

**FIFE TRANSPORTATION BENEFIT DISTRICT
RESOLUTION NO. 0001**

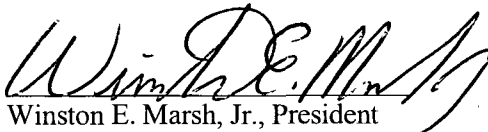
**A RESOLUTION OF THE FIFE
TRANSPORTATION BENEFIT DISTRICT
ADOPTING A CHARTER**

WHEREAS, Ordinance No. 1895 of the City of Fife established a Transportation Benefit District for the entire City (“TBD”); and

WHEREAS, the TBD Board of Directors finds that it would promote the orderly conduct of business to adopt a charter; now therefore

BE IT RESOLVED THAT the Charter of the Fife Transportation Benefit District attached hereto as Exhibit A is hereby approved and adopted.

Adopted by the District Board at an open public meeting held on the 17th day of May, 2016.


Winston E. Marsh, Jr., President

ATTEST


Carol Etgen, City Clerk

**CHARTER OF THE
FIFE TRANSPORTATION BENEFIT DISTRICT**

ARTICLE I NAME

Section 1.01 Name. The name of the Transportation Benefit District shall be the “Fife Transportation Benefit District.”

ARTICLE II NATURE AND PURPOSES

Section 2.01 Nature of the District. The District shall be a Transportation Benefit District organized pursuant to Chapter 36.73 RCW (“Statute”), Fife Ordinance No. 1895 (“Ordinance”) and Chapter 3.90 FMC. The boundaries of the District shall be coextensive with the boundaries of the City. The District shall be a municipal corporation, an independent taxing “authority” within the meaning of Article VII, Section I of the Constitution of the State of Washington (the “Constitution”), and a “taxing district” within the meaning of Article VII, Section 2 of the Constitution. The District shall be an entity independent of and separate from the City.

Section 2.02 Purposes. The purpose of the District shall be to provide a separate legal entity pursuant to Statute and Ordinance to exercise the powers available under the Statute to the extent authorized by the Ordinance. The primary purpose of the District shall be the acquisition, construction, improvement, provision and/or funding of transportation improvements within the District that are consistent with state, regional, and local transportation plans.

Section 2.03 Limitations on Liability. All debts, liabilities and other obligations incurred by the District (“Obligations”) shall be satisfied: (a) in the case of Obligations which, by their terms, are not payable from a special or limited source of funds, exclusively from the revenues, assets and properties of the District, and (b) in the case of Obligations which, by their terms, are payable from a special or limited source of funds, exclusively from such revenues, assets and properties of the District as shall be specifically pledged thereto or otherwise identified as being the source of payment thereof. No creditor, claimant or other person shall have any right of action against or recourse to the City or its revenues, assets or properties on account of or with respect to any such Obligations, or otherwise on account of or with respect to any acts or omissions of the District or its officers, employees or agents.

Section 2.04 Mandatory Disclaimers. A disclaimer in substantially the following form shall be posted in a prominent place accessible to the public in the District's principal office, which shall be the Fife City Hall. It shall also be printed or stamped on all contracts, bonds and other documents that evidence or create any Obligation, which, by its terms, is not payable from a special or limited source of funds.

The Fife Transportation Benefit District is a Transportation Benefit District established pursuant to Ordinance No. 1895 of the City of Fife, Washington, and the laws of the State of Washington, including, but not limited to, Chapter 36.73 of the Revised Code of Washington. All debts, liabilities and other obligations incurred by the District shall be satisfied exclusively from the revenues, assets

and properties of the District. No creditor, claimant or other person shall have any right of action against or recourse to the City of Fife, the State of Washington, or any other political subdivision of the State of Washington on account of or with respect to any debts, liabilities or other obligations of the District, or otherwise on account of or with respect to any acts or omissions of the District or its officers, employees or agents.

ARTICLE III DISSOLUTION

Section 3.01 Dissolution. The District shall exist until dissolved in accordance with the requirements of RCW 36.73.050 and FMC 3.90.060. The retirement of debt, notice of dissolution and payment of creditors shall all comply with the provisions of the Statute. The District shall be automatically dissolved when all indebtedness of the District has been retired, and when all the District's anticipated responsibilities have been satisfied.

ARTICLE IV POWERS; INDEMNIFICATION

Section 4.01 Powers. Except as otherwise provided herein, the District shall have and may exercise all lawful powers conferred upon a Transportation Benefit District as of the date hereof by the laws of the State of Washington, limited as provided in the Ordinance. Such powers shall include, but are not limited to, the following:

(a) To hire employees, staff, and services, to enter into contracts, to direct agents and services acquired pursuant to contract or interlocal agreement, and to sue and be sued. Public works contract limits applicable to the City of Fife shall apply to any contract entered into by the District. In the event that City staff is utilized, the general fund of the City shall be reimbursed to, but only to the extent required by RCW 43.09.210 for local government accounting. The annual plan of the District shall provide estimates of all such charges and the final cost of all projects shall indicate such charges.

(b) To authorize a vehicle tax of up to the maximum amount as provided for by RCW 82.80.140.

(c) When authorized by the voters pursuant to the requirements of Chapter 36.73, to authorize other taxes, fees, charges and tolls or increases in these revenue sources, and to use such funds assessed for the preservation, maintenance and operation of City streets in accordance with the provisions of a state, regional, or local plan.

(d) The Board shall have and may exercise all powers and functions provided by the Statute to fulfill the functions of the District.

(e) Additional powers and authorities may be conferred upon the District only in accordance with the requirements of the Statute following a public hearing and other procedural requirements as set forth in the Statute.

Section 4.02 Indemnification. To the extent permitted by law, the District shall protect, defend, hold harmless and indemnify any Board member, officer, employee or agent of the District who is a party or threatened to be made a party to a proceeding by reason related to that person's conduct as a director, officer, employee or agent of the District, against judgments, fines, penalties, settlements and reasonable expenses (including reasonable attorneys' fees) incurred by him or her in connection with such proceeding, if such person acted in good faith reasonably believed his or her conduct to be in the District's best interests and if, in the case of any criminal proceedings, he or she had no reasonable cause to believe that his or her conduct was unlawful. The indemnification and protection provided herein shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law, by City ordinance, or by contract or by vote of the Board of Directors. The District may purchase and maintain appropriate insurance covering such risks.

ARTICLE V BOARD OF DIRECTORS

Section 5.01 Board Powers. All powers of the District shall be exercised by or in the name of the Board of Directors (the "Board"). The powers of the Board shall include, but are not limited to, the following:

- (a) To establish and implement the policies and programs of the District, and the procedures for the management and administration of the District's affairs;
- (b) To appoint and remove, at the pleasure of a majority vote of the Board, the District's officers, agents and employees, (except as expressly provided herein) and to prescribe their respective powers and duties consistent with the provisions hereof;
- (c) To provide for the investment of the District's funds.

Section 5.02 Board Composition. The Board shall be composed of the seven (7) members of the Fife City Council, who shall serve in an ex officio and independent capacity. A Board member may be removed from service on the Board only when removed from his or her office as a Council Member. Any vacancy shall be filled only by the appointment or election of a new City Council Member.

Section 5.03 Board Officers. The Board shall include two or more officers. The same person shall not occupy both the office of President and any office responsible for the custody of funds and maintenance of finances and accounts. The initial officers of the Board shall be the President, Vice President and Treasurer. Additional officers may be provided for by resolution of the District (as approved by the Board). The President shall be the agent of the District for purposes of receiving service of process. The District may contract with the City of Fife for such service as it may require.

Section 5.04 President. The mayor of the City of Fife shall be the Board President who shall serve as the ceremonial head of the District and shall preside over all Board meetings. The President shall, subject to the control of the Board, exercise general supervision, direction, and

control of the business and affairs of the District. On matters decided by the District, unless otherwise required under Interlocal Agreement or by this Charter, the signature of the President alone is sufficient to bind the District.

Section 5.05 Vice President. The deputy mayor of the City of Fife shall be the Board Vice President, who shall serve in the absence of the President as the ceremonial head of the District and shall preside over Board meetings in the President's absence and shall otherwise execute the President's powers and duties.

Section 5.06 Treasurer. The Finance Director-Treasurer of the District shall be the City's Finance Director. The Finance Director is required by the Statute to serve as Treasurer and is not subject to removal by the Board.

Section 5.07 Conflict of Interest. Board members shall comply in all respects with the conflict of interest guidelines and prohibitions of Chapter 42.23 RCW as the same exists or is hereafter amended.

Section 5.08 Attorney. The Board shall be represented by the City Attorney's Office of the City of Fife, provided, however, that the Board may, in the event of conflict, engage separate legal counsel of its choosing. Any potential conflicts of interest involving the City Attorney shall be determined and resolved by reference to the Rules of Professional Conduct, as they now exist or may be amended.

ARTICLE VI MEETINGS

Section 6.01 Board Meetings. The date and time of Regular Board meetings shall be established by Board resolution. Special Board meetings may be called from time to time as determined necessary by a majority of the Board or Board President.

Section 6.02 Board Quorum and Concurrence. At all meetings of the Board, four (4) members shall constitute a quorum for the transaction of business. Final action of the Board with respect to imposing a vehicle fee authorized in RCW 36.73.065 and RCW 82.80.140 shall require the affirmative vote of four (4) members. Voting by proxy shall not be permitted. Electronic meetings or participation are authorized so long as the meeting, notice and opportunity for public participation comply with state law.

Section 6.03 Open Public Meetings. Notice of meetings shall be given in a manner consistent with the Open Public Meetings Act, Chapter 42.30 RCW, as supplemented and amended. The District shall provide the opportunity for public comment at Board meetings. The District shall define in its Bylaws the opportunity for public comment to be permitted at Board meetings.

Section 6.04 Material Change Policy and Annual Report. The Board shall develop a material change policy to address major plan changes that affect project delivery or the ability to finance the adopted plan. At the date of adoption of a plan to execute the functions of the District, the Board shall adopt a material change plan which addresses material changes to cost, scope, and schedule, the level of change that will require Board involvement and how the Board will

address those changes. At a minimum, in the event that a transportation improvement cost exceeds its original cost estimate by more than twenty percent (20%) as identified in the District's original finance plan, the governing body shall hold a public hearing to solicit comment from the public regarding how the cost change should be resolved. In addition, the District, upon approval by the Board, shall issue an annual report, indicating the status of transportation improvement costs, transportation improved expenditures, revenues, and construction schedules, to the public and the newspapers of record in the District. "Newspapers of record in the District" shall include all newspapers, which have filed a request for public notice of meetings with the District.

ARTICLE VII AMENDMENT TO CHARTER

Section 7.01 Proposals to Amend Charter. Any Board member may introduce a proposed amendment to the Charter at any regular meeting or special meeting of the Board, provided, however, that all amendments shall comply with the minimum requirements and provisions of RCW 36.73 and Chapter 3.90 FMC.

Section 7.02 Vote Required for Proposals to Amend the Charter. Resolutions of the Board approving proposals to amend the Charter shall require the affirmative vote of four (4) members.

Section 7.03 Public Hearings. Certain amendments of the Charter may require action of the Fife City Council and a public hearing pursuant to the requirements of the Statute. No consideration of any charter amendment may occur until the City complies with such requirements.

ARTICLE VIII MISCELLANEOUS

Section 9.01 Liberal Construction and Severability. This Charter shall be liberally construed to effect its purposes. If any section or part of this Charter is ultimately ruled invalid or illegal by a court of competent jurisdiction, such invalidity or illegality shall not affect the remaining sections or parts of this Charter.

THIS CHARTER IS EXECUTED AS OF THE _____ DAY OF MAY, 2016.

FIFE TRANSPORTATION BENEFIT DISTRICT

Winston E. Marsh, President

ATTEST:

Carol Etgen, City Clerk

APPROVED AS TO FORM:

Gregory F. Amann, Assistant City Attorney