



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**September 27, 2004**

**Ordinance 15016**

**Proposed No.** 2004-0401.1

**Sponsors** Lambert

1 AN ORDINANCE authorizing approval of an amendment  
2 to the Charter for the Pacific Hospital Preservation and  
3 Development Authority.  
4  
5

6 **STATEMENT OF FACTS:**

- 7 1. The Pacific Hospital Preservation & Development Authority  
8 ("PHPDA") was created in August 1981 by the city of Seattle, under RCW  
9 35.21.660, 35.21.670 and 35.21.730 through 35.21.755 and Seattle  
10 Municipal Code Chapter 3.110. Its charter was issued in August 1981.  
11 2. The mayor of Seattle approves Public Development Authority ("PDA")  
12 Charter Amendment under Seattle Municipal Code 3.110.430. The mayor  
13 may approve or disapprove the amendment under Article XI PHPDA  
14 Charter.  
15 3. An interlocal cooperation agreement between King County and the  
16 PHPDA was entered into on April 17, 1991, in accordance with King  
17 County Motion 8222. Under the terms of this agreement the King County

18 executive and King County council must grant prior approval of material  
19 charter amendments to the PHPDA Charter. Material charter amendments  
20 are those that change Articles II – Limits on liability, IV – Purpose, V –  
21 Powers, VI – Limits and VII - County Executive appointment of one  
22 PHPDA Council member.

23 4. An interlocal cooperation agreement between King County and the city  
24 of Seattle was entered into on April 23, 1991, in accordance with King  
25 County Motion 8223 and Seattle Ordinance 115579. This agreement  
26 provides that the King County executive and the King County council  
27 must grant prior approval of PHPDA Charter amendments that would  
28 prevent the authority from performing its obligations under the PHPDA-  
29 King County interlocal agreement, or that would eliminate the ability of  
30 the county executive to appoint one member of the PHPDA Council.

31 5. PHPDA Resolution 12-02, approved September 10, 2002, approved the  
32 third amendment to the PHPDA Charter, consistent with the changed  
33 function of the PHPDA contemplated by the reorganization and  
34 restructuring.

35 6. The PHPDA constituency, on October 24, 2002, voted two hundred  
36 forty-seven to twenty to approve the third amendment to the PHPDA  
37 Charter.

38 7. PHPDA Resolution 14-02, approved on December 10, 2002,  
39 reorganized the PHPDA business by transferring the assets and liabilities  
40 constituting its multispecialty group medical practice, which is "the

41 Medical Practice," to a new nonprofit corporation created under RCW  
42 24.03 that was granted 501(c)(3) status by the Internal Revenue Service,  
43 which is "Pacific Medical Centers."

44 8. The county, through the Seattle-King County department of public  
45 health, and the PHPDA finalized negotiations of a first amendment to the  
46 King County-PHPDA interlocal agreement, which was referred to the  
47 King County council for approval on June 8, 2004.

48 9. Completion of the King County-PHPDA interlocal agreement was seen  
49 as a precursor for consideration of amendments to the PHPDA Charter.

50 Since the interlocal agreement amendment is completed and the audit  
51 issues addressed in same, the PHPDA third charter amendment may now  
52 be approved.

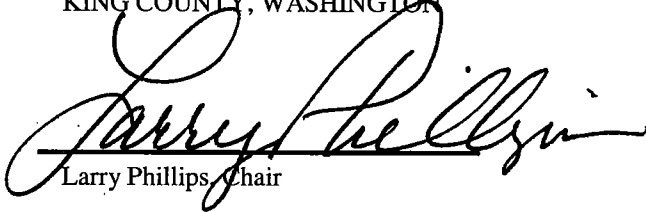
53 **BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:**

54                    SECTION 1. The attached Charter of the Pacific Hospital Preservation &  
55                    Development Authority, as amended, is hereby approved.  
56


Ordinance 15016 was introduced on 8/30/2004 and passed by the Metropolitan King  
County Council on 9/27/2004, by the following vote:

Yes: 12 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr.  
Pelz, Mr. McKenna, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Mr. Irons,  
Ms. Patterson and Mr. Constantine  
No: 0  
Excused: 1 - Ms. Hague

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Larry Phillips, Chair

ATTEST:

  
\_\_\_\_\_  
Anne Noris, Clerk of the Council

APPROVED this 30 day of September, 2004.

  
\_\_\_\_\_  
Ron Sims, County Executive

**Attachments**            A. Charter of Pacific Hospital Preservation and Development Authority

RECEIVED  
2004 OCT -5 PM 3:26  
CLERK  
KING COUNTY COUNCIL

**CHARTER**  
**OF**  
**PACIFIC HOSPITAL PRESERVATION**  
**& DEVELOPMENT AUTHORITY**

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**CHARTER  
OF  
PACIFIC HOSPITAL PRESERVATION  
& DEVELOPMENT AUTHORITY**

**ARTICLE I  
NAME AND SEAL**

The name of this corporation shall be Pacific Hospital Preservation & Development Authority (the “**Authority**”). The Authority seal, as set forth below, shall be a circle with the name “PACIFIC HOSPITAL PRESERVATION & DEVELOPMENT AUTHORITY” inscribed therein.

**ARTICLE II  
AUTHORITY AND LIMIT ON LIABILITY**

**Section 1. Authority.**

The Authority is a public authority organized pursuant to RCW 35.21.660, 35.21.670, and 35.21.730-.755 and Seattle Municipal Code Ch. 3.110.

**Section 2. Limit on Liability.**

All liabilities incurred by the Authority shall be satisfied exclusively from the assets and properties of the Authority and no creditor or other person shall have any right of action against the City of Seattle (the “**City**”) on account of any debts, obligations, or liabilities of the Authority.

**Section 3. Mandatory Disclaimer.**

The following disclaimer shall be posted in a prominent place where the public may readily see it in the Authority’s principal and other offices. It shall also be printed or stamped on all contracts, bonds, and other documents that may entail any debt or liability by the Authority.



The Pacific Hospital Preservation & Development Authority is organized pursuant to Seattle Municipal Code (SMC) 3.110 and RCW 35.21.660, 35.21.670, and 35.21.730-.755. RCW 35.21.750 provides as follows: “All liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority.”

### **ARTICLE III DURATION**

The duration of the Authority shall be perpetual.

### **ARTICLE IV PURPOSE**

The purpose of the Authority is to provide a legal entity under RCW 35.21.730 and City of Seattle Municipal Code Ch. 3.110 that will support and provide funding for the provision of the best possible health care to medically underserved communities in the greater Puget Sound area, including those referred through community clinics; to those with limited access to medical care; and to all others who are in need of charity health care—all to the maximum extent feasible within the Authority’s capacity to operate as a financially self-supporting institution that does not require a maintenance or operating subsidy from the City’s general fund.

### **ARTICLE V POWERS**

The Authority shall have and exercise all powers necessary or convenient to effect the purposes for which the Authority is organized and perform authorized Authority functions, including without limitation the power to:

1. Own and sell real and personal property;

2. Contract and otherwise cooperate with individuals, associations, and corporations and with the United States, a state, and any subdivision or agency of either the United States or a state;
3. Sue and be sued in its name;
4. Lend and borrow money;
5. Do anything a natural person may do;
6. Perform all manner and type of community services and activities utilizing federal or private funds;
7. Administer and execute federal, state, and local grants and programs;
8. Receive and administer federal, state, and local funds;
9. Receive and administer private funds, goods, or services for any lawful public purpose;
10. Transfer, with or without consideration, any funds, real or personal property, property interests, or services received from the federal government or private sources or, if otherwise legal, from a state or any of its political subdivisions or agencies;
11. Purchase, lease, exchange, mortgage, encumber, improve, use, or otherwise transfer or grant security interests in real or personal property or any interests therein; grant or acquire options on real and personal property; and contract regarding the income or receipts from real property;
12. Issue negotiable bonds and notes in conformity with Seattle Municipal Code 3.110.420 and applicable provisions of the Uniform Commercial Code and state law in such principal amounts as, in the discretion of the Authority, shall be necessary or appropriate to provide sufficient funds for achieving any Authority purposes or to secure financial assistance,

including matching funds from the United States, a state, and any political subdivision or agency of either, for Authority projects and activities;

13. Contract for, lease, and accept transfers, gifts, or loans of funds or property from the United States, a state, and any political subdivision or agency of either, including property acquired by any such governmental unit through the exercise of its power of eminent domain, and from corporations, associations, individuals, or any other source, and to comply with the terms and conditions therefor;

14. Manage, on behalf of the United States, a state, and any political subdivision or agency of either, any property acquired by any such entity through gift, purchase, construction, lease, assignment, default, or exercise of the power of eminent domain;

15. Recommend to appropriate governmental authorities public improvements and expenditures in areas of the City in which the Authority, by its Charter, has a particular responsibility;

16. Recommend to the United States, a state, and any political subdivision or agency of either any property which, if committed or transferred to the Authority, would materially advance the public purpose for which the Authority is chartered;

17. Initiate, carry out, and complete such improvements of benefit to the public consistent with this Charter, as the United States, a state, and any political subdivision or agency of either may request;

18. Recommend to the United States, a state, and any political subdivision or agency of either such tax, financing, and security measures as the Authority may deem appropriate to carry out the purposes described in Article IV above;

19. Lend its funds, property, credit, or services for Authority purposes, or act as a surety or guarantor for Authority purposes;
20. Provide advisory, consultative, training, educational, and community services or advice to individuals, associations, corporations, or governmental agencies, with or without charge;
21. Control the use and disposition of Authority property, assets, and credit;
22. Invest and reinvest its funds;
23. Fix and collect charges for services rendered or to be rendered, and establish the consideration for property transferred;
24. Sponsor, lease, manage, construct, own, or otherwise participate in health care facility and related projects, including housing, where such activity furthers the public purpose for which the Authority is chartered;
25. Maintain books and records as appropriate for the conduct of its affairs;
26. Conduct Authority affairs, carry on its operations, and use its property as allowed by law and consistent with Seattle Municipal Code Ch. 3.110, its Charter, and its Rules and Regulations; name Authority officials, designate agents, and engage employees, prescribing their duties, qualifications, and compensation; and secure the services of consultants for professional services, technical assistance, or advice;
27. Identify and recommend to the United States, a state, and any political subdivision or agency of either, the acquisition by the appropriate governmental entity—for transfer to or use by the Authority—of property and property rights which, if so acquired, whether through purchase or the exercise of eminent domain, and so transferred or used, would materially advance the purposes for which the Authority is chartered;

28. Exercise and enjoy such powers as may be authorized by law; and
29. Have and exercise all powers necessary or convenient to effect the purposes for which the Authority was organized and to perform authorized Authority functions.

## ARTICLE VI LIMITS

The Authority in all activities and transactions shall be limited in the following respects:

1. All funds, assets, or credit of the Authority shall be applied toward or expended upon services, projects, and activities authorized by its Charter. No part of the net earnings of the Authority shall inure to the benefit of, or be distributable as such to, members of the Council, officers of the Authority, or other private persons, except that the Authority is authorized and empowered to:

- (a) Compensate Authority officials, and others performing services for the Authority, a reasonable amount for services rendered and to reimburse reasonable expenses actually incurred in performing their duties;

- (b) Assist the Authority officials as members of a general class of persons to be assisted by the Council-approved project or activity to the same extent as other members of the class as long as no special privilege or treatment accrues to such Authority official by reason of his or her status or position in the Authority;

- (c) Defend and indemnify any Authority official (including employees), any former Authority official, and their successors, against all costs, expenses, judgments, and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any claim, action, or proceeding, civil or criminal, in which he or she is or may be made a party by reason of being or having been an Authority official or by reason of any action alleged to have been taken or omitted by him or her as such official,

provided that he or she was acting in good faith on behalf of the Authority and within the scope of duties imposed or authorized by law. This power of indemnification shall not be exclusive of other rights to which Authority officials may be entitled as a matter of law;

(d) Purchase insurance to protect and hold personally harmless any of its officials (including its employees and agents) from any action, claim, or proceeding instituted against the foregoing individuals arising out of the performance, purported performance, or failure of performance, in good faith, of duties for, or employment with, the Authority and to hold these individuals harmless from any expenses connected with the defense, settlement, or monetary judgments from such actions, claims, or proceedings.

The purchase of such insurance and its policy limits shall be discretionary with the Council, and such insurance shall not be considered to be compensation to the insured individuals. The powers conferred by this subsection shall not be exclusive of any other powers conferred by law to purchase liability insurance; and

(e) Sell assets for a consideration greater than their reasonable market value or acquisition costs, charge more for services than the expense of providing them, or otherwise secure an increment in a transaction or carry out any other transaction or activity, as long as such gain is not the Authority's general object or purpose and is applied to or expended upon services, projects, and activities as aforesaid.

2. No funds, assets, or property of the Authority shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall any funds or substantial part of the activities of the Authority be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States, or the legislature of the State of Washington, or the County Council of King County (the

“County Council”), or the City Council of the City of Seattle (the “City Council”); provided, however, that members and officials of the Authority may respond to requests by contacting members of Congress, state legislators, County Council members, or City Council members for information and may appear before any such legislative body in connection with funding and other matters directly affecting the Authority or its ability to carry out the purposes for which it was is chartered.

3. The Authority shall have no power of eminent domain nor any power to levy taxes or special assessments.

4. The Authority may not incur or create any liability that permits recourse by any contracting party or members of the public to any assets, services, resources, or credit of the City of Seattle.

5. The Authority shall not issue shares of stock, pay dividends, make private distribution of assets, make loans to its corporate officials, or engage in business for private gain.

## **ARTICLE VII COUNCIL**

### **Section 1. Council Composition.**

Management of all Authority affairs shall reside in the Council. The Council shall be composed of nine (9) voting members, who shall serve three (3) year terms and shall be selected as follows:

1. The Council shall by resolution divide the members of the Council into three classes of three (3) members each (designated Class I, Class II, and Class III).

2. At the regular meeting of the Council in January 2003, the terms of those members of the Council that are in Class I shall expire; provided, however, that they shall

continue in office until their successors are selected and qualified as provided in the Rules and Regulations.

3. The Council vacancies created by the expiration of the term of the Class I members shall be filled as follows:

(a) two members selected for three (3) year terms by the Mayor of the City of Seattle (the "Mayor"); and

(b) one member selected for a three (3) year term by the Council.

4. The Council vacancies created by the expiration (at the regular meeting of the Council in January 2004) of the term of the Class II members shall be filled as follows:

(a) one member selected for a three (3) year term by the Mayor;

(c) one member selected for a three (3) year term by the County Executive of King County (the "King County Executive"); and

(c) one member selected for a three (3) year term by the Council.

5. The Council vacancies created by the expiration (at the regular meeting of the Council in January 2005) of the term of the Class III members shall be filled as follows:

(a) one member selected for a three (3) year term by the Mayor; and

(b) two members selected for three (3) year terms by the Council.

6. The names of all persons selected by the Mayor, by the Council, and by the King County Executive to be Council members shall be promptly submitted to the City Council for confirmation. Any such person whose name and supporting documentation have been submitted to the City Council shall, unless and until his or her name has been rejected by the City Council, have full powers and responsibilities of a confirmed Council member. No such person shall have or purport to have or exercise such powers and responsibilities until his or her name and all



supporting documentation required by the City Council have been submitted to the City Council for confirmation.

7. This reappointment and confirmation procedure shall continue annually such that a new class of Council members shall take office at each January meeting of the Council; provided, however, that each person so selected shall hold office for the term for which he or she is selected and until his or her successor shall have been selected and qualified.

8. A member of the Council may serve a maximum of three (3) successive terms, after which he or she must have a break in service of at least one (1) year before being eligible for reelection to the Council. For purposes of this Section, terms in effect as of January 1, 2003 shall be counted as the first term of such three-term limitation.

9. In addition to Intervention and Trusteeship, as provided in Seattle Municipal Code 3.110.440 and 3.110.450, respectively, if it is determined for any reason that any or all of the Council members should be removed from office, after a full public hearing and after selection of appropriate replacements by the Mayor and City Council pursuant to this section, the Mayor and City Council may by ordinance remove any or all voting Council members from office. The term of any Council member removed pursuant to this section shall expire when the member receives a copy of the ordinance removing him or her from office and a letter signed by the Mayor advising him or her that he or she has been removed pursuant to this section. Any person appointed to the Council pursuant to this section shall be appointed by the Mayor and confirmed by the City Council in the same way other persons appointed to positions requiring City Council approval are appointed and confirmed. The term of any person appointed and confirmed pursuant to this section shall begin at the expiration of the term of the person being replaced and shall continue until the regular expiration of the term of the position being filled.

10. Except as otherwise provided in Section 1.8 of this Article VII, the qualifications of persons selected by the Council for membership on the Council shall be prescribed in the Rules and Regulations.

11. If a member appointed by the Mayor the County Executive resigns, becomes ineligible to serve, or becomes unable to serve, the Council shall request that the appointing individual appoint a new member to serve the balance of the unexpired term of such member.

12. Otherwise, the Rules and Regulations shall provide for the filling of all vacancies other than those caused by the expiration of a regular term as defined herein.

**Section 2. Council Concurrence Required.**

General or particular authorization or concurrence of the Council by resolution shall be necessary for any of the following transactions:

1. Transfer or conveyance of an interest in real estate (other than a release of a lien or satisfaction of a mortgage after payment has been received) and the execution of a lease for a current term of less than one year;
2. The contracting of debts, the issuance of notes, debentures, or bonds, and the mortgaging or pledging of corporate assets to secure the same;
3. The donation of money, property, or other assets belonging to the Authority;
4. An action by the Authority as a surety or guarantor;
5. All transactions in which: (i) the consideration exchanged or received by the Authority exceeds ten thousand dollars (\$10,000); (ii) the performance by the Authority shall extend over a period of one year from the date of execution of an agreement therefor; or (iii) the Authority assumes duties to the United States, a state, and any political subdivision or agency of either;

6. Any project or activity outside the limits of King, Pierce, Snohomish, and Kitsap counties;
7. Adoption of an annual budget and a separate capital budget, when annual capital expenditures are expected to exceed one hundred thousand dollars (\$100,000);
8. Certification of annual reports and statements to be filed with the City Clerk as true and correct in the opinion of the Council and its members, except as noted;
9. Proposed amendments to the Charter and to the Rules and Regulations; and
10. Such other transactions, duties, and responsibilities as the Charter shall repose in the Council or that require Council participation by resolution.

**Section 3. Council Concurrence and Quorum Defined.**

“**Council concurrence**,” as used in this article, may be obtained at any regular or special Council meeting at which a quorum is present by an affirmative vote of a majority of the Council members voting on the issue.

A quorum to commence a Council meeting shall be no fewer than five members. The Rules and Regulations of the Authority may prescribe Council quorum restrictions which equal or exceed the quorum restrictions imposed in this Section 3.

**Section 4. Council Review.**

At least quarterly, the Council shall review monthly statements of income and expenses that compare budgeted expenditures to actual expenditures and balance sheets for the previous three months. The Council shall review all such information at regular meetings, the minutes of which shall specifically note such reviews, and include such information.

**Section 5. Officers and Division of Duties.**

The Authority shall have two or more officers. The same person shall not occupy both the chief executive office of the Authority and the office responsible for the custody of funds and maintenance of accounts and finances. The initial officers of the Authority shall be the Chairperson, Vice Chairperson, Secretary, and Treasurer of the Council. Additional officers may be provided for in the Rules and Regulations. The Chairperson shall be the agent of the Authority for service of process; the Rules and Regulations may designate additional Authority officials as agents to receive or initiate process. The Authority's officers shall be selected from among the membership of the Council as provided in the Rules and Regulations and, as provided in the Rules and Regulations, shall manage the daily affairs and operations of the Authority. The Council shall oversee the activities of the Authority officers, establish and/or implement policy, participate in Authority activities in matters prescribed in Section 2 of this article, and be responsible for the management and determination of all Authority affairs.

**Section 6. Executive Committee.**

The Rules and Regulations may provide for an Executive Committee, which shall be appointed or removed by the Council, and shall have and exercise such authority of the Council between meetings of the Council as may be specified in the Rules and Regulations.

**Section 7. Committees.**

The appointment of other committees shall be provided for in the Rules and Regulations.

**ARTICLE VIII  
MEETINGS****Section 1. Council Meetings.**

1. The Council shall meet at least once a month.

2. Special meetings of the Council may be called as provided in the Rules and Regulations.

3. Any member of the Council, upon five (5) days' notice, may call a special meeting of the Council to consider matters appropriate to a regular meeting if twenty-five (25) days have elapsed since the previous Council meeting and no future meeting has been scheduled.

4. The Chairperson of the Council or a majority of the Council members may call a special meeting at any time by delivering personally or by mail written notice to each Council member, and by providing such other notice required by state law and City ordinance. Such notice must be delivered personally or by mail at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the meeting and the business to be transacted. Final disposition shall not be taken on any other matter at such meetings by the Council. The notice provisions may be waived as provided by state law and City ordinance.

## **Section 2. Open Public Meetings.**

All Council meetings, including executive, all other permanent and ad hoc committee meetings, shall be open to the public to the extent required by RCW 42.30.010 *et seq.* The Council and committees may hold executive sessions to consider matters enumerated in RCW 42.30.010 *et seq.* or privileged matters recognized by law, and shall enter the cause therefor in its official journal. Notice of meetings shall be given in a manner consistent with RCW 42.30.010 *et seq.* In addition, the Authority shall provide reasonable notice of meetings to any individual specifically requesting it in writing. At such meetings, any person shall have a reasonable opportunity to address the Council either orally or by written petition. Voting by telephone is not permitted.

**Section 3. Parliamentary Authority.**

The rules in Robert's Rules of Order (newly revised) shall govern the Authority in all cases to which they are applicable, where they are not inconsistent with the Charter or with the special rules of order of the Authority set forth in the Rules and Regulations.

**Section 4. Minutes.**

Copies of the minutes of all regular or special meetings of the Council shall be available to any person or organization that requests them. The minutes of all Council meetings shall include a record of individual votes on all matters requiring Council concurrence.

**ARTICLE IX  
RULES AND REGULATIONS**

The Council shall adopt Rules and Regulations to provide such rules for governing the Authority and its activities as are not inconsistent with this Charter. The adoption of the Rules and Regulations and any amendments thereto require a majority vote of the whole Council. The Council may provide in the Rules and Regulations for all matters related to the governance of the Authority, including but not limited to matters referred to elsewhere in the Charter for inclusion therein, and for the following:

1. The existence of committees of the Authority and the duties of any such committees;
2. Regular and special meetings of the Council;
3. Suspension or removal of Authority officials and conditions that would require such suspension or removal; and
4. Any matters set forth in Seattle Municipal Code 3.110.140 not inconsistent with the Charter or not provided for herein.

**ARTICLE X  
AMENDMENTS TO CHARTER AND RULES AND REGULATIONS**

**Section 1. Proposals to Amend Charter or Rules and Regulations.**

1. Proposals to amend the Charter or Rules and Regulations shall be presented in a format which strikes over material to be deleted and underlines new material.
2. Any Council member may propose introduce an amendment to the Charter at any regular meeting or at any special meeting for which thirty (30) days' advance notice has been given.
3. Any Council member may introduce an amendment to the Rules and Regulations (which may consist of new Rules and Regulations) at any regular meeting or at any special meeting for which thirty (30) days' advance notice has been given.

**Section 2. Council Consideration of Proposed Amendments.**

If notice of a proposed amendment to the Charter or to the Rules and Regulations, and information, including the text of the proposed amendment and a statement of its purpose and effect, is provided to members of the Council fifteen (15) days prior to any regular Council meeting or any special meeting of which thirty (30) days' advance notice has been given, then the Council may vote on the proposed amendment at the same meeting as the one at which the amendment is introduced. If such notice and information is not so provided, the Council may not vote on the proposed amendment until the next regular Council meeting or special meeting of which thirty (30) days' advance notice has been given, provided that such notice and information is provided to Council members at least fifteen (15) days prior to such meeting. Germane amendments to the proposed amendment within the scope of the original amendment will be permitted at the meeting at which the vote is taken.

**Section 3. Vote Required for Amendments to Charter.**

Resolutions of the Council approving amendments to the Charter require an affirmative vote representing two-thirds (2/3) of the Council members voting on the issue and a majority of the Council voting membership for adoption.

**Section 4. Vote Required for Amendments to Rules and Regulations.**

Resolutions of the Council approving the amendment, alteration, or repeal of the Rules and Regulations require an affirmative vote of a majority of the Council voting membership for adoption.

**Section 5. Approval by Mayor.**

After adoption of a proposed amendment to the Charter by the Council as set forth herein, the proposed amendment shall be filed in duplicate with the City Clerk. The Mayor may approve or disapprove the proposed amendment. If the Mayor approves the proposed amendment, he or she shall cause to be issued duplicate originals of the revised Charter, each signed by the Mayor and bearing the City Seal attested by the City Clerk. One original shall be retained by the City Clerk as a public record and the other shall be delivered to the Authority.

**Section 6. Effective Date of Amendments to the Charter.**

Amendments to the Charter proposed by the Authority shall take effect and become a part of the Charter upon the filing of the Mayor's approval with the City Clerk.

**Section 7. Effective Date of Amendments to the Rules and Regulations.**

Amendments to the Rules and Regulations shall not take effect until ten (10) days after filing of the same with the City Clerk, unless such amendment(s) shall have been passed by unanimous vote of the Council and an earlier effective date be set.



**ARTICLE XI**  
**RECORDS AND REPORTING REQUIREMENTS**

**Section 1. Establishment and Maintenance of Office and Records.**

The Authority shall:

1. Maintain a principal office within the limits of the City;
2. File and maintain current with the City Clerk a listing of all officials, their positions, and their business and home addresses, their business and home phone numbers, the address of its principal office and all other offices used by it, and a current set of its Rules and Regulations; and
3. Maintain all Authority records in a manner consistent with the Preservation and Destruction of Public Records Act, RCW Chapter 40.14 and applicable City requirements.

**Section 2. Annual Report.**

The Authority shall:

1. Within three (3) months of the end of its fiscal year, file an annual report with the City Clerk, the City Council, and the Mayor's designee containing: (i) a certified statement of assets and liabilities, income and expenditures, and changes in its financial position during the previous year; (ii) a summary of significant accomplishments; (iii) a statement of Council activities conducted and resources expended on services in furtherance of the purposes for which the Authority is chartered; (iv) a list of depositories used; (v) a projected operating budget for the current fiscal year and a separate capital budget when annual capital expenditures are expected to exceed one hundred thousand dollars (\$100,000); (vi) a summary of projects and activities to be undertaken during the current year; (vii) a list of corporate officials; and (viii) a list of officers bonded pursuant to Seattle Municipal Code 3.110.240(c); and

2. Within six (6) months of the end of its fiscal year, file an audited and Council-certified statement of assets and liabilities, income and expenditures, and changes in financial position.

**Section 3. Public Records.**

Subject to the protection of patient privacy, the public shall have access to records and information of the Authority to the extent required by state law and City ordinance.

**ARTICLE XII  
COMMENCEMENT**

The Authority shall commence its existence effective upon filing its Charter as issued and attested.

**ARTICLE XIII  
DISSOLUTION**

**Section 1. Dissolution.**

Dissolution of the Authority shall be in the form and manner required by law, City ordinance, and the Rules and Regulations. Upon dissolution of the Authority and the winding up of its affairs, all of the rights, assets and property of the Authority shall pass to and be distributed according to the terms of the applicable grant agreements or covenants with the federal government, or agreements with donors, or other parties made at the time of acquisition, or to a qualified entity specified in Seattle Municipal Code 3.110.490.

**Section 2. Dissolution Statement.**

Upon enactment of a resolution by the City Council for dissolution of the Authority or by the Authority for its own dissolution other than for purposes of merger or reorganization in a plan approved by the Mayor, the Authority shall file a dissolution statement signed by its chief executive officer setting forth:

1. The name and principal office of the Authority;
2. The debts, obligations, and liabilities of the Authority, and the property and assets; the provisions to be made for satisfaction of outstanding liabilities and performance of executory contracts; and the estimated time for completion of its dissolution;
3. Any pending litigation or contingent liabilities;
4. The Council resolution providing for such dissolution and the date(s) and proceedings leading toward its adoption, whenever the dissolution be voluntary; and
5. A list of persons to be notified upon completion of dissolution.

#### **ARTICLE XIV MISCELLANEOUS**

##### **Section 1. Geographic Limitation.**

The Authority may conduct activities outside of the City, including King, Pierce, Snohomish, and Kitsap counties, the states of Alaska and Oregon and other parts of Washington State, upon a determination by the Council that each such activity will further the purposes of the Authority subject to the requirements of state law and City ordinance.

##### **Section 2. Bonding.**

The Treasurer of the Authority, and any other officials responsible for Authority accounts and finances, shall file with the Authority fidelity bonds in an amount determined adequate and appropriate by the Council. Such officials may hold such positions only as long as such bonds continue in effect. The Authority shall notify the Mayor in its annual report of the officials responsible for Authority funds, accounts and finances, the names of such officials and the amounts of the bonds prescribed for them and confirm that such bonds are currently in effect.

**Section 3. Safeguarding of Funds.**

Authority funds shall be deposited in a depository acceptable to the Mayor and be otherwise safeguarded pursuant to such instructions as the Mayor may from time to time issue.

**Section 4. Insurance.**

The Authority shall maintain in full force and effect public liability insurance in an amount specified by the Mayor sufficient to cover potential claims for bodily injury, death or disability, and for property damage, which may arise from or be related to projects and activities of the Authority, naming the City as an additional insured.

**Section 5. Code of Ethics.**

No current corporate official or employee shall engage in conduct prohibited under Seattle Municipal Code 3.110.560. Uncompensated officials and employees and designated compensated employees shall annually file by April 15 statements of economic interest as required under Seattle Municipal Code 3.110.570. The Council shall enforce the provisions of Seattle Municipal Code 3.110.580. Additionally, all final Council determinations under Seattle Municipal Code 3.110.580 shall be provided to the City Board of Ethics for its information. The Board, in its discretion, may comment on any determination and provide its comments to the Council.

**Section 6. Discrimination Prohibited.**

1. As provided in Seattle Municipal Code 3.110.260, Council membership may not directly or indirectly be based upon or limited by age, race, color, religion, sex, national origin, marital status, sexual orientation, political ideology, or the physical handicap of a capable person; provided that the Council shall take steps to assure equality of employment opportunity as provided in the code.

2. Authority use of funds provided to it by the City after January 1, 1985, shall be subject to the requirements of Seattle Municipal Code Chapter 20.46 (Women's and Minority Business Utilization).

**Section 7. Nonexclusive Charter.**

This Charter is nonexclusive and does not preclude the City from granting other charters to establish additional public authorities.

This revised Charter reflects the Charter as issued August 1981, as amended on May 31, 1985 and on May 8, 2001, together with amendments proposed by the Pacific Hospital Preservation & Development Authority Council and Constituency and approved by me this \_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
Greg Nickels, Mayor

Attest: \_\_\_\_\_  
\_\_\_\_\_, City Clerk