



CITY OF KIRKLAND
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MEMORANDUM

To: Kurt Triplett, City Manager
From: Brenda Cooper, Chief Information Officer
Date: October 5th 2011
Subject: Approval of Ordinance for Community Connectivity Consortium

RECOMMENDATION

Council approve the attached Ordinance which creates the Community Connectivity Consortium as a public corporation and approves its Charter.

BACKGROUND DISCUSSION

This is the last step in a multi-step process that improves the governance of our current partnership between education, healthcare, and municipalities to create and manage a wide area fiber network that connects anchor public institutions. Council approved the Interlocal Agreement (ILA) on September 6, 2011 and this Charter was provided at that time for advanced reading material.

Approval and issuance of the Charter will create the Community Connectivity Consortium as a public corporation. This change is necessary to allow the consortium to apply for grants, manage grant money, make joint purchases where required, and more effectively manage a much larger membership. The partnership originated between four parties (the City of Kirkland, the University of Washington, the Lake Washington School District and the City of Bellevue), and stretches south through Auburn. The ILA required that nine entities approve the ILA for the Charter to be enacted. The ILA has now been approved by the cities of Auburn, Kirkland, Pacific and Renton, by the University of Washington, the Bellevue and Lake Washington School Districts, by Bellevue College, and by the Valley Communications Center. The ILA is expected to be on the City of Bellevue Council agenda on October 17th. The following entities are historical members and may choose to approve the ILA in the future: The cities of Tukwila, Puyallup, Federal Way, Kent, and Seattle, the King County Public Hospital District (Evergreen Health Care), and the Renton School District.

There are no immediate budget implications of this activity. We have funding already set aside to manage our fiber in our Network CIP, and there is no increase in this request anticipated for 2012. Future increases, if any, will have to be approved via normal budget processes.

So far, the value that has accrued to the city as a result of this long-term partnership includes significantly lower cost and faster connectivity between city facilities, connectivity to the portions of our data center that are located in Bellevue City Hall, and available dark fiber to support the Intelligent Transportation System.

ORDINANCE O-4325

AN ORDINANCE OF THE CITY OF KIRKLAND CREATING THE COMMUNITY CONNECTIVITY CONSORTIUM, A PUBLIC CORPORATION AND APPROVING ITS CHARTER.

WHEREAS, the City of Kirkland is a participant in the Regional Fiber Consortium, which is comprised of local government agencies for the purpose of acquiring, constructing, operating, managing and maintaining a regional communications network that meets the needs of community institutions, including but not limited to government agencies, hospitals, schools and universities; and

WHEREAS, the Regional Fiber Consortium members operate pursuant to an interlocal agreement entitled General Terms and Conditions;

WHEREAS, the current Regional Fiber Consortium Members, along with prospective new members would like to adopt a new Interlocal Agreement Establishing the Community Connectivity Consortium ("Interlocal Agreement") pursuant to RCW 39.34 and form a public corporation pursuant to RCW 35.21.730 through 35.21.759 to govern their continued operations; and

WHEREAS, the Interlocal Agreement and the Charter of the Community Connectivity Consortium ("Charter") has been approved by at least nine (9) prospective Consortium Members, which constitutes authorization for proceeding with formation with the Consortium under the Interlocal Agreement;

NOW, THEREFORE, the City Council of the City of Kirkland does ordain as follows:

Section 1. The Charter of the Consortium, attached hereto as Exhibit A and incorporated herein, is hereby approved. The Charter shall be issued in duplicate originals, each bearing the seal of the City of Kirkland attested by the City Clerk. One original shall be filed with the City Clerk. A duplicate original shall be provided to the Consortium.

Section 2. The Consortium shall commence existence upon the fulfillment of each of the following:

(1) The governing bodies of at least nine (9) Consortium Members have approved the creation of the Consortium by the City of Kirkland;

(2) This Ordinance shall become effective; and

(3) The Charter shall have been executed, and the Charter shall be on file with the City Clerk.

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

CHARTER OF THE COMMUNITY CONNECTIVITY CONSORTIUM, A WASHINGTON PUBLIC CORPORATION

ARTICLE I NAME AND SEAL

The name of this corporation shall be the "Community Connectivity Consortium" ("Consortium"). The corporate seal of the Consortium shall be a circle with the name of the Consortium and the word "SEAL" inscribed therein.

ARTICLE II AUTHORITY FOR CONSORTIUM; LIMIT ON LIABILITY

Section 1. Authority. The Consortium is a public corporation organized pursuant to Revised Code of Washington ("RCW") 35.21.730 through 35.21.759, as the same now exist or may hereafter be amended, or any successor act or acts (the "Act"), Ordinance No. ____ of the City of Kirkland, passed on _____, 2011 and the Interlocal Agreement Establishing the Community Connectivity Consortium adopted and approved by Consortium Members, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference ("Interlocal Agreement").

Section 2. Limitation on Liability. All liabilities incurred by the Consortium shall be satisfied (a) in the case of obligations or liabilities of the Consortium which are not limited recourse in nature, exclusively from the assets, credit, and properties of the Authority, or (b) in the case of obligations or liabilities of the Authority which, by their terms, are limited recourse obligations, from such assets, properties or revenue of the Authority as shall be specifically pledged thereto or otherwise identified as being the source of payment of such limited recourse obligations or liabilities, and no creditor or other person shall have any right of action against or recourse to Consortium Members, their assets, credit or services on account of any debts, obligations, liabilities or acts or omissions of the Consortium.

Section 3. Liability of Consortium and Consortium Members. The following disclaimer shall be printed or stamped on all contracts or other documents that may entail any debt or liability by the Consortium:

The Community Connectivity Consortium ("Consortium") is a public corporation organized pursuant to the ordinances and approvals of the Consortium Members and RCW 35.21.730 through 35.21.759 and RCW Chapter 39.34. RCW 35.21.750 provides as follows: "[A]ll 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."

In no event shall the obligations of the Consortium be payable by recourse against any properties, assets or revenues of the Consortium Members, the State

of Washington or any other political subdivision of the State of Washington. No person to whom such obligations are owed shall have any recourse or right of action against the Consortium Members, the State of Washington or any other political subdivision thereof on account of such obligations.

Any of the Consortium Members may, by ordinance or contract or pursuant to interlocal agreement, agree to pay (on a contingent basis or otherwise) all or any portion of the obligations of the Authority; however, (1) no Member shall be obligated beyond the proportion of sum specified by ordinance or contract; and (2) no Member shall be obligated, directly or indirectly for the obligations of another Member.

ARTICLE III DURATION

The duration of the Consortium shall be perpetual except as provided in the Interlocal Agreement.

ARTICLE IV PURPOSE

The purpose of the Consortium is to acquire, construct, operate, manage and maintain a regional communications network that meets the needs of community institutions, including but not limited to government agencies, hospitals, schools and universities.

ARTICLE V POWERS

The Consortium shall have and may exercise all lawful powers conferred by state laws, the Interlocal Agreement, this Charter and its Bylaws that are consistent with the purpose of the Consortium. The Consortium in all of its activities and transactions shall be subject to the powers, procedures, and limitations contained in the Interlocal Agreement, this Charter and the Bylaws.

ARTICLE VI CONSORTIUM MEETINGS AND BOARD RESPONSIBILITIES

Section 1. Consortium Initial Meeting. Upon issuance of this Charter, there shall be an initial meeting of Consortium Members within 60 days. At the initial meeting, Consortium Members shall adopt the Consortium's Bylaws and elect the Consortium Board. The Bylaws shall be approved and a Board member shall be deemed elected to the Board if they receive a majority vote of all Consortium Members with voting member status. Thereafter, the Board shall manage and oversee the Consortium's activities, in accordance with the Interlocal Agreement.

Section 2. Board Meetings and Membership Meetings. The Board shall meet as necessary to oversee the operations of the Consortium. After the initial meeting, the Consortium Members shall meet no less than once per year. To the extent required by law, notice of

Consortium meetings shall be given in a manner consistent with RCW Chapter 42.30, the Open Public Meetings Act.

Section 3. Board Composition, Powers and Responsibilities.

A. Composition. The composition of the Consortium Board shall be set forth in the Consortium Bylaws, provided that the composition of the Consortium Board may not be changed without the approval of 75% or more of the Voting Members of the Consortium. The Consortium Board shall recommend a representative composition of the Board at the Annual Meeting.

B. Consortium Board Terms. The Consortium Board terms shall be set forth in the Consortium Bylaws.

C. Powers. The Consortium Board shall govern the Consortium. The powers of the Consortium Board shall be to: (1) develop and recommend the Consortium's Bylaws for approval by the Consortium Members; (2) create Consortium work programs; (3) determine services to be provided; (4) develop an annual budget for adoption by Consortium Members; (5) review and propose a membership policy; (6) recommend a fee policy for approval by the Consortium Members; (7) make purchases or contract for services to accomplish the purposes of the Consortium; (8) enter into agreements with third parties for goods and services as necessary to carry out the Consortium's purposes; (9) hire staff, consultants or private vendors as necessary; (10) identify and contract for the services of Fiscal Agent for the purposes of carrying out and recording Consortium financial transactions; (11) approve expenditures of funds; and (12) conduct any and all other business allowed by applicable law. The incurrence of debt by the Consortium requires the prior approval of all of the governing bodies of current Voting Members.

D. Responsibilities of Consortium Board Members. Consortium Board Members shall participate fully in matters before the Board, attend all meetings, advocate on behalf of the Consortium, and contribute expertise to guide decisions.

E. Bylaws. The Consortium Members shall adopt Bylaws that govern Consortium operations and decision making.

F. Consortium Membership. Membership in the Consortium shall be limited to government agencies authorized to become signatories to an Interlocal Agreement as authorized by RCW 39.34.030, and who contribute assets, resources, and/or shared services for the benefit of members. The addition of new members shall be subject to the approval of a simple majority of the Consortium Board, as established by the Consortium, to manage its operations.

ARTICLE VII VOTING

In conducting Consortium business, Voting Members will cast a single vote with all votes being equal. A meeting quorum for Board Meetings shall be considered to be a simple majority

of the Board Members. A meeting quorum for Consortium Member meetings shall be a simple majority of Voting Members. It is the desire of the Consortium that decisions be made by consensus, but a simple majority vote of all of the Voting Members present, either in person, electronically or by proxy, shall decide matters at Consortium Member meetings. A simple majority vote of all of the board members present, either in person, electronically or by proxy, shall decide matters at Consortium Board meetings. A second vote may be called in the event of a tie to arrive at a decision. A second tie will table the discussion until the next regularly scheduled meeting.

ARTICLE VIII FINANCE AND BUDGET

The Consortium Board is authorized to accept grants and such other financial opportunities as may arise in order to accomplish the purposes of the Consortium consistent with Chapter 39.34 RCW. The Consortium is empowered to receive all funds and assets allocated to it by its members. The Consortium Board may establish partnerships with public and private corporations or entities as allowed by law. The Consortium Board shall recommend an annual budget for adoption by the Consortium Members.

A. Ownership of Property. The Consortium may own real and personal properties. Ownership of assets, such as fiber strands, equipment or software, shall be defined in the allocation noted within any Consortium Project Agreement to which the Member is signatory. Assets deemed surplus by participants in a Project Agreement shall be held by the Consortium in an Asset Bank administered by the Consortium Board for the benefit of the Consortium Members. Future allocation of surplus assets shall be at the discretion of the Consortium Board. Existing assets owned by the Consortium Members may be transferred to the Consortium for the benefit of Consortium Members at the owner's discretion.

B. Retained Responsibility and Authority. Consortium Members retain the responsibility and authority for managing and maintaining their own internal Fiber Optic systems, including security and privacy of all data which may be linked to the Consortium's network.

C. Fiscal Agent. The Fiscal Agent refers to that agency or government that performs all accounting services for the Consortium as it may require, in accordance with the requirements of Chapter 39.34 RCW. The Consortium Board shall appoint a Fiscal Agent for the Consortium. The Fiscal Agent shall have a non-voting, ex officio seat on the Consortium Board if the agency is not serving on a Consortium Board seat.

D. Intergovernmental Cooperation. The Consortium will cooperate with federal, state, county, and other local agencies to maximize use of any grant funds or other resources and enhance the effectiveness of the Consortium systems, programs and projects.

E. Voting Members. Voting Members shall contribute to the Consortium in accordance with the fee policy adopted by the Consortium Membership.

**ARTICLE IX.
CONSTITUENCY**

There shall be no constituency of the Consortium.

**ARTICLE X
AMENDMENT OF CHARTER AND BYLAWS**

Section 1. Amendments to Bylaws. The Board may propose amendments to the Bylaws for consideration and voting by the general membership at a general membership meeting. Amendments to the Bylaws shall be deemed approved if the amendment proposal receives affirmative votes from a majority of all Voting Members.

Section 2. Amendments to Charter. Proposals to amend this Charter shall be submitted to the Board for review. If the Board recommends approval of the Charter amendment, the amendment proposal shall be submitted to the governing bodies of the Consortium Members. The proposed amendment shall not be effective until approved by the governing bodies of at least 75% of all Voting Members.

**ARTICLE XI
COMMENCEMENT**

The Consortium shall commence its existence effective upon the issuance of its Charter as sealed and attested by the City Clerk of the City of Kirkland, as provided in the Ordinance adopting this Charter.

**ARTICLE XII
DISSOLUTION**

Dissolution of the Consortium shall be in the form and manner set forth in the Interlocal Agreement and as may be required by state law.

CERTIFICATE

I, the undersigned, City Clerk of the City of Kirkland, Washington, do hereby certify that the attached CHARTER OF THE COMMUNITY CONNECTIVITY CONSORTIUM, A WASHINGTON PUBLIC CORPORATION is a true and correct original of such Charter as authorized by Ordinance No. ____ of the City of _____, this ____ day of _____, 2011.

City Clerk of the City of Kirkland, Washington

PUBLICATION SUMMARY
OF ORDINANCE O-4325

AN ORDINANCE OF THE CITY OF KIRKLAND CREATING THE COMMUNITY CONNECTIVITY CONSORTIUM, A PUBLIC CORPORATION AND APPROVING ITS CHARTER.

SECTION 1. Approves and incorporates the Charter of the Consortium and provides for duplicate originals.

SECTION 2. Provides the conditions upon when the Consortium shall commence existence.

SECTION 3. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2011.

I certify that the foregoing is a summary of Ordinance _____ approved by the Kirkland City Council for summary publication.

City Clerk