we are pleased to propose the attach resolution, which has been prepared by counsel in consultation with the Strategic Governance Initiative (SGI) task force.

Heather Vargas of Cobb & Cole has also submitted a letter with summary points regarding the restructuring in which she asserts that the effort has eliminated the provisions that exposed APCO to extraordinary and unnecessary legal liability.

Consistent with the broad intent of this resolution to merge the Constitution and Bylaws and to amend the governance structure of APCO International, we feel it behooves this Association to engage in vigorous discussion and debate over these matters in the coming months through a process guided by the SGI task force. Rather than rushing the attached version into print, as has been the recent practice, we encourage you to manage a publication process as efficiently as possible to allow for further refinement of this document under the continued watchful eye of counsel up until time to properly fulfill the 30-day notice requirement for the 2008 Annual Conference Quorum.

Thank you for your cooperation and support of these proceedings.

Sincerely,

Willis Carter
President

Chris Fischer
President-Elect

Dick Mirgon
First Vice President

William Carrow
Second Vice President

William M. Cobb
(1881-1939)
Thomas T. Cobb
(1916-2004)

Jonathan D. Kaney Jr.
J. Lester Kaney
C. Allen Watts
Harold C. Hubka
Thomas S. Hart
Scott W. Cichon
Robert A. Merrell III
Bruce A. Hanna
John P. Ferguson
Rhoda Bess Goodson
Jonathan D. Kaney III
Thomas J. Leek
Michael P. Olivari
Mark A. Watts
Heather Bond Vargas
Robert Taylor Bowling



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April 29, 2008

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OF COUNSEL
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RETIRED
W. Warren Cole, Jr.
Jay D. Bond, Jr.

APCO International Inc.
351 North Williamson Avenue
Daytona Beach, Florida 32114

Re: Bylaws Revisions

Dear APCO Board of Officers, Executive Council, and Members:

The purpose of this letter is to provide an updated recommendation of the new governance structure and associated governing documents currently proposed for membership consideration. I originally endorsed the version proposed by the Strategic Governance Initiative task force via letter to you dated March 28, 2008. I was honored to attend the Executive Council advisors meeting at APCO headquarters on April 12 and 13 where significant revisions to certain aspects of the Bylaws were developed and I am writing to you today to provide you with this revised recommendation.

As those of you who attended the mid-Winter meeting in Orlando earlier this year will recall, I outlined the reasons why Cobb Cole recommended significant changes to APCO's governance structure and governing documents.

The proposed governance structure that I have reviewed cuts your primary governance board, now called the Board of Directors, to a significantly more manageable (but still regionally diverse) group of 15, with two non-voting members (the Immediate Past President and the Executive Director.) A smaller governing body will not only allow for more rapid decision making, but will cut the expenses associated with meetings and events. In addition, the smaller governing body will make it easier for the Association's attorneys to defend the attorney-client privilege in the context of recommendations made to the governing body.

At the April 12 and 13 meeting, the discussion focused heavily on ensuring that the membership maintains a strong voice in the decision making of the Association. One decision made in this vein was to retain the Executive Council as a conduit for information. This will permit the chapters to continue to communicate with their Executive Council member, who will then be



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April 29, 2008

responsible for aggregating the chapter comments and concerns and passing them to the regional Board of Directors members. This will also provide a mechanism for information to be transmitted from the Board of Directors through the Executive Council to the chapters.

I am also quite pleased to recommend the new nomenclature associated with the governance revisions. Utilizing the terms “Executive Committee” for your Board of Officers and “Board of Directors” for your primary governing body brings APCO into line with the vast majority of other non-profit associations. This makes the governance structure accessible to new members, consultants, and others who need to understand your governance structure for business or political reasons.

While there is no magic number for the size of an Executive Committee, I believe that amending the president’s track to two pre-president, one presidential, and one past-president year allows for maintenance of institutional memory and completion of projects started during one’s presidential year, without making an already long leadership commitment even longer.

I would also note that I believe it is a prudent move to make your Commercial member a voting member. Commercial entities are likely to contribute more money and stay devoted to an organization in which they have a voice.

The new structure also envisions more clearly delineated roles for the Executive Committee and the Board of Directors. I believe that you will find that adherence to these will streamline your processes and smooth the flow of information among levels of governance.

With respect to the governing documents, I am extremely pleased to see that the Constitution and Bylaws have been merged, and limited to a smaller set of issues - presumably only those that you deem essential to the operation of the organization. As I have discussed on several occasions with the management staff, the Board of Officers, and most recently, the Executive Council, the less you have in the governing documents, the less chance you have of running afoul of your own rules, exposing you to potential legal liability or simply an internal political mess.

In addition, the streamlining of the governing documents will give the association the freedom and flexibility to make decisions more quickly, give staff the freedom to use their professional discretion, and allow for more effective partnerships with other associations.

I am also pleased to report that the draft bylaws that I have reviewed eliminate all of the provisions that exposed APCO to extraordinary and unnecessary legal liability.

At the April 12 and 13 meeting, the suggestion was made to require a two-thirds vote to amend the policy manual. I am inclined to believe that this will be a positive step. First, during the transition to the new policy manual, we will be seeking an endorsement of significant changes. It is appropriate that this be done with a strong mandate. Second, one of the benefits of the revisions



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April 29, 2008

is to minimize the necessity of changes to the governing documents, so there is an advantage to be gained from making it harder to change the policy manual. If we start the post-transition period with a lean, well written policy manual that the Association will be well served by not changing, then the two-thirds majority requirement will remind the Board of Directors that such changes should not be undertaken lightly.¹

Change of this magnitude is always difficult and takes extraordinary courage and vision. I am certain that you will be rewarded with a more nimble, cost effective, and ambitious association and I know that you are in a better legal position. Also, I must comment that I was quite impressed with the frank, honest, and well-informed discussion of your representatives at the April 12 and 13 meeting. All associations should be so well-served.

It is our pleasure to be of counsel.

Sincerely,

Heather Bond Vargas

Direct Dial (386) 323-9220

Email Heather.Vargas@CobbCole.com

Telecopier (386) 255-0093

¹ It is our understanding that there is ongoing discussion regarding whether all Board of Director votes should be subject to a two-thirds majority. We will be pleased to provide an opinion on this option once the parameters are clearer.

RESOLUTION 1

1
2
3
4 **INTENT:** To merge the Constitution and Bylaws and to amend the governance structure of the
5 Association pursuant to the recommendations of counsel and the Strategic Governance Initiative
6 task force.

7
8 **MAKER:** The Board of Officers

9
10 **QUORUM:** The 2008 Annual Conference Quorum.

11
12 **WHEREAS (1),** Legal counsel advises that it is in the best interests of the Association to revise
13 its governance structure and governing documents to limit the Association's potential legal
14 exposure; and

15
16 **WHEREAS (2),** The Board of Officers appointed a Strategic Governance Initiative task
17 force supported by an advisory committee comprised of one representative from each region
18 selected by each respective region, to develop and recommend such changes, to address both the
19 potential legal exposure and other governance concerns; and

20
21 **WHEREAS (3),** The Strategic Governance Initiative task force, with staff and legal counsel
22 assistance, has developed a draft version of the Bylaws and associated recommendations
23 regarding the governance structure.

24
25 **RESOLVED,** The current Bylaws and Constitution shall be deleted in their entirety and
26 replaced with the following draft Bylaws either as currently constructed or as further amended
27 upon Strategic Governance Initiative task force, Board of Officer, Executive Council, or Quorum
28 advice and consent.

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**BYLAWS
OF
APCO INTERNATIONAL, INC.**
(Revised: _____, 2008)

**ARTICLE I
OFFICES**

Section 1.1 Name. The name of this corporation is the Association of Public-Safety Communications Officials International, Inc., also known as APCO International, Inc. (“Association”).

Section 1.2 Office. The registered office of the Association is located at the principal place of business within the State of Florida. The Corporation may also have offices at such other places as the Board of Directors may from time to time determine or the business of the Corporation may require.

**ARTICLE II
PURPOSES**

Section 2.1 Primary Purpose. The primary purposes of this nonprofit member Association are (i) to foster the development and progress of public safety communications and supporting information technologies by means of research, planning, coordination, training and education in areas concerned with law enforcement, fire, emergency rescue and medical services, conservation, forestry, highway maintenance, emergency management and other public safety services; (ii) promote the rapid and accurate collection, exchange and dissemination of information relating to emergencies and other vital public safety communications among and between all levels of local, state and federal governments and those who work with them; and (iii) strive to protect the citizen and their property and provide for their welfare by these and other appropriate means.

**ARTICLE III
MEMBERSHIP**

Section 3.1 Membership. Membership in the Association shall be open to persons in good standing who satisfy the requirements of the Membership Policy.

Section 3.2 Voting Rights. All persons in a voting-eligible category of Membership are entitled to one vote on each matter submitted to a vote under the Quorum.

Section 3.3 Positions of Leadership. Positions on the Executive Council, Board of Directors, Executive Committee, or Chapter Board of Officers may only be held by voting-eligible Members, subject to the individual satisfying all other eligibility criteria for the position being sought, except that individuals selected to a post that is intended to solely represent Association or Chapter members in a non-voting category must themselves be members in the same non-voting category.

47
48 Section 3.4 Revocation. If, at any time, a member shall violate any of the terms of
49 Membership, the Association may revoke the individual's membership pursuant to the policies
50 and procedures of the Association.
51

52 **ARTICLE IV**
53 **CHAPTERS & REGIONS**
54

55 Section 4.1 Chapters. The Association may establish Chapters within the United
56 States and its territories and in other countries as authorized by the Board of Directors. Chapters
57 shall function as independent sub-divisions of the Association that are required to comply with
58 the Bylaws of the Association but in all respects are separate and distinct organizations operating
59 independently of the Association and financially responsible for their own operations.
60

61 Section 4.2 Regions. The Chapters of the Association located in the United States and
62 its territories shall be divided into and be members of four Regions based upon the geo-political
63 boundaries of the following states and territories:

64 Western States: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana,
65 Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, Guam and Samoa.

66 North Central: Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota,
67 Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin.

68 East Coast: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire,
69 New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont,
70 Virginia, West Virginia, Washington, D.C.

71 Gulf Coast: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma,
72 Tennessee, Texas, Puerto Rico, and the United States Virgin Islands.
73

74 Section 4.3 International. A Chapter to be known as the International Chapter shall
75 consist of all individual members of the Association, who do not reside and/or work within the
76 geographic boundaries of the United States or its territories or within the geographic boundaries
77 of any other Chapter of the Association, as defined in the charters of those Chapters. The
78 Executive Committee of the Board of Directors shall serve as the officers of this Chapter.
79

80 **ARTICLE V**
81 **QUORUM**
82

83 Section 5.1 Membership Quorum. Voting-eligible Members attending a business
84 meeting of an Annual Conference shall constitute a Quorum.
85

86 **ARTICLE VI**
87 **EXECUTIVE COUNCIL**
88

89 Section 6.1 The Executive Council shall consist of one member selected by each of
90 the Chapters, except the International Chapter, in accordance with the requirements of the
91 Chapter's Constitution and/or Bylaws. Executive Council members shall serve as a conduit for
92 the exchange of information between the Board of Directors and the Chapters.

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ARTICLE VII
BOARD OF DIRECTORS

Section 7.1 Composition. The Board of Directors shall consist of:

- 108 (a) The Executive Committee;
- 109 (b) Two members selected by each Region;
- 110 (c) One member of the International Chapter;
- 111 (d) One member of the Commercial Advisory Committee;
- 112 (e) The Executive Director, who shall serve as a non-voting member.

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With the exception of (d) above, no member of the Board of Directors shall represent a commercial interest. With the exception of (e) above, no member shall be a full-time salaried employee of the Association.

Section 7.2 Terms. Directors fulfilling roles listed in (b), (c) and (d) above shall serve two-year terms with none serving more than four consecutive years. One Director from each region serving under (b) shall be selected in an odd-numbered year, and the other selected in an even-numbered year. The Director in (c) shall be selected in the odd-numbered year and the Director in (d) shall be selected in the even-numbered year.

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Being newly constituted following the Quorum in 2008, all Directors fulfilling roles listed in (b), (c) and (d) above shall be selected in that year from among existing Executive Council members who will caucus regionally to make their selections. One Director from each region serving under (b) above and the Director selected under (c) shall serve an initial term of three years and such members will not be eligible to serve in the same capacity on the Board of Directors until at least one year from the completion of their initial term.

Section 7.3 Selection. Following the initial selection in 2008, the selection shall be in accordance with free and fair election guidelines developed by the Association in accordance with timetables established by each Region, the International Chapter and the Commercial Advisory Committee respectively provided that such selection is made and results transmitted to the Executive Director at least sixty (60) days prior to the Annual Conference.

Section 7.4 Duties. The Board of Directors shall:

- 138 (a) Create new Chapters and to modify or cancel the charter of existing Chapters, except the International Chapter;
- 139 (b) Approve the annual budget or any change to the approved annual budget, except the Executive Committee and/or the Executive Director may make modifications which are within pre-defined limits that the Board of Directors establish;
- 140 (c) Approve the purchase or sale of real property by the Association, except that it may grant authority to the Executive Committee and/or the Executive Director to enter into contracts to purchase or sell real property subject to compliance with pre-defined limits established by the Board of Directors;
- 141 (d) Establish a new project under the APCO Project Series;

138 (e) Review and approve the Association’s goals and objectives as
139 recommended by the Executive Committee;

140 (f) Review and approve the Executive Director’s goals and objectives for the
141 Association staff and management team;

142 (g) Review and approve the Executive Director’s formal business plan
143 previously approved by the Executive Committee;

144 (h) Review and approve of the Association’s annual budget proposal;

145 (i) Report its activities. Each Director has the responsibility to issue a formal
146 report to his/her constituency; and

147 (j) Perform other duties as may be otherwise specified in these Bylaws or as
148 may be required by the Board of Directors of itself.

149
150 Section 7.5 Voting. All actions by the Board of Directors shall require at least two-
151 thirds approval of the voting membership of the body.

152
153 Section 7.6 Meetings. The Board of Directors shall meet quarterly, but may convene
154 more or less frequently as the body itself may agree. A two-thirds majority of the voting
155 membership of the body shall be necessary and sufficient to constitute a quorum for the
156 transaction of business.

157
158 Section 7.7 Action by Petition. Should more than a third of the number of Chapter
159 Presidents or members of the Executive Council petition the President in writing regarding a
160 single issue, other than amendment of the Bylaws, the President shall poll the Board of Directors
161 in the matter. Should the Board of Directors approve the petition, the President shall forthwith
162 act accordingly.

163
164 **ARTICLE VIII**
165 **EXECUTIVE COMMITTEE OF THE BOARD**
166

167 Section 8.1 Composition. The business and affairs of the Association shall be
168 managed by an Executive Committee of the Board of Directors, which may exercise all such
169 powers of the Association and do all such lawful acts and things on its behalf as are not
170 forbidden by statute, the Certificate of Incorporation or these Bylaws and are not specifically
171 reserved to be performed by others in these Bylaws.

172
173 The Executive Committee consists of the following:

- 174 (a) A President who shall advance from the position of First Vice-President,
175 (b) A First Vice-President and a Second Vice-President who shall be elected
176 by the eligible voting membership of the Association,
177 (c) The Executive Director who shall serve as a non-voting member.
178 (d) The Immediate Past President who shall serve as a non-voting member.

179
180 Section 8.2 Duties. The Executive Committee shall:

- 181 (a) Prepare and maintain an annual budget for the Association;
182 (b) Provide oversight and direction to the Executive Director;

- 183 (c) Maintain the Association Strategic Plan and set goals and objectives in
184 accordance with such plan; and
185 (d) Perform all functions and do those acts that are not specifically reserved in
186 these Bylaws to be performed by others.
187

188 Section 8.3 Terms of Office. Members of the Executive Committee shall serve from
189 the time they are installed in office until their successors are installed in office unless they are
190 removed, resign, otherwise vacate the office or become ineligible by virtue of engaging in a
191 commercial capacity as set forth in the Membership Policy;.
192

193 Section 8.4 President-Elect. Until such time as the President-Elect position is
194 eliminated with the close of the Membership Quorum in 2009, the election and processes
195 pertaining to that office shall be the same in intent as those pertaining to the First Vice President,
196 and those for the First Vice President shall be similar in scope to those pertaining to the Second
197 Vice President. [In 2009, candidates for First Vice President and Second Vice President shall
198 not advance, but shall as incumbents stand for re-election to the same posts.]
199

200 Section 8.5 Succession and Election. The First Vice President shall automatically
201 succeed to the office of President. The incoming First Vice-President, and Second Vice-
202 President shall be elected by a simple majority vote of the Association’s members casting ballots
203 in accordance with procedures established by the Board of Directors.
204

205 Section 8.6 Qualifications. Candidates for First Vice-President, and Second Vice-
206 President shall meet or exceed the minimum qualifications listed below.

- 207 (a) Be a voting-eligible Member in good standing serving in a non-
208 commercial capacity as set forth in the Membership Policy;
209 (b) Be a citizen of the United States; and
210 (c) Have served at least two years in an elected office of a Chapter and a term
211 on the Board of Directors or the Executive Council.
212

213 Section 8.7 Meetings and Voting. The Executive Committee shall meet and conduct
214 the business of the Association at such times and places as the President or a majority of the
215 Officers shall indicate. At all meetings of the Executive Committee, or of any committee of the
216 Association, a majority of the voting membership of the respective body shall be necessary and
217 sufficient to constitute a quorum for the transaction of business, and the vote of a majority of
218 those at any meeting at which a quorum is present shall be the act of that respective body, except
219 as otherwise provided herein. The President shall advise the Board of Directors of any
220 significant actions taken at meetings of the Executive Committee.
221

222 **ARTICLE IX**
223 **OFFICERS**
224

225 Section 9.1 The President shall:

- 226 (a) Preside at all Association business meetings, except as provided in this
227 Article and as determined during the Annual Conference
228 (b) Serve as Chair of the Board of Directors and the Executive Committee.

229 (c) Serve as Chair of the Board of Directors for each of the Association’s
230 subsidiaries and the President of the International Chapter.

231 (d) Make appointments to fill vacancies in office in accordance with this
232 Article.

233 (e) Perform such other duties as may be required that are not specifically
234 assigned to others.

235
236 Section 9.2 The First Vice President (or President-Elect through August 2009) shall:

237 (a) Serve in the absence of the President.

238 (b) Preside over the portion of the Board of Directors meeting at which the
239 proposed budget for the ensuing year is being considered.

240 (c) Serve on the Board of Directors for each of the Association’s subsidiaries
241 and Secretary of the International Chapter.

242 (d) Perform such other duties as may be required that are not specifically
243 assigned to others.

244
245 Section 9.3 The Second Vice President shall:

246 (a) Serve in the absence of the President and First Vice President.

247 (b) Serve on the Board of Directors for each of the Association’s subsidiaries
248 and an officer of the International Chapter.

249 (c) Perform such other duties as may be required that are not specifically
250 assigned to others.

251
252 Section 9.4 The Immediate Past President shall:

253 (a) Participate in meetings of the Executive Committee and Board of Directors
254 for the year following the conclusion of the term as President;

255 (b) Serve on the Board of Directors for each of the Association’s subsidiaries
256 and an officer of the International Chapter;

257 (c) Perform such other duties as may be required that are not specifically
258 assigned to others.

259
260 Section 9.5 Vacancies. A vacancy in the office of President or First Vice President,
261 other than a temporary vacancy expected to last less than 90 days, shall be filled by
262 advancement-in-rank by the next lower ranking elected officer. Such advancement-in-rank shall
263 be in an “Acting” capacity.

264 (a) A vacancy in the office of Second Vice-President, other than a temporary
265 vacancy expected to last less than 90 days, shall be filled by an appointment made by the
266 President. Such appointment shall be subject to review and approval as follows: a) certification
267 by the Credentials Committee that the appointee satisfies the eligibility requirements for service
268 on the Executive Committee; b) confirmation by the remaining members of the Executive
269 Committee; and c) ratification by the Board of Directors.

270 (b) A vacancy in the offices of President, First Vice-President or Second
271 Vice-President that occurs after April 1 or otherwise is expected to last less than 90 days may be
272 left vacant until the next regular election of officers or the return of the currently elected officer.
273 Such decision to leave the office vacant shall require a majority vote of the remaining members
274 of the Executive Committee with prompt notice provided to the full Board of Directors.

321 **ARTICLE XIII**
322 **GENERAL PROVISIONS**
323

324 Section 13.1 Interest of Members. No member of the Association shall have any right,
325 title or interest in or to the whole or any part of the property or assets of the Association, and no
326 member shall be entitled to either the whole or any part thereof in the event of the termination of
327 his or her membership in the Association and no such person or persons shall be entitled to share
328 in the distribution of any of the corporate assets upon the dissolution of the Association. All
329 Officers of the Association shall be deemed to have expressly consented and agreed that upon
330 such dissolution or winding up of the affairs of the Association, whether voluntary or
331 involuntary, the assets of the Association, after all debts have been satisfied, then remaining in
332 the hands of the Association shall be distributed, transferred, conveyed, delivered, and paid over,
333 in such amounts as the Quorum or Board of Directors by a two-thirds vote may determine or as
334 may be determined by a court of competent jurisdiction upon application of the Executive
335 Committee, exclusively to an organization of similar purposes which would then qualify under
336 the same provisions of Section 501(c) of the Internal Revenue Code and its Regulations as they
337 now exist or as they may hereafter be amended.
338

339 Section 13.2 Indemnification. The Association shall, to the full extent of its power to
340 do so, indemnify any and all present and former officers, Board of Directors, Executive Council
341 members, employees, committee members and other agents of the Association against expenses,
342 including attorneys' fees, judgments, fines and amounts paid in settlement actually and
343 reasonably incurred by them in connection with any action, suit or proceeding in which they, or
344 any of them, are made parties, or a party, by reason of their being or having been officers,
345 directors, employees, committee members, or agents of the Association; except in relation to
346 matters as to which any such person shall be finally adjudicated in any such action, suit or
347 proceeding not to have acted in good faith in the reasonable belief that his or her action was in
348 the best interest of the Association, or, with respect to any criminal action or proceeding, where
349 such person is finally adjudged to have had reasonable cause to believe that his or her conduct
350 was unlawful. Such indemnification shall not be deemed exclusive of any other rights to which
351 those indemnified may be entitled under any other bylaw, agreement, or otherwise.
352

353 **ARTICLE XIV**
354 **AMENDMENTS**
355

356 Section 14.1 Power to Amend. These Bylaws may be amended or repealed, and new
357 Bylaws may be adopted, by resolution adopted by a two-thirds majority of the Quorum in regular
358 session provided that notice of the proposed amendment is contained in the notice of the meeting
359 that is posted and postmarked no later than thirty (30) days prior to the meeting of the Quorum.
360 Such amendments shall become effective upon the adjournment of the Annual Conference at
361 which they were adopted unless the resolution specifies an alternate effective date.

APCO International - Governance Documents Matrix				
[Legend: C=Constitution; Bylaws = B; P=Policy Manual]				
Index Items	Citation	Proposed Bylaws	Policy (BoD)	Procedure (HQ)
General (Name, Purpose, and Public Safety)	C= Art 1, #1, 2, 3; Art 2, #1 B= P= Art 2, #2.1	Art 2, brief; fuller version appears in Certif of Incorp and IRS app (Form 1023)	n/a	n/a
Organization	C= Art 2 B= P=	Art 1 (name, offices); fuller description in Certif of Incorp and IRS app (Form 1023)	n/a	n/a
Association	C= B= Art 2 P=	Art 1 (name, offices); fuller description in Certif of Incorp and IRS app (Form 1023)	n/a	n/a
Chapters	C= Art 2, # 2 3; Art 5 B= P= Art 3	Art 4; BoD authority over chapters that have independent standing legally	Selection process by BoD	Process for reporting between chapter and Association
Regions	C= Art 2, #3 B= P=	Art 4.2; Identifies geo regions	Scope of region activities, i.e., conferences	n/a
Membership	C= Art 2, # 2 B= Art 1 P= Art 4	Establishes APCO as a member-governed assn; defines voting rights, leadership eligibility, revocation process	Defines member categories, dues level, revenue split	Spells out membership reporting between Intl and chapters; cost accounting
Executive Council	C= Art 2, #6; Art 4, #2 B= Art 5 P=	Art 6; Reconfigured to meet regionally and serves as a conduit for info exchange between BoD and Chapters	n/a	Guidance for free and fair elections of regional reps to BoD by region.
Board of Directors	C= Art 2, #6; Art 4, #2 B= Art 5 P=	Art 7; Newly constituted w/ duties similar to prior EC; composition, terms [new] , selection, 2/3 quorum	n/a	Meeting logistics; cost accounting
Executive Committee Board of Officers	C= Art2, #7; Art 4, # 3 B= Art 5 P= Art 6	Art 8 & 9; composition, terms, [transition] , succession, qualifications [rev] , quorum, duites, vacancies, removal	Role of Credentials Committee (in certifying nominees)	Candidate & voting process; support by ED, cost accounting

APCO International - Governance Documents Matrix				
[Legend: C=Constitution; Bylaws = B; P=Policy Manual]				
Index Items	Citation	Proposed Bylaws	Policy (BoD)	Procedure (HQ)
Committees and Task Forces	C= B= Art 9 P= Art 7	Art 10; small mention in terms of meeting protocol	Determine committees; Exec Comm appointment of chairs and committees	Supporting selection process, role of staff liaisons, cost accounting
Executive Director	C= Art 4, #4; Art 8 B= Art 6 P=	Art 11, establishes function; selection process; reports to President and Exec Comm	Removal criteria and process should be defined under contract	n/a
Controller	C= Art4, #5; Art 9 B= Art 7 P=	Art 11, briefly notes that such a post can report discrepancies to ED, Exec Comm and/or BoD per one's professional duty	n/a	Terms of engagement should be defined by contract.
Counsel	C= B= Art 8 P=	n/a [any corporation can and should retain counsel whose conduct is governed by the ABA and judicial practice]	n/a	Terms of engagement should be defined by contract.
Membership Quorum	C= Art 4, #1 B= Art 3 P= Art 2, #2.8	Art 5. establishes function; Art 8, voting on VPs; Art 14, amendment of bylaws	preview of items to quorum	Site selection, meeting logistics, voting procedues
Headquarters Staff	C= Art 2, #11 B= P=	Art 11, Executive Director	n/a	[numerous]
Travel	C= B= P= Art 7	n/a	Travel Expense Policy	Reimbursement procedures; cost accounting
Purchasing and Contracting	C= B= P= Art 10	n/a	P & C Policy	Implementation procedures
Records Management	C= B= P= Art 11	n/a	Records & Retention Policy	Implementation procedures

APCO International - Governance Documents Matrix				
[Legend: C=Constitution; Bylaws = B; P=Policy Manual]				
Index Items	Citation	Proposed Bylaws	Policy (BoD)	Procedure (HQ)
APCO Project Series	C=	Art 6, under duties of BoD	Project Development	Implementation procedures; liaison support; cost accounting
	B= Art 11			
	P= Art 12			
Awards	C=	n/a	Awards Committee & Policy	Implementation procedures, liaison support
	B= Art 14			
	P= Art 13			
Dues	C=	Art 12, establishes authority to levy dues, Quorum vote required for vote above CPI adjustment	Dues Categories and Rates	Implementation procedures
	B= Art 2			
	P=			
Conferences and Symposiums	C= Art 7, #3, 4	Art 5 (Quorum)	Prefer Aug for Annl Conf, date patterns for Regional Conf; Site Selection, including criteria staff should use to make merit decision	Site selection process, sponsor/exhibitor procedures, conference logistics
	B= Art 10			
	P=			
Publications	C=	n/a	Publications Policy	Publication Mgmt
	B= Art 12			
	P=			
Asset Management	C=	Art 13.1 [rev]	F&B Committee Role; Independent Audit	Financial Controls + GAAP guidelines
	B= Art 13			
	P=			
Rules of Order	C=	n/a	n/a	RRofO Implementation
	B= Art 15			
	P=			
Amendment	C= Art 10	Art 14	(of Policies)	n/a
	B= Art 16			
	P=			

APCO International - Governance Documents Matrix				
[Legend: C=Constitution; Bylaws = B; P=Policy Manual]				
Index Items	Citation	Proposed Bylaws	Policy (BoD)	Procedure (HQ)
Voting	C= Art 3	Within Applicable Articles	n/a	Voting Process
	B=			
	P=			
Authority	C= Art 4	Within Applicable Articles	n/a	n/a
	B=			
	P=			
Bylaws and Policy Manuals	C= Art 7	Bylaws	Policies	Procedural Manual
	B=			
	M= Art 1			
Constitution	C= Art 7	Counsel recommends merger of Constitution & Bylaws; other relevant info is contained in Articles of Incorp	n/a	n/a
	B=			
	M= Art 2, #2.6			
Trademark	C= Art 8	n/a	Trademark Policy	Implementation procedures
	B=			
	M=			
Indemnification	C= Art 9	Art 13.2	n/a	Insurance policies - D&O, Property, Bonding, Event
	B=			
	M=			
Elected Officials	C= Art 2, #5	Art 3.3; eligibility for positions of leadership [incl options from within non-Active Member Categories, e.g., CAC]		Candidate & Voting Process
	B=			
	M=			
Subsidiaries	C= Art 2, #10	Art 9; Exec Comm oversight of subsidiaries	Advisory Committees	
	B=			
	M= Art 2, #2.2			
Other Manuals	C=Art 7, #6	n/a	n/a	[as needed]
	B=			
	M=			



APCO International

Association Of Public-Safety Communications Officials-International, Inc.

March 31, 2008

EXECUTIVE DIRECTOR

George S. Rice, Jr.
riceg@apcointl.org

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Mr. George S. Rice, Jr.
APCO International
351 N. Williamson Blvd
Daytona Beach, FL 32114

RE: Resolution #2 to Amend the Articles of Incorporation

Dear George:

Pursuant to our authority as the Board of Officers, we are pleased to propose the attach resolution, which has been prepared by special tax counsel.

Jacqueline Henson of McKenna Long & Aldridge has also submitted a letter with summary points regarding the conversion of the Association's tax-exempt status from 501(c)(6) to 501(c)(3) in which she acknowledges that further research is import to do, but expresses the belief that APCO should be able to meet the requirements for Section 501(c)(3) status, which comes with additional advantages in the way that the Association is viewed by the public, foundations and our members. Our Controller, Bob Johnson, is also supportive of the conversion/merger, which could streamline IRS and audit compliance.

The discussion of this tax matter has not been enjoined by the Executive Council to this point, thus we encourage it be vetted through the same process by the SGI task force pertaining to Resolution #1. Thus, rather than rushing the attached version into print, as has been the recent practice, we encourage you to manage a publication process as efficiently as possible to allow its further refinement under the continued watchful eye of counsel until time to properly fulfill the 30-day notice requirement for the 2008 Annual Conference Quorum.

Thank you for your cooperation and support of these proceedings.

Sincerely,

Willis Carter
President

Chris Fischer
President-Elect

Dick Mirgon
First Vice President

William Carrow
Second Vice President

Albany
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March 31, 2008

BY ELECTRONIC MAIL

The Board of Officers, Executive Committee and Members of
APCO International, Inc.
351 North Williamson Avenue
Daytona Beach, FL 32114

Re: APCO Conversion and Combined Group Reorganization

Ladies and Gentlemen:

We have been asked to provide guidance as special tax and corporate counsel to APCO International, Inc. with respect to (1) a proposed conversion of APCO International, Inc. from a Section 501(c)(6) organization to a Section 501(c)(3) organization; and (2) a proposed merger of one or more of the remaining organizations of the APCO Combined Group, namely, the APCO Institute, APCO Automated Frequency Coordination and the Heritage Foundation, into APCO International. For the purposes of our initial review, APCO provided us with copies of APCO International's Articles of Incorporation and financial statements for the APCO Combined Group for the six months ending December 31, 2007. Although we recommend a more detailed review to confirm our initial findings, we believe that APCO International could satisfy the requirements of a Section 501(c)(3) organization. Assuming APCO is recognized by the Internal Revenue Service as tax-exempt under Section 501(c)(3), one or more of the remaining organizations of the APCO Combined Group could then be merged into APCO, thus streamlining the APCO Combined Group and reducing administrative and other costs.

The remainder of our letter briefly summarizes the requirements for Section 501(c)(3) status, the advantages and disadvantages of such status and the reorganization of the APCO Combined Group and outlines a possible future course of action to effect the conversion and the reorganization.

I. Section 501(c)(3) Requirements.

To be recognized as a Section 501(c)(3) organization and to maintain such status, APCO must meet certain requirements:

1. Organizational Test. To be recognized as a Section 501(c)(3) organization, APCO must include certain provisions in its Articles of Incorporation filed with the Florida Secretary of State. These provisions state that APCO is organized and operated exclusively for charitable and educational purposes, that “no part of the net earnings of APCO inures to the benefit of any private shareholder or individual,” that APCO will not engage in any political activities, that it will lobby only to an insubstantial extent and that, upon dissolution, APCO’s assets will be distributed to another Section 501(c)(3) organization. These statements are explained in greater detail, below. If APCO’s Articles of Incorporation do not contain these provisions, APCO will not be recognized as a Section 501(c)(3) organization. A draft of Articles of Amendment incorporating the required language is enclosed with this letter for your consideration.

2. Operational Test. To be recognized as a Section 501(c)(3) organization, APCO must be operated primarily for charitable, educational and scientific purposes. As long as APCO primarily engages in activities in furtherance of such charitable, educational and scientific purposes, it will satisfy the operational test. We have been advised that the primary purposes of APCO are to (i) foster the development and progress of public safety communications and supporting information technologies by means of research, planning, coordination, training and education in areas concerned with law enforcement, fire, emergency rescue and medical services, conservation, forestry, highway maintenance, emergency management and other public safety services; (ii) promote the rapid and accurate collection, exchange and dissemination of information relating to emergencies and other vital public safety communications among and between all levels of local, state and federal governments and those who work with them; and (iii) strive to protect the citizen and their property and provide for their welfare by these and other appropriate means. These purposes appear to us to be charitable, educational and scientific. Assuming APCO’s actual activities are intended to, and do further and support these purposes, then APCO should be able to meet this operational test. We believe that it would be prudent, however, for us to review APCO’s web site, program documents and other operational materials to make sure that this operational test is satisfied.

3. Inurement Prohibition. A Section 501(c)(3) organization is formed and operated for public purposes. Its assets belong to the public and are dedicated to the fulfillment of the charitable purposes for which it is formed. The assets of a Section 501(c)(3) organization do not belong to any individual or any group of individuals. If the Section 501(c)(3) organization ceases operations, its assets must be distributed to another charitable organization.

Charitable assets must not serve private purposes, particularly the private purpose of the Section 501(c)(3) organization’s insiders (i.,e., its directors and officers). This principle, also known as inurement, focuses on an insider’s ability to divert charitable assets away from their intended, charitable purposes and instead to the limited, private uses of the insider. The classic example is that of a founder of an organization who diverts the organization’s funds to the organizer’s own personal uses or those of the organizer’s family. This is not to imply, however, that a Section 501(c)(3) organization is precluded from paying for services rendered by insiders

to the organization or for goods provided to the organization by such individuals. On the contrary, a Section 501(c)(3) organization may provide reasonable compensation to an insider for services rendered or goods received. If compensation is unreasonable or excessive, however, the excess constitutes inurement. The presence of any inurement could result in a denial or revocation of Section 501(c)(3) status. Thus, transactions between a Section 501(c)(3) organization and its directors and officers must be carefully scrutinized.

We understand that there are currently no contracts or monetary arrangements between APCO and any of its directors or officers. Thus, we do not view the inurement prohibition as an obstacle to APCO's conversion to Section 501(c)(3) status.

4. Restriction on Lobbying Activities. Section 501(c)(3) organizations are restricted in the amount of lobbying that they may undertake. "Lobbying" is defined as the attempt to influence the passage or defeat of legislation. Section 501(c)(3) organizations may lobby only to an "insubstantial" extent. If a Section 501(c)(3) engages in substantial lobbying, it will forfeit its charitable status.

A Section 501(c)(3) organization may make an election under section 501(h) of the Internal Revenue Code that will provide it with a formula to determine how much lobbying it may undertake before it risks forfeiture of its Section 501(c)(3) status. A Section 501(c)(3) organization that makes this election may expend up to the lesser of \$1,000,000 or:

- a. 20% of its exempt purpose expenditures up to \$500,000, plus
- b. 15% of the excess of its exempt purpose expenditures over \$500,000 but not over \$1,000,000, plus
- c. 10% of the excess of its exempt purpose expenditures over \$1,000,000 but not over \$1,500,000, plus
- d. 5% of the excess of its exempt purpose expenditures over \$1,500,000.

"Exempt purpose expenditures" means the total of the amounts paid or incurred (including depreciation and amortization, but not capital expenditures) by an organization for the tax year to accomplish its exempt purposes. In addition, it includes: administrative expenses paid or incurred for the organization's exempt purposes, and, amounts paid or incurred for the purpose of influencing legislation, whether or not the legislation promotes the organization's exempt purposes. Exempt purpose expenditures generally do not include fundraising expenses.

We understand that APCO typically spends less than \$100,000 a year in lobbying costs. Bear in mind that involvement in and responses to regulatory proceedings, which we understand to be the mainstay of the work of your regulatory counsel, are not considered lobbying under the Internal Revenue Service regulations. If APCO were to make the Section 501(h) election described above, and assuming exempt purpose expenditures of roughly \$5,000,000, APCO could spend up to \$400,000 on its lobbying activities without jeopardizing its Section 501(c)(3) status. Thus, we do not believe the lobbying restriction would be an obstacle to APCO's conversion to Section 501(c)(3) status.

5. Political Activity Prohibition. Section 501(c)(3) organizations may not engage in any political activities. Political activities are activities that support the election or defeat of a candidate for political office, whether at the federal, state or local level. Engaging in any political activity by the organization endangers its Section 501(c)(3) status. We understand that APCO currently does not engage in any political activities, nor does it maintain a political action committee. Thus, we believe that the political activity prohibition should not be viewed as an obstacle to APCO's conversion to Section 501(c)(3) status.

6. Public Support Test. There are two types of Section 501(c)(3) organizations: public charities and private foundations. Private foundations generally receive the bulk of their financial support from a limited number of individuals. They tend to be run by these individuals, as well. Because of their limited support, direction and focus, the Internal Revenue Code imposes more requirements and excise taxes on such organizations.

It is in the best interests of any Section 501(c)(3) organization to be characterized as a public charity, rather than a private foundation. To be a public charity, an organization must meet one of two support tests. The first support test focuses on donations that the organization receives from the public. Public charities, such as the Red Cross and United Way, receive donations from thousands of individuals and, thus, meet the public support test. The second support test is designed for organizations that receive most of their financial support via service fees and other sources of income earned from activities conducted in furtherance of their exempt purposes. We would expect that APCO, which receives exhibit fees, conference registration fees, membership dues, training and course fees, publication sale fees, all from the exercise of activities conducted in support of its exempt purposes, would easily satisfy this second test. We recommend that APCO's internal accountant or controller calculate the relevant support percentage just to make certain that APCO meets this test.

This second support test also places a limitation on the amount of gross investment income and unrelated business income that such Section 501(c)(3) organization may receive. No more than one-third of the organization's income may come from such sources. Based on its 2008 interim financial statements, it appears that APCO should not have any problem satisfying this test; however, we recommend that APCO's internal accountant or controller confirm this.

Based on the above, we believe that APCO should be able to meet the requirements for Section 501(c)(3) status.

II. Advantages and Disadvantages of Section 501(c)(3) Status.

Section 501(c)(3) status confers a number of advantages upon the organization.

1. Ability to Attract Charitable Contributions and Grants. Section 501(c)(3) organizations have the ability to attract charitable contributions from the public, as well as grants from government agencies, corporations and private foundations. Section 501(c)(6) organizations do not have such ability.

2. Greater Exemption from State and Local Taxes. Many state and localities exempt Section 501(c)(3) organizations from a variety of taxes, such as sales and use taxes, property taxes, franchise taxes and other forms of business-related taxes. For instance, Maryland and the District of Columbia exempt Section 501(c)(3) organizations from sales and use taxes and property taxes. Section 501(c)(6) organizations are not exempt from such taxes.

3. Public Perception. Typically, Section 501(c)(3) organizations enjoy a higher level of standing in the public's eyes than industry groups, such as Section 501(c)(6) organizations. This is because Section 501(c)(3) organizations are formed for public purposes, as opposed to Section 501(c)(6) organizations, which typically serve the interests of an industry or a particular line of business. Many organizations choose to become section 501(c)(3) organizations because of this higher level of standing.

4. Disclosures and Recordkeeping. The higher visibility of Section 501(c)(3) organizations does come with a cost--namely, more disclosures and more recordkeeping. For example, both Section 501(c)(3) organizations and Section 501(c)(6) organizations must file an annual information report on Form 990 with the Internal Revenue Service. A Section 501(c)(3) organization has to file more schedules as part of the Form 990, than a Section 501(c)(6) organization does.

Form 990 for both Section 501(c)(3) organizations and Section 501(c)(6) organizations are public documents. Both types of organizations must make their Forms 990 for their three most recent tax years available to the public upon request. Neither type of organization, however, is required to disclose the names of its donors that appear on Schedule B of Form 990. Moreover, the Internal Revenue Service does not make the names of donors appearing on Schedule B of Form 990 available to the public.

5. Public Accountability and Good Governance. Section 501(c)(3) organizations enjoy greater visibility than their Section 501(c)(6) counterparts; however, because they serve the public, they are subject to greater public scrutiny. Many watchdog organizations monitor the

activities of Section 501(c)(3) organizations. Others, including the Senate Finance Committee and various state attorneys general, have called for more accountability and better governance practices from Section 501(c)(3) organizations. APCO should view its present efforts at governance reform as an important step if it chooses to convert to section 501(c)(3) status.

III. Combined Group Reorganization.

1. Lower Administrative Costs. Separate organizations require separate boards, separate books and records, and separate federal and state filings. Thus, APCO should realize some cost savings by combining one or more of the organizations of the APCO Combined Group into the new APCO that is recognized under Section 501(c)(3).

If separateness of the APCO Combined Group organizations is not maintained, the organizations will be viewed as one larger, combined organization. In such case, any benefit from having separate organizations would not exist. The more that one of the organizations of the APCO Combined Group participates in the day-to-day activities and decisions of another organization of the APCO Combined Group, the greater the chances that an aggrieved third party would challenge the separateness of the organizations.

2. Separate Accounts. Even if one of the more of the organizations of the APCO Combined Group are combined into the new APCO, separate accounts could be established for the assets of these organizations and restricted for their original charitable purposes (e.g., the Heritage Foundation). These separate accounts could be either separate bank accounts or mere bookkeeping entries.

3. Improved Governance. Combining one or more of the APCO Combined Group organizations into the new APCO would enable the APCO Board of Officers to more directly control the activities of the APCO Combined Group. This control exists currently because, as we understand, the APCO Board also serves as the board of these other organizations. This scheme of identical boards increases the possibility that a third party may try to pierce the corporate veil if its claim against one or more of the organizations of the APCO Combined Group fails because of insufficient assets.

IV. Next Steps.

1. Conversion to Section 501(c)(3) Status. There are a number of ways that APCO could convert to Section 501(c)(3) status. The most straightforward would consist of (i) filing Articles of Amendment with the Florida Secretary of State; and (2) completing and filing with the Internal Revenue Service an application for recognition for Section 501(c)(3) status for APCO. This application is designed to illicit information to enable the Internal Revenue Service to determine if the applicant organization satisfies the requirements for Section 501(c)(3) status.

The Board of Officers, Executive Committee and Members of
APCO International, Inc.
March 31, 2008
Page 7

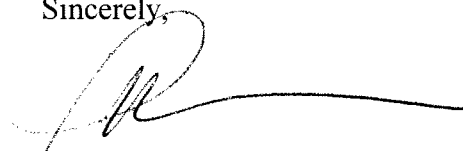
Review may take 2-6 months; there are ways, however, to expedite the review and shorten this period.

Another method of conversion may be to use one of the present Section 501(c)(3) organizations of the APCO Combined Group and change it into the new APCO. We would have to explore the feasibility of this approach by reviewing the organizational documents of these organizations. The benefit of this approach would be that it would bypass the extensive IRS review and the waiting period. There would still, however, be disclosure to the Internal Revenue Service of the new activities being undertaken by the APCO Combined Group organization.

2. Merger. If APCO chooses to combine one or more of the organizations of the APCO Combined Group into the new APCO, this could be accomplished by having the governing board of such organization direct that the APCO Combined Group organization dissolve and transfer its assets to the new APCO. This transfer of assets must occur after the Internal Revenue Service has recognized APCO as a Section 501(c)(3) organization. All that is required is the filing of Articles of Dissolution with the Florida Secretary of State and a final Form 990 with the Internal Revenue Service.

If you have any questions, or if you require additional information, please do not hesitate to contact me.

Sincerely,



Jacqueline A. Henson

JAH/wlb
Enclosures



JOHNSON EUBANK & COMPANY PA

Certified Public Accountants

ROBERT L. JOHNSON, CPA*
MARJORIE O'NEALL EUBANK, CPA*, CFP®
*Regulated by the State of Florida

April 7, 2008

The Board of Officers and Executive Committee
APCO International, Inc.
351 N. Williamson Blvd.
Daytona Beach, Florida 32114

APCO Tax Status Conversion and Combined Group Reorganization

Ladies and Gentlemen:

I have reviewed the letter dated March 31, 2008, from Jacqueline A. Henson, Esquire, special tax and corporate counsel, regarding advise with respect to the proposed conversion of APCO International from a Section 501(c)(6) organization to a Section 501(c)(3) organization and then the proposed merger of APCO Institute, APCO AFC and the Heritage Foundation into APCO International and I agree completely with her recommendation to implement this proposal.

Over the past few years in my role as auditor, tax consultant and most recently as the outsourced controller for APCO, I have had the opportunity to have various discussions with members of management regarding the issues of the current structure for the APCO group and the practical advantages of combining the operations into one legal structure all with the same Section 501(c)(3) tax designation. This is for all practicable purposes the manner in which the organization has been operating in recent years but with the additional administrative burdens of separate legal entities with separate financial reporting and IRS tax filings.

Under generally accepted accounting principles, all of the separate entities are required to prepare combined financial statements for financial reporting as a result of the common control with the same board members, management and staff and the related nature of the financial operations. The financing compliance requirements were also recently clarified by the bank indicating that operations would be evaluated for compliance on a consolidated financial basis of all entities. The actual reorganization of the group into one legal entity will facilitate these requirements and general operations on a more direct and efficient basis.

This reorganization can also be done while maintaining all of the necessary financial accountability of each operating division through the maintenance of separate operating accounts within the general ledger so that the necessary financial reporting and management data for the divisions continues to be available. This reorganization will actually simplify the accounting and tax reporting process which will yield significant savings in overall administrative expenses.



The Board of Officers and Executive Committee
APCO International, Inc.

April 7, 2008
Page 2

As for the ability of APCO International to meet the requirements of a 501(c)(3) organization, I have reviewed the specific items mentioned in Ms Henson's letter pertaining to questions regarding two elements of the public support test and find no current indications of any reasons that these requirements can not be satisfied by the operations of APCO International as well as for the combined reorganized group.

I totally support the proposed recommendations for the conversion of APCO International into a 501(c)(3) organization and the reorganization of the separate entities into one group of combined operating divisions as one association - APCO International, Inc.

Sincerely,

A handwritten signature in black ink that reads 'Robert L. Johnson'. The signature is written in a cursive style with a large, prominent 'R' and 'J'.

Robert L. Johnson, CPA

1 **RESOLUTION 2**

2
3 **INTENT:** To reorganize the Association (which consists of APCO International, the APCO
4 Institute, APCO Automated Frequency Coordination and the Heritage Foundation) by (1)
5 converting APCO International from a Section 501(c)(6) organization into a Section 501(c)(3)
6 organization and (2) merging the other entities of the APCO Institute, APCO Automated
7 Frequency Coordination and the Heritage Foundation into APCO International, after APCO
8 International has been recognized by the IRS as tax-exempt under Section 501(c)(3).

9
10 **MAKER:** The Board of Officers

11
12 **QUORUM:** The 2008 Annual Conference Quorum.

13
14 **WHEREAS,** The special legal counsel advises that it is in the best interests of the Association to
15 (1) convert APCO International from a Section 501(c)(6) organization into a Section 501(c)(3)
16 organization, in order to gain advantages unique to Section 501(c)(3) status; and (2) combine the
17 APCO Institute, APCO Automated Frequency Coordination and the Heritage Foundation into
18 APCO International, after APCO International has been recognized by the IRS as exempt under
19 Section 501(c)(3), in order to streamline the operations of the combined group and to take
20 advantage of lower administrative and other costs of the Association.

21
22 **RESOLVED (1),** The Articles of Incorporation of the Association shall be amended to include
23 language required for Section 501(c)(3) status, as set forth below, and

24
25 **RESOLVED (2),** The Association shall bring about the merger of APCO Institute, APCO
26 Automated Frequency Coordination and the Heritage Foundation into APCO International,
27 after APCO International has been recognized by the IRS as tax-exempt under Section 501(c)(3).

28
29 **RESOLVED (3),** The directors and officers of the Association are hereby authorized and directed
30 to take all appropriate action to (1) effectuate the conversion of APCO International from a
31 Section 501(c)(6) organization into a Section 501(c)(3) organization, by filing the Articles of
32 Amendment with the Florida Secretary of State's Office and applying to the IRS for recognition of
33 APCO International as a Section 501(c)(3) organization; and (2) merge the APCO Institute,
34 APCO Automated Frequency Coordination and the Heritage Foundation into APCO International,
35 after APCO International has been recognized by the IRS as tax-exempt under Section 501(c)(3).

1 **AMENDMENTS TO ARTICLES OF INCORPORATION**

2 **OF**

3 **ASSOCIATION OF PUBLIC-SAFETY COMMUNICATIONS OFFICIALS-**
4 **INTERNATIONAL, INC. (the “Corporation”)**

5 **Document Number: N0600005275**

6 **ARTICLE 3, GENERAL PURPOSES, of the Articles of Incorporation of the**
7 **Corporation is hereby deleted and the following is inserted in its place:**

8 **ARTICLE 3**
9 **PURPOSES**

10 The Corporation shall be organized and operated exclusively for charitable, scientific
11 and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code
12 of 1986, as now in effect or as may be amended hereafter (the “Code”). In fulfillment of these
13 purposes, the business of the Corporation shall include (a) fostering the development and
14 progress of public safety communications and supporting information technologies by means of
15 research, planning, coordination, training and education in areas concerned with law
16 enforcement, fire, emergency rescue and medical services, conservation, forestry, highway
17 maintenance, emergency management and other public safety services; (b) promoting the rapid
18 and accurate collection, exchange and dissemination of information relating to emergencies and
19 other vital public safety communications among and between all levels of local, state and federal
20 governments and those who work with them; (c) striving to protect the citizen and their property
21 and provide for their welfare by these and other appropriate means; and (d) doing everything
22 necessary, proper, advisable or convenient for the accomplishment of the Corporation’s purposes
23 and all other things incidental or connected to them that are not forbidden by the Articles of
24 Incorporation or by applicable law.

25 **ARTICLE 7, NET EARNINGS, of the Articles of Incorporation of the Corporation**
26 **is hereby deleted and the following is inserted in its place:**

27 **ARTICLE 7**
28 **GENERAL RESTRICTIONS**
29

30 The powers and activities of the Corporation shall be subject to the following restrictions
31 and limitations:

32 (a) Notwithstanding any other provision of these Articles of
33 Incorporation, only such powers shall be exercised as are in
34 furtherance of the purposes of the Corporation, and as may be
35 exercised by an organization exempt under Section 501(c)(3) of
36 the Code and by an organization contributions to which are
37 deductible under Section 170(c)(2) of the Code.

38 (b) No part of the assets or net earnings of the Corporation
39 shall inure to the personal benefit of any director, officer or
40 employee of the Corporation, or any other person, except that
41 reasonable compensation may be paid for personal services which
42 are reasonable and necessary to carry out the purposes of the
43 Corporation.

44 (c) The Corporation shall not carry on propaganda or
45 otherwise attempt to influence legislation, except to the extent
46 permitted under Section 501(c)(3) of the Code. Furthermore, the
47 Corporation shall not participate or intervene (including the
48 publishing or distributing of statements) in any political campaign
49 on behalf of, or in opposition to, any candidate for public office.

50 (d) None of the assets or property of the Corporation shall,
51 upon liquidation, dissolution or winding up of the Corporation,
52 whether voluntary, involuntary or by operation of law, be
53 distributed to the directors, officers or employees of the
54 Corporation, or to any other person. Furthermore, upon liquidation,
55 dissolution or winding up of the Corporation, such assets or
56 property shall be distributed to one or more organizations which
57 would then qualify under the provisions of Section 501(c)(3) of the
58 Code. Provided, however, that any asset or property held by the
59 Corporation upon condition requiring its return, transfer or
60 conveyance, which condition occurs by reason of the liquidation,
61 dissolution or winding up of the Corporation, shall be returned,
62 transferred, or conveyed in accordance with such requirement.
63 Any such distribution or any such return, transfer or conveyance,
64 shall be made in accordance with the laws of the State of Florida
65 and the Code.



APCO International

Association Of Public-Safety Communications Officials-International, Inc.

EXECUTIVE DIRECTOR

George S. Rice, Jr.
riceg@apcointl.org

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An Open Letter to the Membership on the Strategic Governance Initiative

February 5, 2008

The world in which we live, work and do business has changed dramatically in the past few years and continues to do so at an ever more rapid pace. For businesses to serve customers, for governments to serve their citizens and associations to serve their members, they must be agile and structured to quickly react to needs, challenges and opportunities.

With increasing frequency, APCO has found that one of the major impediments to our ability to react and adjust quickly to serve our members is the complexity and specificity of our core governing documents—the Constitution, Bylaws, and Policy Manual. They are altered continually to respond to specific concerns that arise at a given point in time. This process has become unwieldy, confusing, contradictory and, at times, counterproductive.

As your Board of Officers, we have pledged to serve APCO and conduct the affairs of the association in an efficient and effective manner. Early last month, we informed the Executive Council of our decision to appoint a Task Force to oversee a Strategic Governance Initiative (SGI) involving the review and recommendation of changes to the association's governance structure. We took considerable time during the Mid-Year Meeting of the Executive Council on January 26-27, 2008, to discuss our concerns and, collectively, chart a path to reform.

This letter is intended to share highlights from these discussions and the scope of the work of the SGI Task Force that we have established. Heather Vargas of Cobb & Cole, who has served as APCO's corporate counsel for the past six years and advises a number of 501(c)(6) associations similar to APCO, delivered a sobering recommendation "to vacate all of our current documents and adopt only those Bylaws that are required under law." She presented a detailed analysis with more than a dozen specific examples of complex, confusing and contradictory provisions that:

- hamper the efficient operation of the association,
- impair our flexibility and adaptability,
- bog down multiple layers of governance and management in overlapping minutiae,
- needlessly expose the organization to legal risk.

She specifically warned that the "many extraneous provisions in APCO International's governing documents, no matter how carefully drafted, may have unintended consequences when construed by a party hostile to the association's interests." From her perspective, nothing short of a complete governance overhaul is needed to achieve the overall aim of simplicity and clarity.

If this were not reason enough, we also cite the following issues:

- Without a strong but lean governance model, it is difficult to fulfill our strategic plan goals that require tremendous adaptability in this highly competitive market environment.
- Many associations, including our public safety partners—National Emergency Number Association, International Association of Chiefs of Police, and International Association of Fire Chiefs—have recognized the need to re-address their governance for similar reasons.
- Warning signs of ineffectual governance exist, including (i) difficulty in recruiting board members and developing future leaders, (ii) frequent turnover of management and senior staff, and (iii) financial challenges and missed business opportunities.
- We have worked on building greater trust among the Board, the Executive Council, the staff, and the membership such that rules-based accountability not overshadow or obscure attention to real bottom-line measures of performance and effectiveness.
- Change is inevitable and to maintain APCO International's position as the leading public safety communications association requires a streamlined structure, greater focus and enhanced constituency representation to deliver good value to the membership.

SGI will mostly likely unfold in several phases that require a continued and sustained effort as the transfer of leadership occurs. You have the full commitment of this entire Board to see this important work through to completion. We will further ensure that this effort honors the past, allows us to be effective in the present, and prepares us well for the future.

This will neither be a simple process nor one which can be accomplished in a vacuum or without strong focus and leadership. Recognizing the complexity of the tasks, we have drawn upon the expertise of three longstanding colleagues, who we believe have the historical knowledge, skills, abilities and most importantly, the professional integrity to help sort through the issues and make recommendations back to the Executive Council and Board for consideration.

We are pleased to have the service of the following Life Members of APCO International with extensive managerial expertise in the realm of public safety communications:

- Steve Proctor (Chair), UCAN Executive Director/APCO Past President
- Steve Souder, Director, Fairfax County, VA Dept of Public Safety Communications
- Michael Mangini, Solutions Engineering Manager, PlantCML

To augment this group, representatives of the Executive Council were selected by the Council on a regional basis to serve as an advisory group to assist the Task Force as needed. These representatives are listed below along with brief profiles of the Task Force members and more details regarding the proposed goals of SGI. This Task Force has a strong mandate coming out of the Executive Council deliberations and you can expect the first phase of its work to be ready for presentation to the Quorum at this year's Annual Meeting.

We, your Board of Officers, look forward to making concerted progress on this matter in the coming months and thank you for your interest and support.

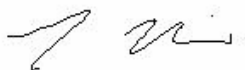
Sincerely,



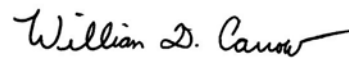
Willis Carter
President



Chris Fischer
President-Elect



Dick Mirgon
First Vice President



William Carrow
Second Vice President

APCO International: Strategic Governance Initiative

Mission:

Examine APCO International's current governance structure - its bylaws and policies – and recommend improvements to ensure that APCO's operations, governance, management structure, and strategic assets optimize the association's policy impact, operational effectiveness, and program service delivery in a sustainable and value-added manner.

Key Issues:

- Legal Compliance and Consistency of Constitution, Bylaws and Policies
- Governance to Enhance Organizational Development and Efficacy
- Strategic Synergy Among Bylaws, Policies, and Work Plan

Critical Question to Examine:

What is the best structure to foster the long-term viability and relevance of APCO?

Goals: Hone a governance structure that:

1. comports with all legal requirements for a nonprofit association and minimizes director, officer, and member liability;
2. allows for managerial flexibility while governing for results accountability; and
3. fosters transparency and aligns member, board and staff roles to facilitate mission fulfillment, strategic development and operational sustainability.

Task Force Members:

Steve Proctor, UCAN Executive Director/APCO Past President

Steve joined APCO in 1972 and currently serves as the Executive Director of the Utah Communications Agency Network (UCAN). He served as President of APCO from 1994-95 and three terms as Utah Chapter President and Conference Chairs of both a Regional (1976) and National Conference (1983). He has served on Project 25, 31, 33 and received the Advocacy in Leadership Award in 2007. In a 39-year career in public safety telecommunications, Steve has served in positions ranging from telecommunicator to director. In 1997 he started UCAN, a quasi-state agency, which provided public safety communications for the 2002 Winter Olympics in Salt Lake City. This system has expanded to cover 85% of Utah's population with services to 125 individual agencies of state and local government.

Steve Souder, Director, Fairfax County, VA Department of Public Safety Communications

Steve is a 26-year member of APCO, Past President of the Virginia Chapter (1993), and Executive Council member (1993-2003), and Chair of Project RETAINS, (2001-2005), He was awarded Life Member status in 2000 and is the recipient of the APCO Advocacy in Leadership Award (2006) and Local Government Leader Award presented by the Congressional E9-1-1 Caucus/E9-1-1 Institute (2006). During Steve's more than 40-year career in public safety communications, he has served as director of three communications centers in the Washington, DC area (Arlington, Montgomery, and Fairfax County).

SGI (continued)

Michael Mangini, Solutions Engineering Manager, PlantCML

Michael has been active member since 1986 and was awarded “Life Member” status in 2001. He is the first Commercial Member of APCO to be appointed to serve as a member of the Atlantic Chapter’s Board of Officers. Prior to joining PlantCML, Michael was the Director of Technical Services for the City of Boston, Emergency Medical Services. He was responsible for all Information Technology, Radio, Text Paging, CAD and Mobile Computing/AVL System Design, Procurement and Maintenance. Michael has over 23 years of public safety experience prior to joining PlantCML.

Executive Council Advisors:

Western – Richard Granado, ISD/Communications Division, Los Angeles County (CA)

North Central – Gregory Riddle, West Suburban Consolidated Dispatch Center (IL)

East Coast – Peter Thomas, Barnstable County Sheriff’s Office (MA)

Gulf Coast – Woody Glover, St. Tammany Parish (LA)

Board Liaison: Willis Carter, President (in close coordination with the entire Board)

Staff Liaison: George Rice, Executive Director

External Support: Heather Vargas, Counsel, Cobb & Cole

Proposed Deliverables:

- Recommendations to the APCO Board of Officers on potential changes to be made to APCO governing documents in order to meet the above stated goals.
- Newly drafted bylaws and policies to present to the APCO Board of Officers, Executive Council and Quorum for processing and subsequent ratification.
- Framework for strategic plan development.

**Executive Council Mid-Year Meeting
Orlando Marriott Hotel
Orlando, Florida
Saturday, January 26, 2008**

DRAFT MEETING NOTES – EXCERPTS OF SGI DISCUSSION ONLY

Strategic Governance Initiative Report

- **Willis Carter, President**, began by describing the intent of the Strategic Governance Initiative. He tied it to the mission and vision statement. There was brief overview of governance and how the Board, the Executive Council, and the Executive staff may be more effective when governing APCO. He discussed the need and reason for a review of our governance. Key Issues:
 - Legal Compliance and Consistency of Constitution, Bylaws and Policies
 - Governance to Enhance Organizational Development and Efficacy
 - Strategic Synergy Among Bylaws, Policies, and Work Plan

The Focus and Goals of the Governance Review Task force are:

- Comports with all legal requirements for a nonprofit association and minimizes director, officer, & member liability,
 - Allows for managerial flexibility while favoring results accountability
 - Foster transparency and aligns member, board and staff roles to facilitate mission fulfillment, strategic development and operational sustainability
- **Chris Fischer, President Elect**, continued the discussion. To succeed in the business of APCO, we must honor our past, be effective in the present and prepare for the future. The board has a couple of priorities for this review
 - Increase financial stability
 - Create additional and consistent means of communication
 - Reaffirm APCO's role in regulatory and legislative affairs
 - Planning and executing joint ventures with our partners

The Task Force Members include: Steve Proctor (Chair), Steve Souder, Michael Mangini. The Board has a proposed a strategy to support this group in which they are asking that the Executive Council caucus by region to elect one representative from each region to sit on the advisory group. Selection criteria for the Executive Council Advisory team:

- High level management experience
- Good reputation and known as a change agent
- Looking for members from chapters not already represented

Following the caucus, it was announced that the SGI advisory team includes:

- Gulf Coast Region: Woody Glover, Louisiana Chapter
- North Central Region: Gregg Riddle, Illinois Chapter with Lynne Feller, Ohio Chapter as the alternative pending the August Election results
- Eastern Region: Peter Thomas, Atlantic Chapter
- Western Regional: Richard Granado, CPRA Chapter

- **Richard Mirgon, First Vice President**, reiterated and emphasized a couple of points: all associations exist because of their members and great organizations run an orderly fashion through their governing documents. Our Governing Documents are important to us because they effect how our association grows and changes with times. NENA, IACP, and IAFC have recently revamped their governance documents to reflect the changing times. They found that as time went on there needed to be a comprehensive review of their documents. We hope this process will streamline a lot of our procedures to increase efficiency, responsiveness, meaning, and the ability to respond to change. He reiterated that the Board is not abandoning our past by no means, but we have to be more effective because we want APCO to lead in Public Safety Communications and not follow others or only be responsive to other organizations.
- **William Carrow, Second Vice President**, discussed the overall results of this review in terms of our future. APCO must be very adaptable to change. We have to have a structure that allows APCO to grow and be flexible. Our main goal to hone a governance structure will be to:
 - Comport with legal requirements
 - Allow for managerial flexibility
 - Foster transparency that will align with our members, chapters officers, the Board, Senior Staff, Executive Council, in the roles to facilitate the over all management of APCO to meet our mission and vision statement.

He noted we must be adaptive to the change that is upon us, we must be open and willing to make changes. This governance review will allow APCO to continue to fulfill our vision, it's necessary to keep the association fresh, and necessary for APCO to grow. The Board is fully committed to this governance review and restructure. The Board is asking for all of the Executive Council to support and assistance with this process.

- **Legal Perspective on the Strategic Governance Review**
Heather Vargus, APCO's Corporate Counsel began her presentation with an overview of her history with APCO, noting her many discussions and recommendations to the current and past Boards, Executive Staffs, and Executive Council Members on the governance structure. In early 2007, Heather was contacted by **Past President Wanda McCarley** and **Executive Director George Rice** to review and provide recommendations on APCO's governing documents. She supports APCO's review of its documents and noted there are numerous associations currently reviewing their governing structures.

Overall Recommendation

- Vacate the current governance documents - Constitution and Bylaws - in their entirety and replace with a new document that only includes what is required in Florida law. She noted that the Executive Council tends to get heavily involved in APCO operations, inhibiting quick responses with time sensitive issues. She noted that the documents are bogged down with minuet details and procedures, thus proving it a challenge with locating information and getting clarity. This creates liability issues with all decision makings by the chapters, the members, the Executive Council, the Board, and the staff. Heather sited several examples from the APCO governing documents where APCO members, staff, Executive Council could face liability issues. She noted that the Executive Council was conflicted with how much information they needed to know (ie. detailed employee and daily operations information). In closing, she restated her belief that APCO could be more agile, more responsive to its members and the industry, noting that our current structure has the potential to leave APCO open to legal liabilities and she again recommended that the current governing documents be eliminated and replaced with the basic bylaws required by Florida law.

Discussion and Questions

- **Terry Hall, Virginia Chapter**, asked if Florida law is the same as other states? Heather Vargus, responded yes, for the purpose of nonprofit law, it is mostly the same. The legal world usually looks to New York and Delaware for guidance with case law precedents. Terry Hall noted this was a surprise going through this process but he believes restructuring APCO's governing document is a great idea.
- **Manfred Blaha, International Chapter**, stated after hearing what Heather said, would it be useful to have her on the Governance Review Task Force? **Willis Carter, President**, answered yes she will be very involved in all levels of the restructuring, but she would not be an official member of the task force. We certainly wouldn't do anything without legal advice.
- **Lloyd Fayling, Michigan Chapter**, believes that APCO is moving in the correct direction, but would like the Task Force to review the budget estimate because of the legal fees, it might be more expensive in the long run. **Willis Carter, President**, noted that the budget is only for this year's fiscal year and there will be more updates and additions as we move forward.
- **Terry Hall, Virginia Chapter**, inquired if other organizations have streamlined governance structures? **Dick Mirgon, First Vice President**, noted he has researched several organizations and the majority of them have significantly shorter and smaller governing documents.
- **Larry Sheridan, Wyoming Chapter**, asked if we considered looking for a second Legal opinion? Bob Gurss, APCO's Regulatory Counsel, answered he was in agreement with Heather's recommendation and would act as the second recommendation. **Willis Carter, President**, also noted that the Board is very comfortable with the advice that they have been given and had several discussions in this area. He noted that he has no preconceived notions of what the recommendations will be, stating again we don't know what it's going to look like in the end.
- **Merry Messemore, Kansas Chapter**, asked Gregg Riddle to give his thoughts from the Constitution & ByLaws committee? **Gregg Riddle, Illinois Chapter**, replied we certainly have issues that need to be addressed, noting a lot of our policies were written in response to a single or multiple situations that we felt needed to have something in place to address these issues in the future. He agrees that we have some things in our governing documents that need to be reviewed. It is important that we invest in this process and see what the results are.
- **Patsy Joy, Arizona Chapter**, asked about the timeline. **Willis Carter, President**, answered the task force will develop this at their first meeting. **Gregg Riddle, Illinois Chapter**, replied, "Just to give an idea on the timeline, under our current Constitution and ByLaws for Amendment Procedure for presenting resolutions to the Quorum, all resolutions should be submitted to the Executive Director by April 1, so I can't imagine the Task Force will have something to present at this year's Conference. I believe the earliest would be April 2009. **Willis Carter, President**, noted to the Executive Council that they may have something by April 2008. **Gregg Riddle, Illinois Chapter**, noted this could take some time or years. He also noted there would be a need to change the subsidiaries' governing documents.
- **Lloyd Fayling, Michigan Chapter**, asked are we going to present this information in the upcoming magazine. **Willis Carter, President**, answered yes he will address it in the April President's column. We will ensure that the members are aware of what's going on with this process.
- **Dave Saffel, West Virginia Chapter**, asked would presenting this information to the membership in the magazine possibly exposing us to liability. **Willis Carter, President**, stated, no, we would describe this process in a general way. **Dave Saffel, West Virginia Chapter**, also asked what is the possibility of the organization enacting some interim bylaws and constitution pending the construction of the new bylaws to prevent liability that we might incur during the rewriting process?
- **Steve Proctor, Governance Review Working Group Chair** said he's not sure if we could put something into place that quickly. He also noted that the task force is honored that the Board has entrusted them to handle this effort and he and his fellow task force members are ready to serve on this task force.

- **Chris Fischer, President Elect**, asked that if Executive Council members hear something that is causing concern, please reach out to the Board, so they can clear up any rumors. She noted the Board will make sure that all questions will be answered, noting this is a review to help the organization.
- **Terry Hall, Virginia Chapter**, stated we need make sure that the Executive Council supports the Board actions, and explains the reason for the task force to our chapters.
- **Wanda McCarley, Past President**, agreed with Terry and stated we need to make sure that people have good solid, complete, correct information to pass on to their chapters to eliminate rumors and incorrect information. She encouraged the Board to get the information to the Executive Council.
- **Manfred Blaha, International Chapter**, asked if the parent company, if we completely rewrite all of our governance documents, will chapters be responsible for rewriting their governing documents also? **Willis Carter, President**, answered that this could be the case, but we don't know yet.
- **Gregg Riddle, Illinois Chapter**, stated as of now, the C & B committee doesn't have any resolutions pending, but they would be supportive if Heather believed there was a need for an immediate resolution to be drafted by April 1, 2008.

Web Conference Instructions – APCO International

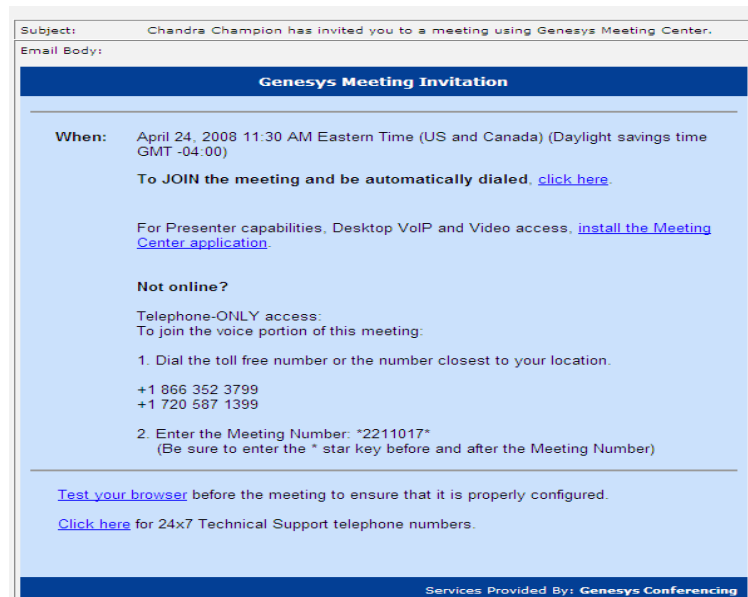
Please follow these step-by-step log-in instructions to maximize your viewing experience through web conferencing.

[Note: There is an **audio only option** involving just your phone line. Instructions for this are at the very end of this document.]

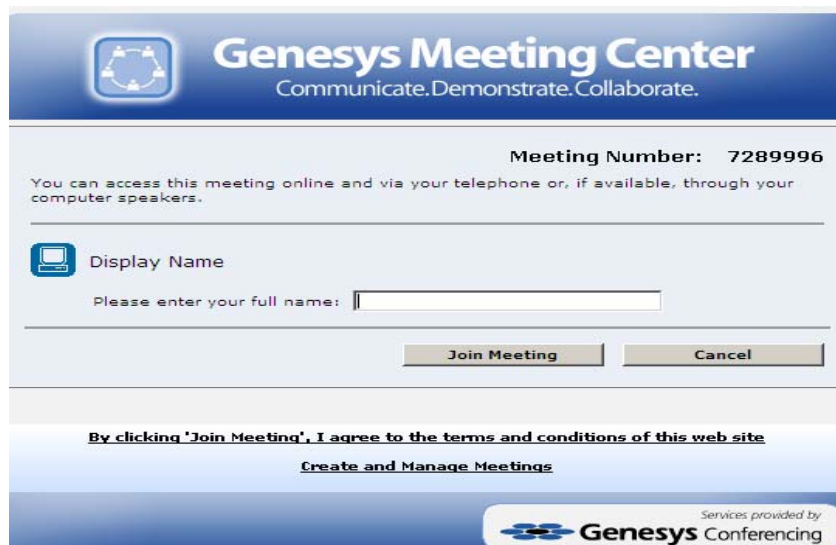
The web feature will give you the opportunity to view documents while participating on the phone. Before using this option, please use the link included in the email conference call invitation to test your browser compatibility with the Genesys Conferencing Website.

Directions for Call-In and Web Option

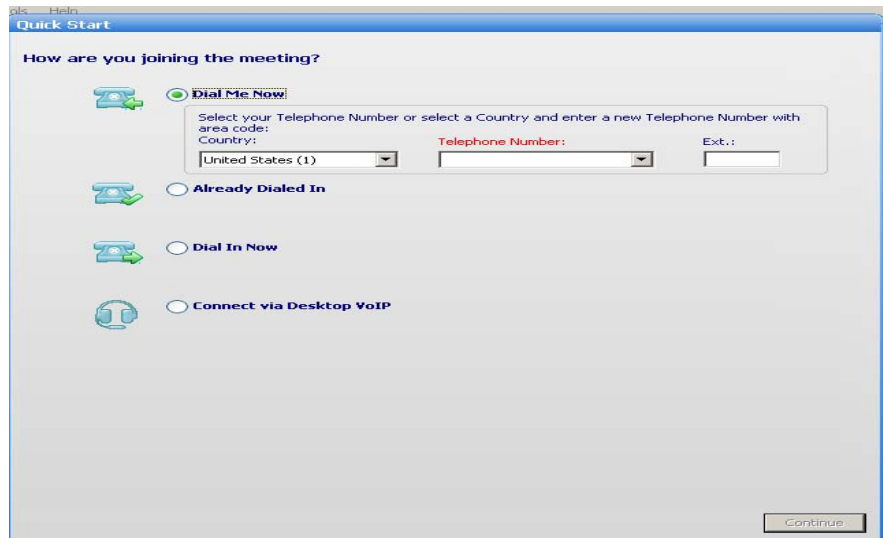
1. When using the call-in and web feature please click on the link that is imbedded in the email conference call invitation.



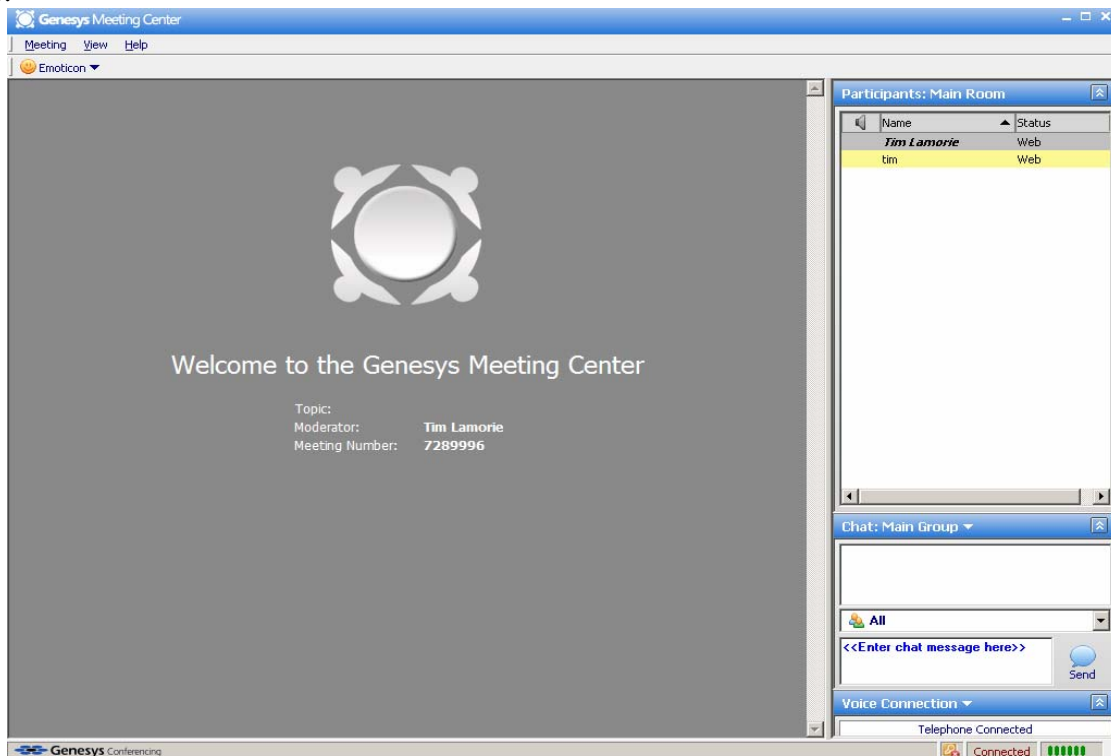
2. Click on the link in the invitation that says “Click Here” to join the web conference. You will be prompted to enter a display name, shown below.

The image shows a screenshot of the Genesys Meeting Center join meeting screen. The header features the Genesys Meeting Center logo and the tagline "Communicate. Demonstrate. Collaborate." Below the header, the meeting number "7289996" is displayed. A message states: "You can access this meeting online and via your telephone or, if available, through your computer speakers." There is a "Display Name" section with a computer icon and a text input field labeled "Please enter your full name:". Below the input field are "Join Meeting" and "Cancel" buttons. At the bottom, there is a disclaimer: "By clicking 'Join Meeting', I agree to the terms and conditions of this web site" and a link for "Create and Manage Meetings". The footer includes the Genesys Conferencing logo and the text "Services provided by Genesys Conferencing".

- You will then be prompted as to how you would like to access the voice portion of the meeting: Please chose the Dial in Now. Enter the phone number that you would like to use. This number will be dialed by the conference call website. (Please answer the phone when it rings.) Once you have your dial option selected, click on “continue” on the lower right corner of the screen.



- When prompted, please state your full name clearly after the beep to announce you have entered the meeting
- You will come to the screen shown below, which means you are in the conference. You will see your name displayed under the Participants: Main Room Area in this format: Chandra Champion - Web/Voice.
-



As a courtesy to other participants, please use the mute feature below to minimize background noises. Select the option, again, to unmute your line.



As a precaution before using the web option, please use the link included in the email conference call invitation to test your browser for compatibility with the Genesys Conferencing Website. If you have any questions, please contact Chandra Champion:
championc@apointl.org
202-833 -7010

Instructions for AUDIO ONLY Option

1. Please dial the provided Access number
2. Enter the Participant Meeting Room Number (make sure you enter * before and after the number)
3. When prompted, please state your full name clearly after the beep to announce you have enter the meeting

To minimize background noises, please mute your phone by entering *9* on your phone keypad. To unmute, follow the same sequence.
