

**UNIVERSITY PLACE CITY COUNCIL
Regular Council Meeting
Monday, November 3, 2025, 6:30 p.m.**



Note: Times are approximate and subject to change.

PUBLIC NOTICE

The University Place City Council will hold its scheduled meetings to ensure essential city functions continue. Members of the public can attend and participate in a Council meeting in the following manners:

- In-person at the City Council Chambers at 3609 Market Place West, Third Floor;
- Watch live broadcast on University Place Television, Lightcurve (formerly Rainier Connect) Channel 12 or Comcast Channel 21 (SD) or 321 (HD);
- Watch live broadcast on the City's YouTube channel www.YouTube.com/UniversityPlaceTV;
- Watch live broadcast on the City's website www.cityofup.com/398/City-Council-Meetings;
- Listen by telephone by dialing 1 509-342-7253 United States, Spokane (Toll), Conference ID: 494 770 931#; or
- Attend virtually by clicking this hyper-link: [Click here to join the meeting](#).

How to participate in Public Comment and public testimony on Public Hearings:

- In-person at the City Council Chambers.
- Written comments are accepted via email. Comments should be sent to the City Clerk at Egenetia@cityofup.com. Comments received up to one hour (i.e., 5:30 p.m.) before the meeting will be provided to the City Council electronically.
- Participation by telephone. Call the telephone number listed above and enter the Conference ID number. Once the Mayor calls for public comment, use the "Raise Hand" feature by pressing *5 on your phone. Your name or the last four digits of your phone number will be called out when it is your turn to speak. Press *6 to un-mute yourself to speak.
- Participation by computer. Join the meeting virtually by clicking on the hyper-link above. Turn off your camera and microphone before you press "Join Now." Once the Mayor calls for public comment, use the "Raise Hand" icon on the Microsoft Teams toolbar located at the top of your screen. Your screen name will be called out when it is your turn to speak. Turn on your camera and microphone (icon located at the top of your screen) to unmute yourself. Once you are done, turn off your camera and microphone.

In the event of technical difficulties, remote public participation may be limited.

AGENDA

- | | |
|---------|---|
| 6:30 pm | 1. CALL REGULAR MEETING TO ORDER |
| | 2. ROLL CALL |
| | 3. PLEDGE OF ALLEGIANCE – Councilmember McCluskey |
| | 4. APPROVAL OF AGENDA |
| 6:35 pm | 5. PRESENTATIONS <ul style="list-style-type: none">• <u>Native American Heritage Month Proclamation</u>• <u>30th Birthday Bash Sponsorship Appreciation</u><ul style="list-style-type: none">- University Place Refuse- Alta University Place |
| 6:45 pm | 6. PUBLIC COMMENTS |
| 6:50 pm | 7A. – CONSENT AGENDA
7D. Motion: Approve or Amend the Consent Agenda as Proposed |

The Consent Agenda consists of items considered routine or have been previously studied and discussed by Council and for which staff recommendation has been prepared. A Councilmember may request that an item be removed from the Consent Agenda so that the Council may consider the item separately. Items on the Consent Agenda are voted upon as one block and approved with one vote.

A. Approve the minutes of the October 20, 2025 Council meeting as submitted.

- B. Receive and File: Payroll for periods ending 09/30/25 and 10/15/25.
C. Receive and File: 2025 Second Quarter Financial Report.
D. Adopt a Resolution establishing the City's 2026 Legislative Priorities.

- 6:55 pm **8. CITY MANAGER & COUNCIL COMMENTS/REPORTS** - (Report items/topics of interest from outside designated agencies represented by Council members, e.g., AWC, PRSC, Pierce Transit, RCC, etc., and follow-ups on items of interest to Council and the community.)

STUDY SESSION – (At this time, the Council will have the opportunity to study and discuss business issues with staff prior to its consideration. Citizen comment is not taken at this time; however, citizens will have the opportunity to comment on the following item(s) at future Council meetings.)

- 7:15 pm **9. 2026 PROPERTY TAX LEVY**

- 7:45 pm **10. LEMAY FRANCHISE AGREEMENT**

- 8:15 pm **11. CITY COMMISSIONS 2026 WORK PLANS**
 • Planning Commission
 • Economic Development Advisory Commission

- 9:15 pm **12. ADJOURNMENT**

*PRELIMINARY CITY COUNCIL AGENDA

November 17, 2025
Regular Council Meeting

December 1, 2025
Special Council Meeting

December 15, 2025
Regular Council Meeting

January 5, 2026
Regular Council Meeting

Preliminary City Council Agenda subject to change without notice*
Complete Agendas will be available 24 hours prior to scheduled meeting.
To obtain Council Agendas, please visit www.cityofup.com.

American Disability Act (ADA) Accommodations Provided Upon Advance Request
Call the City Clerk at 253-566-5656

CITY OF UNIVERSITY PLACE PROCLAMATION

WHEREAS, Native Americans, also called American Indians, First Americans, or Indigenous Americans are the original inhabitants of North America and have stewarded these lands for thousands of years, enriching the cultural, spiritual, and historical fabric of our nation;

WHEREAS, Native American Heritage Month, observed each November, serves to recognize and celebrate the achievements, contributions, and enduring legacy of Native peoples;

WHEREAS, this month offers a meaningful opportunity to honor the vibrant traditions, diverse cultures, and invaluable contributions of Indigenous communities—past and present;

WHEREAS, we acknowledge the resilience and strength of Native nations in the face of historical injustices, and reaffirm our commitment to advancing equity, preserving tribal sovereignty, and uplifting Indigenous voices;

WHEREAS, Native American Heritage Month invites all people to deepen their understanding of Native histories, languages, and cultures, and to celebrate the accomplishments of Native individuals across all fields—from education and science to the arts, leadership, and public service;

NOW, THEREFORE, the City Council of the City of University Place hereby proclaims the month of November 2025 as Native American Heritage Month in University Place and encourages all residents to reflect on the profound impact of Native peoples, engage in meaningful learning, and participate in events and activities that honor Indigenous heritage.

PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, ON NOVEMBER 3, 2025.

Javier H. Figueroa, Mayor

ATTEST:

Emelita J. Genetia, City Clerk

APPROVAL OF CONSENT AGENDA

**CITY OF UNIVERSITY PLACE
DRAFT MINUTES
Regular Meeting of the City Council
Monday, October 20, 2025**

1. CALL REGULAR MEETING TO ORDER

Mayor Pro Tem Wood called the Regular Meeting to order at 6:30 p.m.

2. ROLL CALL

Roll call was taken by the Deputy City Clerk as follows:

Councilmember Boykin	Present
Councilmember McCluskey	Present (Virtual)
Councilmember Flemming	Present
Councilmember Grassi	Excused
Mayor Pro Tem Wood	Present
Mayor Figueroa	Excused

Staff Present: City Manager Sugg, City Attorney Kaser, Public Works Director Ecklund, Community and Economic Development Director Briske, Planning Manager George, Finance Director Blaisdell, Police Chief Burke, Deputy City Clerk Highlan, and City Clerk Genetia.

3. PLEDGE OF ALLEGIANCE

Councilmember Flemming led the Council in the Pledge of Allegiance.

4. APPROVAL OF AGENDA

MOTION: By Councilmember Flemming, seconded by Councilmember Boykin, to approve the agenda.

The motion carried.

5. PRESENTATIONS

Mayor Pro Tem Wood announced that the 30th Birthday Bash sponsorship appreciation presentations for Honest Home Solutions and Alta University Place will be rescheduled to a future meeting.

University Place Historical Society's 25th Anniversary – Mayor Pro Tem Wood presented the University Place Historical Society with a Certificate of Recognition for their 25th Anniversary milestone marking a profound legacy of dedication, resilience and excellence.

6. PUBLIC COMMENTS – The following individual provided comments: Lars Summer, 9607 55th Street Court West, University Place.

7. CONSENT AGENDA

MOTION: By Councilmember Flemming, seconded by Councilmember Boykin, to approve the Consent Agenda as follows:

- A. Approve the minutes of the 10/06/25 Special and Regular Council meeting as submitted.
- B. Authorize the City Manager to execute Addendum 3 of the Lease Agreement between the City of University Place and Sanuk MM, LLC extending the first rent payment.

The motion carried.

PUBLIC HEARING AND COUNCIL CONSIDERATION

8. PURCHASE DEVELOPMENT AGREEMENT – 27TH STREET APARTMENTS, LLC

Staff Report – Public Works Director Jack Eklund presented the proposed Purchase and Development Agreement for the property at 2903 Morrison Road West, adjacent to Adriana Hess Wetland Park, as a strategic acquisition for public use and future development. The agreement includes a negotiated purchase price of \$715,000, with a provision to credit all park impact fees owed by the developer (27th Street Apartments LLC) toward the purchase, resulting in a net cost of \$164,380. Funding will come from unallocated carry-forward funds, with additional closing costs to be addressed in the next budget amendment cycle. This acquisition supports both new residents of the adjacent mixed-use development and the broader community, aligning with the City's long-term goals for land use, parks, and infrastructure as outlined in its comprehensive planning documents. The developer is contributing additional amenities, including wetland restoration, trail improvements, boardwalk and public access to the wetland, and connection to Adriana Hess Park.

Public Comment – None.

Council Consideration – **MOTION:** By Councilmember Flemming, seconded by Councilmember Boykin, to approve the purchase of real property located at 2903 Morrison Rd W, University Place, WA 98466 and authorize the City Manager to execute the Purchase and Development and execute all other necessary documents to complete the purchase.

The motion carried.

9. CITY MANAGER AND COUNCIL COMMENTS/REPORTS

Mayor Pro Tem Wood announced the resignation of Planning Commissioner David Graybill and thanked him for his years of dedicated service to the City.

City Manager Sugg informed Council that the City will be hosting a Traffic Safety Focus Group on Thursday, October 23, 2025, at 5:30 p.m. in the Council Chambers. The Public Safety Advisory Commission will provide a follow-up report to council at a future meeting this Fall.

Councilmember Flemming thanked the University Place Historical Society for their 25 years of dedicated service. He attended the South Sound Housing Affordability Partners (SSH³P) meeting, sharing updates on the adoption of its 2026 legislative priorities, and spotlighted the unique aspects of a development project in Dupont. He concluded by sharing reflections from his recent trip to Normandy, emphasizing the importance of honoring veterans as Veterans Day approaches.

Councilmember Boykin honored David Graybill for his service on the Planning Commission and acknowledged Mr. Summers' school safety concerns, commending City staff's quick response. He attended the Better Futures luncheon celebrating Hilltop Artists' 30 years of youth empowerment, the American Leadership Forum, the 28th District Community Conversation led by Senator Nobles, the 36th and Grandview Roundabout ribbon cutting, and the second Puget Sound Regional Council (PSRC) transportation planning meeting. He also joined the South Sound Military and Communities Partnership (SSMCP) Behavioral Health forum and attended the City's highly successful Oktoberfest event.

Councilmember McCluskey shared highlights from her attendance at the Pierce County Regional Council meeting, including presentations by Josh Wilden of the Pacific Northwest Vets Association and Jason Guthrie of SSH³P. She also reported on discussions surrounding proposed changes to the Urban Growth swap policy and the upcoming vote on the Council's 2026 legislative agenda. She commended Dance Theatre Northwest for their recent performance and reminded the community about the upcoming UP for Arts music festival. Additionally, Councilmember McCluskey expressed gratitude to David Graybill for his dedicated service on the Planning Commission, acknowledged safety concerns raised by Mr. Summers, and solemnly announced the passing of Greg Gooch, a respected and valued member of the community.

Mayor Pro Tem Wood echoed Councilmember McCluskey's tribute to Greg Gooch. He attended the grand opening of The Landing at Chambers Bay, and the lively University Place Oktoberfest. He participated in the 36th Street Roundabout ribbon cutting, highlighting safety improvements from community input. He concluded with his attendance at the Joint Services Ball, representing the City and honoring military branches.

STUDY SESSION

10. 2025 SECOND QUARTER FINANCIAL REPORT

Finance Director Blaisdell led a discussion on the 2025 Second Quarter Financial Report, highlighting strong fiscal performance. She shared that overall, general government revenues were 6.01% above budget estimates, while expenditures were 20.41% below budget, primarily due to timing differences. Key revenue sources such as general sales tax, parks sales tax, utility tax, admissions tax, and real estate excise tax all exceeded expectations, with investment interest performing particularly well due to unspent ARPA and sewer project funds. Departmental spending was also under budget, notably in the City Manager's Office and Public Works, where major event and maintenance costs are expected later in the year.

Police revenues were up, and expenditures were down, though jail and court costs are rising. Development Services revenues and expenses were both below projections, reflecting delays in project activity. Sales tax and real estate excise tax showed year-over-year fluctuations, with the latter impacted by a one-time sale in 2024. State-shared revenues tracked closely to budget, with city assistance and leasehold excise tax notably exceeding estimates. Utility taxes varied by category, with natural gas significantly above budget due to seasonal usage. Cable and telephone tax revenues are declining, and forecasts are adjusted accordingly. Franchise fees were nearly on target, and Transportation Benefit District fees were below budget due to prior rate reductions. Capital Improvement Projects remain active and extensive.

Council members praised Finance Director Blaisdell's conservative and effective fiscal management, noting the City's strong position compared to others operating in deficit.

11. ZONING CODE AMENDMENTS

Community and Economic Development Director Briske, along with Planning Manager George, presented proposed Zoning Code Amendments. They outlined proposed updates to the City's Zoning and Critical Areas codes to align with the City's Comprehensive Plan adopted in 2024. These amendments are part of the mandatory periodic update required by the Growth Management Act and must be finalized by December 31, 2025.

Key changes include compliance with state legislation, notably House Bill 1220, which mandates cities to accommodate various forms of "step housing"—emergency shelters, emergency housing, transitional housing, and permanent supportive housing. Definitions for these housing types were added to ensure zoning codes do not prohibit their development in applicable zones. Planning Manager George provided the example that emergency housing must be allowed in zones where hotels are permitted, while transitional and permanent supportive housing must be allowed in all residential zones. Parking standards were also updated, particularly removing parking requirements for senior and disability housing located within one mile of a transit stop, in accordance with state law.

Updates to the Critical Areas Ordinance (Title 17), focused on wetlands and stream buffers. Wetland buffer tables were revised based on updated best available science from the Department of Ecology, notably merging habitat scoring categories which slightly reduced some buffer widths. Stream buffer regulations saw more significant changes, with the Department of Fish and Wildlife recommending a shift from standard buffer widths to a science-based method using Site Potential Tree Height (SPTH). The City proposes a hybrid approach, retaining standard buffers while offering SPTH as an optional method for developers.

Additional updates included terminology changes (e.g., replacing "marijuana" with "cannabis") and minor adjustments to definitions and buffer zones. The Planning Commission reviewed these amendments over six meetings, culminating in a recommendation for adoption.

Council members raised questions about public safety, development impacts, and regulatory flexibility, and emphasized balancing compliance with state mandates and protecting community interests. The proposed amendments will be considered by Council on December 1, 2025.

12. ADJOURNMENT - The meeting adjourned at 8:14 p.m. No other action was taken.

Submitted by,

Crystal Highlan
Deputy City Clerk

VOUCHER APPROVAL DOCUMENT



3609 Market Place W, Ste 200
University Place, WA 98466
PH: 253.566.5656 FAX: 253.566-5658

Voucher for pay period ending 09-30-2025

Date		Name	Amount
10/03/2025	319125	AWC EMPLOYEE BENEFIT TRUST	123,874.01
10/03/2025	ACH	DIRECT DEPOSIT	307,883.29
10/03/2025	WIRE	IUOE LOCALS 302/612 TRUST FUND	11,944.82
10/03/2025	ACH	BANK OF AMERICA	44,097.26
10/03/2025	ACH	WA STATE DEPT OF RETIREMENT SYS	37,531.59
10/03/2025	ACH	WA STATE DEPT OF RETIREMENT SYS	4,335.58
10/03/2025	ACH	AFLAC INSURANCE	111.24
			<u>529,777.79</u>

Preparer Certification:

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the above-named governmental unit, and that I am authorized to authenticate and certify to said claim.

Signed: (Signature on file.)

Steve Sugg, City Manager

Date:

VOUCHER APPROVAL DOCUMENT



3609 Market Place W, Ste 200
University Place, WA 98466
PH: 253.566.5656 FAX: 253.566-5658

Voucher for pay period ending 10-15-2025

Date		Name	Amount
10/20/2025	319126	BRISKE, KEVIN G.	4,700.82
10/20/2025	ACH	DIRECT DEPOSIT	301,769.61
10/20/2025	ACH	BANK OF AMERICA	44,533.14
10/20/2025	ACH	WA STATE DEPT OF RETIREMENT SYS	37,777.35
10/20/2025	ACH	WA STATE DEPT OF RETIREMENT SYS	4,335.58
10/20/2025	ACH	AFLAC INSURANCE	111.24
			<u>393,227.74</u>

Preparer Certification:

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the above-named governmental unit, and that I am authorized to authenticate and certify to said claim.

Signed: (Signature on file.)

Steve Sugg, City Manager

Date: _____

Q2 **FINANCIAL**
REPORT
June 30, 2025

INTRODUCTION

The second Quarter 2025 Financial Report is presented here for review. As in prior years, the report has been prepared on an accrual basis, ensuring that revenues are recorded in the period they are earned, regardless of when they are received.

Due to a standard lag in the receipt of revenues collected by external entities—such as the State of Washington (2-month lag) and Pierce County (1-month lag) - the City accrues these revenues back to the period in which they were deemed receivable. These accruals primarily include taxes and other state-shared revenues, ensuring a more accurate reflection of the City's financial position for the reporting period.

This report has been prepared in alignment with the City Council's request for detailed information on individual revenue sources and expenditures. It is intended to provide transparency and insight into the City's financial performance.

Overall, the City's second quarter general government revenues came in 6.01% above budget estimates. On the expenditure side, second quarter spending (excluding reserves and transfers) is 20.41% below budget, reflecting conservative spending patterns and timing differences in planned expenditures.

The City's current financial forecast indicates that existing revenues are sufficient to support ongoing services as well as legal and contractual obligations through the remainder of the current biennium. This reflects a stable fiscal position and effective budget management.

Please note that this report is a continuing work in progress. If there is any additional analysis, trend data, or specific information you would like to see included in future reports, we welcome your feedback and will make every effort to incorporate your requests.

If you have any questions regarding the information presented in this report, please do not hesitate to contact Leslie Blaisdell, Finance Director. We welcome your feedback and are happy to provide any additional details or clarification as needed.

ON-GOING OPERATING REVENUES

Overall, the City's on-going operating revenues are 6.01% above 2025 budget estimates. The table below lists all on-going revenues with a 2025 Budget to Actual Variance. Details of major variances are discussed following the table.

	2022	2023	2024	2025			2ndQtr Budget to Actual	
	Actual	Actual	Actual	Budget	2nd Qtr Budget	Actual	\$ Variance	% Variance
Property Tax	2,470,711	2,468,317	3,677,101	7,087,517	3,543,759	3,754,243	210,484	5.94%
Sales Tax - General	1,946,008	2,195,948	2,119,756	4,242,000	2,121,000	2,222,637	101,637	4.79%
Sales Tax - 1% for Parks	190,689	227,226	232,172	464,600	232,300	241,363	9,063	3.90%
Sales Tax - Affordable & Supportive Housing	8,084	6,562	5,842	25,413	6,099	6,558	459	7.52%
Utility Tax	2,089,772	2,478,685	2,478,679	4,778,045	2,389,023	2,626,693	237,670	9.95%
Leasehold Excise Tax - State Shared	2,566	3,085	1,734	5,200	2,600	3,366	766	29.45%
Admission Tax	101,719	119,451	135,579	241,894	120,947	135,277	14,330	11.85%
Solicitor Permit Fees	75	125	100	125	63	100	38	60.00%
Business License Fees	46,085	50,109	47,122	95,950	47,975	50,615	2,640	5.50%
Franchise Fees	1,786,018	1,916,801	1,916,801	3,925,754	1,962,877	1,981,889	19,012	0.97%
City Assistance - State Shared	127,170	46,940	47,470	120,063	60,032	65,940	5,908	9.84%
Liquor Excise Tax - State Shared	122,528	131,200	121,294	235,963	117,982	121,294	3,312	2.81%
Liquor Profits - State Shared	136,128	135,399	134,297	265,099	132,550	134,297	1,748	1.32%
Investment Interest	86,550	1,060,050	1,381,683	1,952,850	976,425	1,180,957	204,532	20.95%
Field Rentals	3,920	7,980	12,443	25,000	12,500	24,300	11,800	94.40%
Development Services - Fees	693,343	254,336	234,086	829,626	414,813	324,707	(90,106)	-21.72%
Fuel Taxes - State Shared	354,591	350,584	334,465	699,617	349,809	354,723	4,914	1.40%
ROW Vacation	-	-	13,000	-	-	-	-	n/a
Transportation Benefit District Fees	123,022	116,815	118,449	402,917	201,459	154,456	(47,002)	-23.33%
Real Estate Excise Tax	884,097	587,070	981,479	1,250,000	625,000	725,879	100,879	16.14%
Criminal Justice Sales Tax - State Shared	408,573	403,520	411,269	838,300	419,150	426,333	7,183	1.71%
Criminal Justice Funding - State Shared	64,821	67,926	72,232	146,431	73,216	76,650	3,434	4.69%
Gambling Tax	55,141	47,840	38,436	92,000	46,000	47,402	1,402	3.05%
Law Enforcement/DUI Restitution	-	-	-	-	-	-	-	n/a
SRO/UPSD Reimbursement	-	-	-	117,340	58,670	63,540	4,870	n/a
Alarm Permit Fees	45,002	41,105	44,818	78,780	39,390	48,784	9,394	23.85%
False Alarm Fees	7,450	4,400	4,600	12,120	6,060	1,550	(4,510)	-74.42%
Court Fees	26,819	21,371	15,147	34,416	17,208	28,773	11,565	67.21%
Animal Control - Pet Licenses	18,470	18,554	16,059	33,330	16,665	17,114	449	2.69%
Parking Meters	-	-	-	40,000	20,000	14,980	(5,020)	-25.10%
SWM Fees	1,537,081	1,570,695	1,649,094	3,964,955	1,982,478	2,103,825	121,347	6.12%
SWM - Drainage Inventory Fees	5,200	200	900	355	178	150	(28)	-15.49%
SWM - System Development Charges	-	-	-	126,483	-	6,418	-	-
Public Record/Tapes/Transcripts	18	-	-	-	-	-	-	n/a
Fines/Forfeitures	61	874	874	-	-	121	121	n/a
Insurance Recoveries	65,343	55,287	55,287	20,000	10,000	39,568	29,568	295.68%
Penalty & Interest	3,121	21,933	21,933	16,600	8,300	25,140	16,840	202.90%
Judgements & Settlements	4,958	61,073	61,073	9,309	4,655	2,231	(2,423)	-52.06%
Miscellaneous	5,821	15,777	15,777	87,400	43,700	16,966	(26,734)	-61.18%
Total	13,420,952	14,487,240	16,401,050	32,265,452	16,062,877	17,028,838	959,543	6.01%

General Sales Tax revenues for the second quarter of 2025 are 4.79% above budget estimates. The 1% Sales Tax for Parks outperformed expectations, coming in 3.90% above budget. Because sales tax revenues fluctuate month to month, a simple quarterly comparison may not fully reflect underlying trends. To provide a clearer picture of how 2025 revenues compare to typical monthly patterns, detailed monthly data and analysis are provided on page 7.

Utility Tax revenues for the second quarter of 2025 exceeded budget estimates by 9.95%, resulting in a positive variance of \$237,670. This strong performance reflects higher-than-anticipated collections across several utility categories. For a detailed breakdown of utility tax revenues by category, please refer to page 10 of this report.

Admission Tax revenues for the second quarter of 2025 are 11.85% above budget estimates. This variance is not unexpected, as a significant portion of admission tax revenue is typically generated during the spring/summer months.

Real Estate Excise Tax (REET) collections for the second quarter of 2025 totaled \$725,879 16.14% above budget estimates. All sales of real estate are taxed at 1.78%, of which 1.28% goes towards state funding of K-12 education and public works assistance and the city receives 0.5% for capital purposes.

Investment Interest revenues continue to perform strongly, totaling \$1,180,957 for the second quarter—exceeding budget estimates by 20.95%.

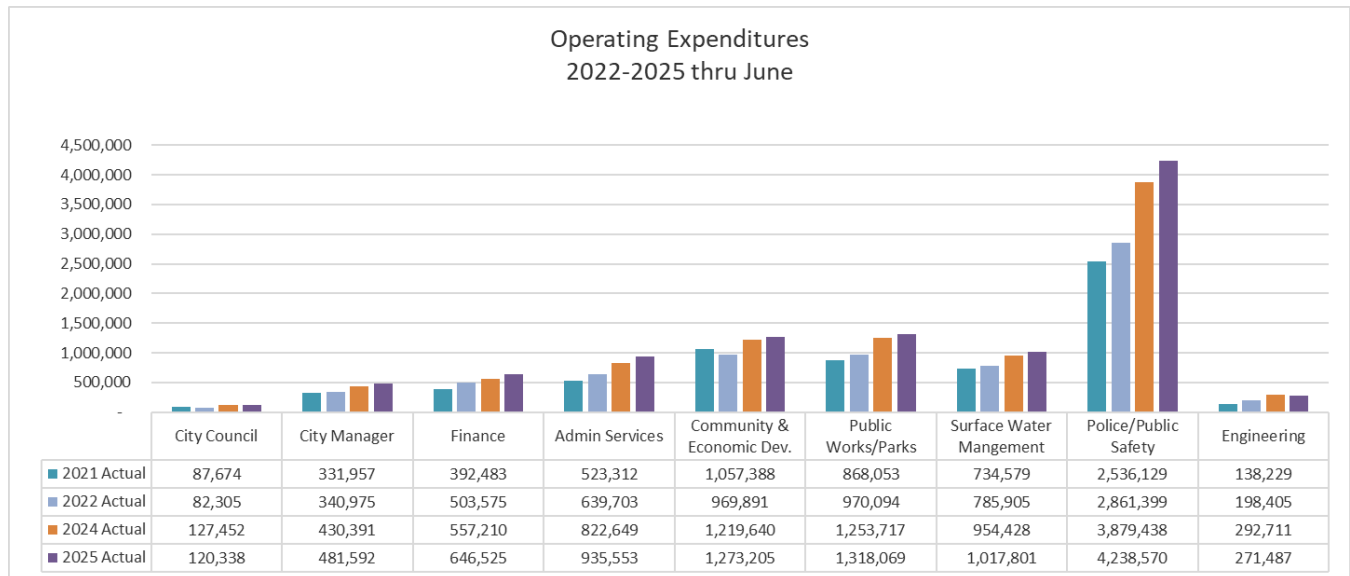
OPERATING EXPENDITURES

Overall, 2025 Second Quarter operating expenditures are 20.41% below budget (excluding Reserves and contingency). Expenditures are presented by department.

- City Manager's Office: City Manager, Assistant City Manager, Community Events and Beautification
- Finance
- Administrative Services: Human Resources, Reception, City Clerk and Communications
- Community and Economic Development: Economic Development, Development Services and Fire Code Official
- Public Works and Parks Maintenance: Public Works – Streets and Parks Maintenance
- Surface Water Management: Public Works – SWM and Engineering – SWM
- Police and Public Safety: Court, City Attorney, EOC, Police, Public Safety, Animal Control, Code Enforcement and Jail
- Engineering – General Fund

OPERATING EXPENDITURES 2nd Quarter Comparison 2022-2025

	2021	2022	2023	2024	2025			Budget to Actual Variance	
	Actual	Actual	Actual	Actual	Total Budget	2nd Qtr Budget	Actual	\$ Variance	% Variance
City Council	87,674	82,305	103,340	127,452	\$ 333,616	\$ 166,808	\$ 120,338	\$ (46,470)	-27.86%
City Manager's Office	331,957	340,975	376,675	430,391	1,408,717	\$ 704,359	481,592	(222,767)	-31.63%
Finance	392,483	503,575	568,611	557,210	1,192,042	\$ 596,021	646,525	50,504	8.47%
Administrative Svcs	523,312	639,703	733,834	822,649	2,474,773	\$ 1,237,387	935,553	(301,834)	-24.39%
Community & Economic Development	1,057,388	969,891	1,132,705	1,219,640	3,043,580	\$ 1,521,790	1,273,205	(248,585)	-16.34%
Public Works & Parks	868,053	970,094	940,269	1,253,717	4,486,494	\$ 2,243,247	1,318,069	(925,178)	-41.24%
SWM	734,579	785,905	883,781	954,428	2,351,786	\$ 1,175,893	1,017,801	(158,092)	-13.44%
Police/Public Safety	2,536,129	2,861,399	2,911,039	3,879,438	9,922,142	\$ 4,961,071	4,238,570	(722,501)	-14.56%
Engineering	138,229	198,405	224,542	292,711	676,731	\$ 338,366	271,487	(66,879)	-19.77%
	6,669,804	7,352,252	7,874,797	9,537,637	25,889,881	12,944,941	10,303,140	\$ (2,641,800)	-20.41%



POLICE/PUBLIC SAFETY FUND REVENUES AND EXPENSES

Public Safety revenues for the second quarter of 2025 are 5.29% above budget estimates, with mixed performance across individual revenue sources:

- Local Criminal Justice Sales Tax is 4.69% above budget.
- Court Fee revenues are 67.21% above budget, reflecting stronger-than-expected collections.
- Alarm Permit revenues exceed expectations, coming in 23.85% above the adopted budget.
- False Alarm Fees are 74.42% below estimates, continuing a trend of reduced false alarm incidents as permit holders take steps to avoid penalties.
- Animal Control revenues are 2.69% above budget, indicating increased compliance or service demand.

Total Public Safety expenditures for the second quarter of 2025 are 14.56% below budget estimates.

2ndQuarter

	2022	2023	2024	2025			Budget to Actual	
	Actual	Actual	Actual	Budget	2nd Qtr Budget	Actual	\$ Variance	% Variance
REVENUES								
Property Tax	2,470,711	2,468,317	3,677,101	7,087,517	3,543,759	3,754,243	210,484	5.94%
Local Criminal Justice Sales Tax	408,573	403,520	411,269	838,300	419,150	426,333	7,183	1.71%
Utility Tax - Water	177,573	261,529	281,760	606,208	303,104	310,276	7,172	2.37%
Gambling Tax	55,141	47,840	38,436	92,000	46,000	47,402	1,402	3.05%
Alarm Permit Fees	45,002	41,105	44,818	78,780	39,390	48,784	9,394	23.85%
Criminal Justice Funding - State Shared	64,821	67,926	72,232	146,431	73,216	76,650	3,434	4.69%
Liquor Profits Tax - Public Safety	30,261	30,099	30,099	58,932	29,466	29,807	341	1.16%
Law Enforcement Svcs/DUI Response	-	-	-	-	-	-	-	n/a
UPSD/SRO Reimbursement	-	-	-	117,340	58,670	63,540	4,870	8.30%
Personnel Services	-	-	-	-	-	500	500	n/a
SWM Administrative Fee - City Attorney	30,900	32,479	38,885	94,925	47,463	38,885	(8,578)	-18.07%
Drug Investigation Fund	-	6	6	-	-	6	6	n/a
False Alarms	7,450	4,400	4,600	12,120	6,060	1,550	(4,510)	-74.42%
Penalty/Interest	-	73	79	-	-	121	121	n/a
Court Fees	26,819	21,371	15,147	34,416	17,208	28,773	11,565	67.21%
Animal Control - Licenses	18,470	18,554	16,059	33,330	16,665	17,114	449	2.69%
Animal Control - Penalty/Int	27	-	-	-	-	-	-	n/a
ARPA	-	1,027,901	-	-	-	-	-	n/a
Grant - CJTC Wellness	-	-	-	840	420	-	(420)	-100.00%
Miscellaneous	277	10,000	3,150	-	-	-	-	n/a
Total Revenues	3,336,024	4,435,120	4,633,641	9,201,139	4,600,570	4,843,983	243,413	5.29%
Expenditures								
Municipal Court	148,409	157,657	169,973	376,720	188,360	163,700	(24,660)	-13.09%
Legal Services	187,275	205,760	238,094	678,780	339,390	278,714	(60,676)	-17.88%
Emergency Preparedness	615	12,845	18,494	85,250	42,625	154	(42,471)	-99.64%
Police	2,313,633	2,277,032	3,173,776	7,733,787	3,866,894	3,411,278	(455,616)	-11.78%
Public Safety	58,000	69,996	133,574	424,687	212,344	177,883	(34,460)	-16.23%
Animal Control	67,043	71,240	68,517	219,920	109,960	55,822	(54,138)	-49.23%
Code Enforcement	74,353	87,563	86,921	241,373	120,687	79,881	(40,806)	-33.81%
Jail	12,071	28,946	43,139	161,625	80,813	71,139	(9,673)	-11.97%
Total Expenditures	2,861,399	2,911,039	3,932,487	9,922,142	4,961,071	4,238,570	(722,501)	-14.56%

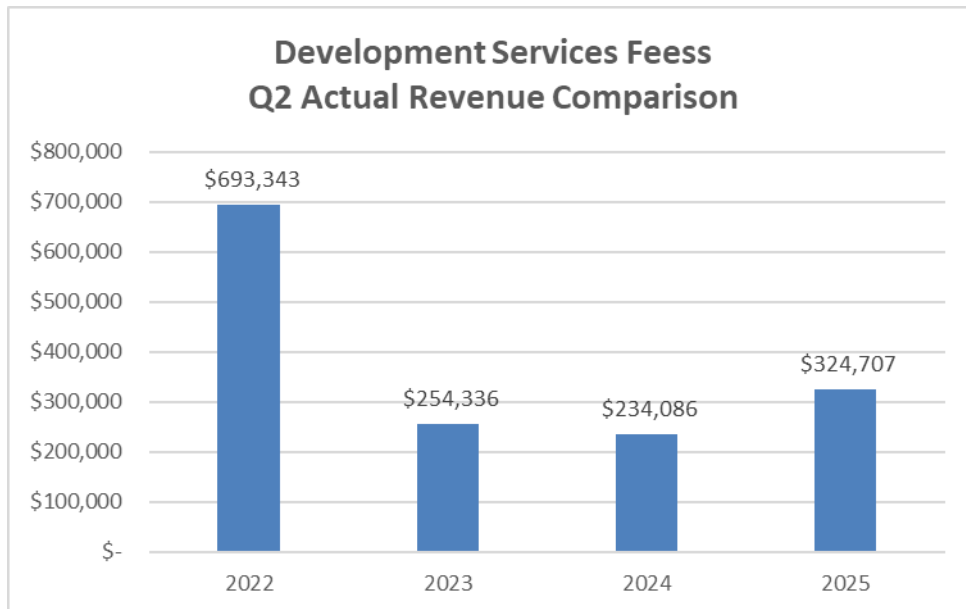
DEVELOPMENT SERVICES FUND REVENUES AND EXPENSES

Development Services revenues for the second quarter of 2025 are below budget estimates by 21.72%. These fees are collected for permits, planning, engineering, and fire code official reviews.

At the same time, expenditures are 16.34% below budget, reflecting cost savings or delays in planned spending.

Development Services

	2022	2023	2024	2025			Budget to Actual	
	Actual	Actual	Actual	Budget	2nd Qtr Budget	Actual	\$ Variance	% Variance
REVENUES								
<u>Fees</u>								
Building Fees	512,542	169,877	186,382	\$ 538,341	269,171	242,698	(26,473)	-9.83%
Planning Fees	26,097	21,051	6,367	61,577	30,789	21,737	(9,052)	-29.40%
Fire Fees	40,591	17,310	10,322	67,689	33,845	27,124	(6,720)	-19.86%
Engineering Fees	114,113	46,098	31,015	162,019	81,010	33,148	(47,862)	-59.08%
	693,343	254,336	234,086	829,626	414,813	324,707	(90,106)	-21.72%
<u>Other Sources</u>								
Transfer in: General Fund	-	-	-	-	-	-		
Transfer In: SWM Fund	-	-	-	-	-	-		
Grant - Housing Plan	-	-	-	-	-	-		
Grants	-	-	25,000	29,000	14,500	25,000		
Personnel Services	-	-	-	10,000	5,000	-		
Miscellaneous Revenue	-	1,516	216	-	-	-		
Total Revenues	693,343	255,852	259,302	868,626	\$ 434,313	349,707		
EXPENDITURES								
Development Services	782,539	953,742	1,013,675	\$ 2,917,341	1,458,671	1,215,171	(243,500)	-16.69%
Fire Control	36,902	52,111	62,372	126,239	63,120	58,034	(5,086)	-8.06%
Total Expenditures	819,441	1,005,853	1,076,047	3,043,580	1,521,790	1,273,205	(248,585)	-16.34%



INDIVIDUAL REVENUES

The information presented below provides a detailed look at the major revenues for the city.

Sales Tax

Sales tax is a cyclical revenue source, and as such, the City takes a conservative approach to budgeting in this area. Revenue collections tend to fluctuate throughout the year, with certain months generating significantly higher returns. Therefore, a simple budget-to-actual comparison for a single quarter may not provide a complete picture of overall performance.

As illustrated in the chart on page 3, second-quarter sales tax revenues exceed budget estimates by 4.79%, or \$101,637. Below are more detailed breakdowns by month of the figures shown on page 3.

Local Sales Tax Revenue Monthly Comparison

MONTH	2022 Actual	2023 Actual	2024 Actual	2025 Actual
January	\$ 296,637	\$ 328,091	\$ 338,991	\$ 324,652
February	286,402	345,634	325,862	314,703
March	354,243	366,674	354,752	385,902
April	338,672	368,415	350,714	372,709
May	319,972	386,171	369,946	411,077
June	350,082	400,963	379,491	413,594
Total	\$ 1,946,008	\$ 2,195,948	\$ 2,119,756	\$ 2,222,637

Taxable Sales	\$ 231,667,619	\$ 261,422,333	\$ 252,351,905	\$ 264,599,643
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Local Sales Tax Revenue 2nd Quarter By Category

Category	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2025 vs 2024 2nd Qtr Actual	
					Variance	% Variance
Retail Trade	\$ 820,644	\$ 841,294	\$ 882,141	\$ 896,270	14,129	1.60%
Services	37,645	40,389	48,269	69,739	21,470	44.48%
Construction	367,626	523,638	376,706	437,035	60,329	16.01%
Accommodation and Food Svce	163,314	192,711	199,565	200,443	878	0.44%
Information	81,740	90,964	98,238	96,425	(1,813)	-1.85%
Arts, Entertain, Recreation	54,407	61,473	73,024	71,558	(1,466)	-2.01%
Admin, Supp, Med Svces	139,472	144,993	146,488	154,569	8,081	5.52%
Transp/Warehousing/Utilities	14,241	18,776	18,658	23,094	4,436	23.78%
Wholesaling	72,468	76,322	76,855	78,503	1,648	2.14%
Manufacturing	29,502	24,701	34,671	29,661	(5,010)	-14.45%
Other	113,911	135,427	113,949	108,843	(5,106)	-4.48%
Finance/Insur/Real Estate	50,287	44,528	47,394	51,791	4,397	9.28%
Government	751	732	3,798	4,706	908	23.91%
Total	\$ 1,946,008	\$ 2,195,948	\$ 2,119,756	\$ 2,222,637	\$ 102,881	4.85%

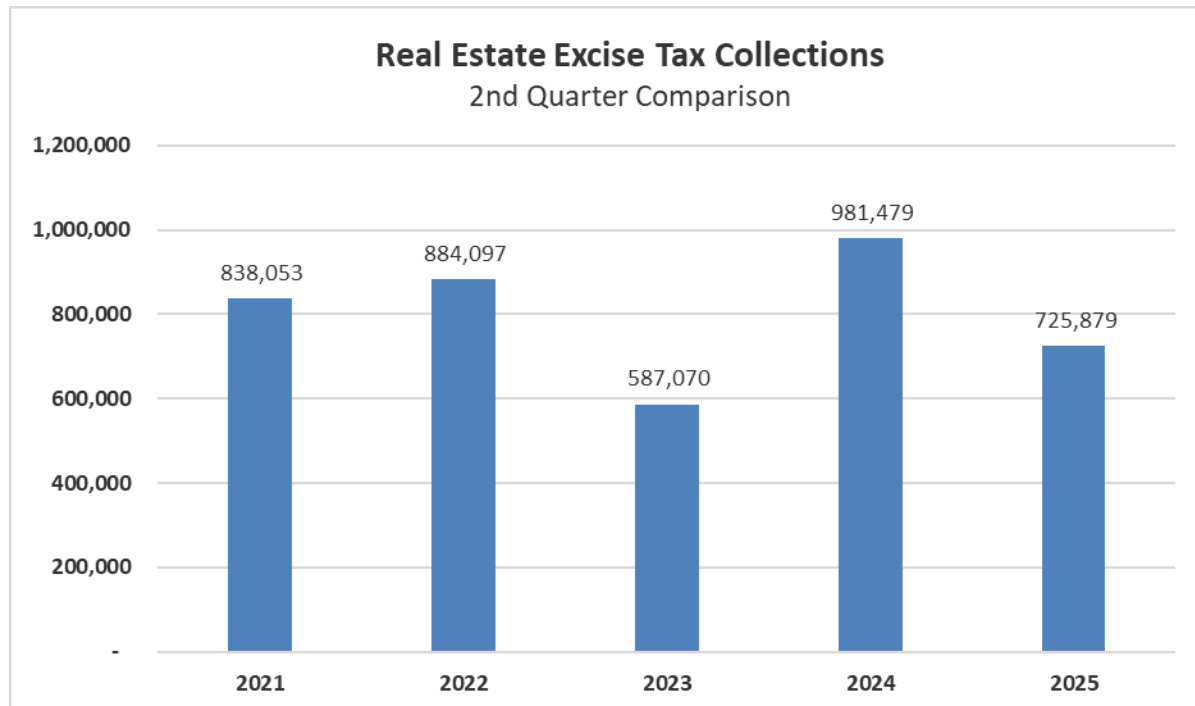
Sales tax by category is provided by TaxTools

Real Estate Excise Tax

Real Estate Excise Tax (REET) collections for the second quarter of 2025 totaled \$725,879, exceeding budget projections by 16.14% but marking a 26.04% decrease compared to the \$981,479 collected in Q2 of 2024. A large portion of last year's revenue was driven by a one-time, high-value transaction—the sale of a large multi-family and mixed-use retail property in 1st Quarter 2024.

REET Second Quarter Monthly Comparison

MONTH	2021 <i>Actual</i>	2022 <i>Actual</i>	2023 <i>Actual</i>	2024 <i>Actual</i>	2025 <i>Actual</i>
January	\$ 105,972	\$ 87,847	\$ 60,789	\$ 333,046	\$ 65,656
February	92,949	127,700	70,351	83,902	105,256
March	156,030	168,510	103,564	136,006	112,511
April	181,308	144,565	99,813	118,318	106,300
May	130,720	165,959	126,778	128,606	142,193
June	171,074	189,516	125,775	181,600	193,963
Total	\$ 838,053	\$ 884,097	\$ 587,070	\$ 981,479	\$ 725,879
Taxable Sales	\$ 99,768,198	\$ 105,249,695	\$ 69,889,300	\$ 116,842,699	\$ 86,414,130



State-Shared Revenues

Total state-shared revenues are slightly below 2025 budget estimates by 0.54%%.

Second Quarter Fuel Tax is below budget estimate by 6.18%. Fuel Tax is collected at the state level and is distributed to cities based on percent of population as compared with the State.

Liquor-related revenues outperformed budget expectations in the second quarter of 2025. Liquor Profits exceeded projections by 1.16%, while Liquor Excise Tax collections came in 2.93% below budget estimates.

Leasehold Excise Tax collections exceeded second-quarter budget estimates by 29.30%, reflecting stronger-than-anticipated revenue from taxable lease agreements. Leasehold Excise Tax applies to properties owned by state or local governments that are leased to private entities. Currently, the City has three tenants subject to this tax. Of these, two tenants have received a non-profit exemption, reducing their tax liability. Additionally, the City holds two cell tower leases, one of which qualifies for a tax exemption under RCW 82.29A as it is operated by an entity taxed as a public utility.

Criminal Justice Sales Tax collections came in 1.71% above budget estimates, while other Criminal Justice funding sources exceeded projections by 4.69%.

STATE SHARED REVENUES

CATEGORY	2022	2023	2024	2025			Budget to Actual	
	Actual	Actual	Actual	Total Budget	2nd Qtr Budget	Actual	\$ Variance	% Variance
Liquor Profits Tax	\$ 136,128	\$ 135,399	\$ 134,297	\$ 265,099	\$ 132,550	\$ 134,084	\$ 1,535	1.16%
Liquor Excise Tax	122,528	131,200	121,294	235,963	117,982	114,520	(3,462)	-2.93%
Leashold Excise Tax	2,566	3,085	3,565	5,200	2,600	3,362	762	29.30%
Fuel Tax	354,591	350,584	334,465	699,617	349,809	328,184	(21,624)	-6.18%
City Assistance	127,170	46,940	47,470	120,063	60,032	65,940	5,908	9.84%
Local Crim Justice Sales Tax	408,573	403,520	411,269	838,300	419,150	426,333	7,183	1.71%
Criminal Justice Funding	64,821	67,926	73,534	146,431	73,216	76,650	3,434	4.69%
Total	\$ 1,216,375	\$ 1,138,655	\$ 1,125,895	\$ 2,310,673	\$ 1,155,337	\$ 1,149,072	\$ (6,264)	-0.54%
% Change from prior year	10.7%	-6.4%	-1.1%			2.1%		

Utility Tax

Overall, utility tax revenue is 9.95% above second quarter budget estimates. Natural gas taxes are 39.29% above second quarter budget estimates. This will level out as gas use is impacted by the weather as there is higher use in the winter months. Garbage is up 1.19%. Cable television taxes are 3.00% below estimates.

Cell phone tax revenues exceed budget estimates by 7.93%. Telephone tax is 1.42% below 2025 budget estimates.

Utility Tax Revenues 2nd Quarter Collections

	2022	2023	2024	2025			Budget to Actual	
	Actual	Actual	Actual	Budget	2nd Qtr Budget	Actual	\$ Variance	% Variance
Electric	580,043	812,462	821,977	1,557,768	778,884	854,886	76,002	9.76%
Gas	279,592	324,064	285,013	474,700	237,350	330,613	93,263	39.29%
Garbage	250,427	268,600	280,248	564,590	282,295	285,659	3,364	1.19%
Cable	333,777	326,945	292,089	568,205	284,103	275,580	(8,522)	-3.00%
Phone	56,173	55,251	48,845	96,053	48,027	47,344	(683)	-1.42%
Cellular	71,142	73,980	73,943	144,681	72,341	78,076	5,735	7.93%
Sewer	241,073	274,678	287,274	580,000	290,000	308,869	18,869	6.51%
Water	177,573	261,529	281,760	606,208	303,104	310,276	7,172	2.37%
SWM	99,973	101,392	107,529	185,840	92,920	135,390	42,470	45.71%
Total Revenue	2,089,772	2,498,902	2,478,678	4,778,045	2,389,023	2,626,693	237,670	9.95%

Franchise Fees

Overall, Franchise Fee revenue exceeds budget estimates by 0.97%.

Franchise Fees 2nd Quarter Collections

	2022	2023	2024	2025			Budget to Actual	
	Actual	Actual	Actual	Budget	2nd Qtr Budget	Actual	\$ Variance	% Variance
Cable	276,219	269,950	240,914	460,110	230,055	228,401	(1,654)	-0.72%
Refuse	207,167	221,303	232,161	468,000	234,000	235,798	1,798	0.77%
Water	373,889	386,831	414,989	890,187	445,094	445,093	(0)	0.00%
Electric	664,015	717,860	741,512	1,527,457	763,729	763,729	0	0.00%
Sewer	264,728	274,677	287,273	580,000	290,000	308,869	18,869	6.51%
Total Revenue	1,786,018	1,870,622	1,916,849	3,925,754	1,962,877	1,981,889	19,012	0.97%

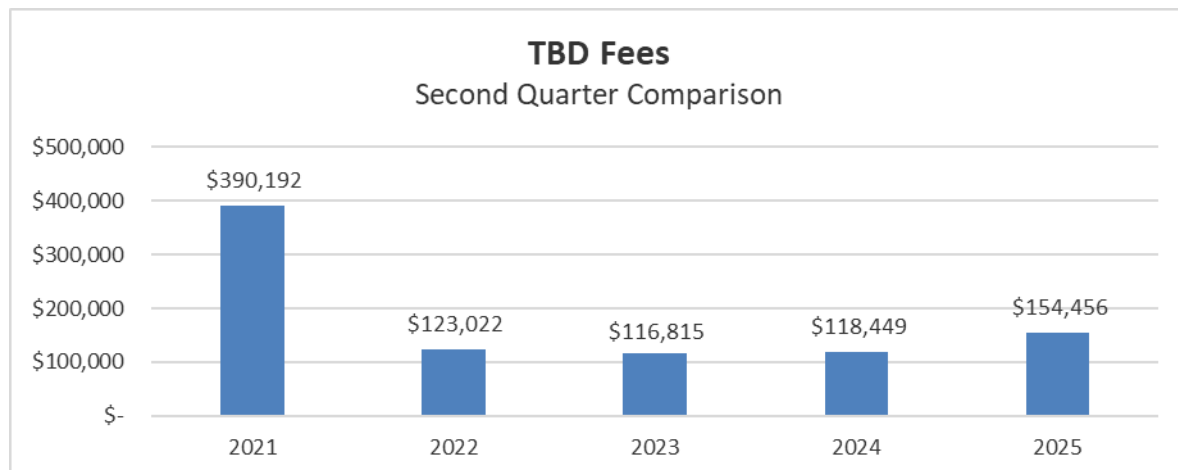
Transportation Benefit District (TBD) Fees

Second Quarter 2025 revenues of \$154,456 are 23.33% below budget estimates. The higher amount received in 2021 is attributable to a mid-year reduction in the TBD rate, which decreased from \$35 to \$10.

Resolution 1054 was adopted by the City of University Place Council on Monday, October 7, 2024. The resolution increases our TBD fee incrementally in \$10 in 2025, \$10 in 2027, and \$10 in 2029. The first increase was effective May 1, 2025.

Transportation Benefit District fees are collected to fund maintenance, preservation, and safety enhancements to University Place's existing transportation network.

MONTH	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual
January	\$ 75,468	\$ 19,310	\$ 20,427	\$ 19,369	21,184
February	63,721	16,682	17,365	18,206	16,697
March	78,644	23,171	20,418	20,007	21,012
April	77,895	21,463	19,211	19,594	27,181
May	57,225	21,780	19,893	20,978	35,640
June	37,239	20,617	19,502	20,295	32,742
Total	\$ 390,192	\$ 123,022	\$ 116,815	\$ 118,449	\$ 154,456



CAPITAL IMPROVEMENT FUNDS - YTD EXPENSES AND STATUS

The table below reflects the active projects for 2025. The Parks CIP Fund is funded in large part by Parks Impact Fees and will not see any significant increase in monies over the next several years without additional funding sources. Public Works CIP is largely funded by Grants and restricted funds: Arterial Street Fund, REET Fund, SWM Fund and Traffic Impact Fees. Muni CIP was funded with transfers from the General Fund for the design and construction of the City Hall tenant improvements at the Civic Building. CIP projects are multi-year, but costs are budgeted in one year with the remaining budget being carried forward to the next year.

PROJECT	Status	2025 Adopted	2025 YTD
Parks Capital Improvement			
Adriana Hess - Boardwalk over pond	Reapplying for grant funding	80,529	-
Cirque Park Improvements - Grant	Completed	43,636	47,403
Creeside Park - Master Plan	Design	242,803	-
Chambers/Leach Creek Trail	Ongoing	99,560	44,971
Cirque Park - Master Plan, Space Plan, Splash Pad Design	Completed	-	820
Paradise Pond Park - Master Plan	Not yet started	50,000	-
Sunset Terrace Parking lot pave/expansion (ARPA)	Construction	117,530	89,014
Paradise Pond - Easement	Not yet started	65,000	-
Inclusive Playground	Playground Complete, Restroom ordered	499,424	71,909
Market Square Resurfacing	Not yet started	70,000	-
Contingency		1,111,205	-
		\$ 2,379,687	\$ 254,116
Public Works Capital Improvement			
CIP Personnel	On-going	\$ 150,000	\$ 30,483
Neighborhood CIP	On-going/As needed	126,419	-
Wayfinding	Design	236,542	-
LRF - Market Place Phase 5	Ongoing	10,840	-
35th Street (GV to 67th)	Complete	-	800
67th Avenue Phase 1	Construction	3,917,692	192,583
67th Avenue Phase 2	Construction	1,547,004	1,269,588
UP Main Street Redevelopment	Construction	3,510,717	1,260
Cultural Shift to Active Transportations	Awaiting Tacoma	100,000	-
35th St. Phase 1		-	28,171
PW Shop Equipment Shed	Planning	225,000	-
Leach Creek Sewer	Construction	2,096,461	1,738,476
ARPA Sewer Extension	Construction	5,535,071	950,131
Orchard Street Design	Planning	5,052	-
57th Ave Sewer	Construction	1,540,726	929,524
Chambers Creek Road RAB	Design/Engineering	479,992	1,589
Drexler Faux Rock Wall Painting	Late 2024 project	32,000	-
40th Street Phase 3	Design	200,000	-
35th Street Phase 2 (GV To BP)	Construction	3,346,007	1,797,745
Saferoutes/UP School Crosswalk Safety Improvements	Design	1,242,426	30,974
70th Street Phase 2	Design	200,000	-
Day Island Bridge Design	Not yet started	1,000,000	-
Grandview Avenue RAB - 36th St	Not yet started	1,267,173	33,309
67th Avenue Phase 3	Design	350,000	-
44th Street Sidewalk Extension	Design	200,000	-
Contingency		547,993	-
SWM Capital Improvement Projects Directly Charged to SWM			
Stormwater NCIP	Ongoing/As Needed	103,000	-
SWM - Storm Drainage for CIP	Ongoing/As Needed	141,883	-
SWM - Brookside	Design	461,664	604,506
SWM - Vactor Bay Replacement	Design	394,033	18,096
SMAP - Stormwater Pond Capacity Project	Ongoing	173,116	-
SWM - PW Shop - Salt Storage	Design	175,000	-
SWM - PW Shop Brine Storage	Design	150,000	-
		\$ 29,465,811	\$ 7,627,235
Municipal Facilities CIP			
PW Shop - Sewer Rebuild Phase 2	Design	245,310	430
PW Shop - Parking Lot Entry	Construction	60,713	-
Suite 102 - Grease Interceptor	Construction	119,543	45,557
Suite 102 - Outdoor Rail/Seating	Design	25,000	-
Suite 102 - Roll-Up Door	Design	28,622	-
PW Shop Expansion	Construction	254,839	85,492
		\$ 734,027	\$ 131,479

MISCELLANEOUS DATA

POPULATION

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City of University Place	35,100	35,420	35,580	35,970	36,140

Source: State of Washington Office of Financial Management

TOTAL PROPERTY TAX LEVY PER \$1,000 AV

		<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City of University Place	Regular Levy Rate	0.88	0.78	0.66	1.01	0.98
County	Regular Levy Rate	0.95	0.85	0.73	0.74	0.72
State	Regular Levy Rate	1.91	1.73	1.51	1.51	1.55
State School Levy 2	Regular Levy Rate	1.03	0.93	0.81	0.81	0.84
Conservation Futures	Regular Levy Rate	0.04	0.03	0.03	0.03	0.03
Flood Control Zone	Regular Levy Rate	0.10	0.10	0.10	0.10	0.09
Port of Tacoma	Regular Levy Rate	0.17	0.15	0.13	0.14	0.13
Central PS Regional Transit	Regular Levy Rate	0.20	0.18	0.16	0.16	0.16
Pierce County Rural Library	Regular Levy Rate	0.44	0.39	0.33	0.34	0.33
Fire District #3 EMS	Regular Levy Rate	0.49	0.45	0.41	0.44	0.44
Fire District #3 M&O *	Excess (voted) Levy Rate	1.04	0.90	1.23	0.92	-
Fire District #3 Expense	Regular Levy Rate	1.46	1.36	0.76	1.32	1.00
UP School District - Bond	Excess (voted) Levy Rate	1.69	1.46	1.22	0.97	0.73
UP School District - Capital Projects	Excess (voted) Levy Rate	0.47	0.43	0.42	0.46	0.47
UP School District Enrichment - M&O	Excess (voted) Levy Rate	2.50	2.45	2.38	2.50	2.50
		<u>13.36</u>	<u>12.19</u>	<u>10.88</u>	<u>11.45</u>	<u>9.98</u>
Total University Place Assessment		\$ 4,544,980	\$ 4,609,967	\$ 4,678,340	\$ 6,947,095	\$ 7,047,517

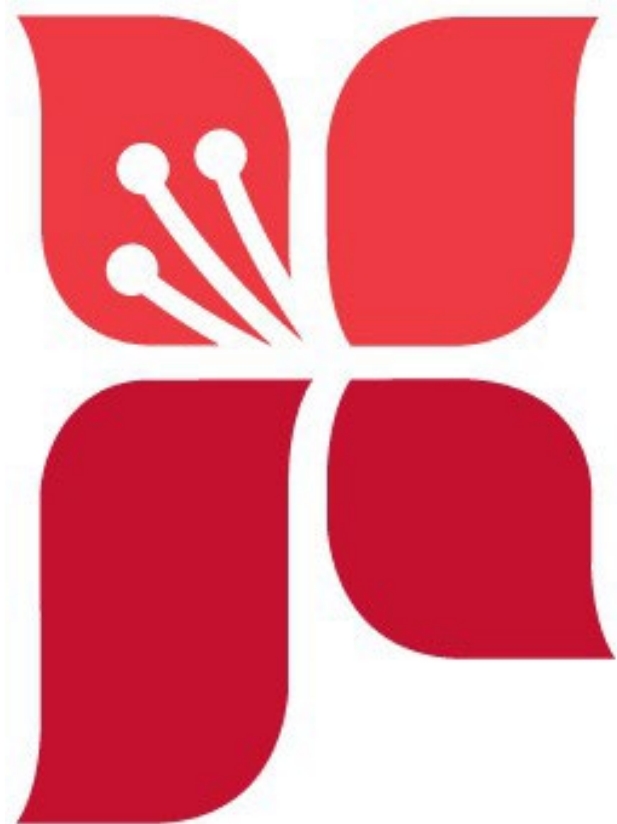
* On November 5, 2024, voters approved Proposition 1 authorizing the imposition of benefit charges each year for six years, not to exceed an amount equal to 60% of its operating budget and be prohibited from imposing an additional property tax under RCW 52.16.160.

OPERATING INDICATORS

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government				
Building Permits Issued	1,101	1,126	941	840
Police				
Calls for Service	10,056	10,038	10,833	11,248
Part 1 Crimes*	895	1,129	1,026	739
DUI Arrests	6	10	27	16
Other Traffic Arrests	23	34	61	14
	<u>10,980</u>	<u>11,211</u>	<u>11,947</u>	<u>12,017</u>
Fire**				
Emergency Medical Responses	14,187	14,151	14,096	14,545
Fire Responses	2,065	2,007	2,161	2,261
Other	1,520	1,563	1,552	1,455
	<u>17,772</u>	<u>17,721</u>	<u>17,809</u>	<u>18,261</u>

* Part 1 Crimes includes Violent Crime (Aggravated Assault, Murder, Rape, Robbery) and Property Crime (Arson, Motor Vehicle Theft, Burglary and Theft)

** Reflects the total for all of West Pierce Fire.



**Business of the City Council
City of University Place, WA**

Proposed Council Action:

Adopt a Resolution establishing the City's 2026 Legislative Priorities.

Agenda No:

7D

Dept. Origin:

City Manager's Office

For Agenda of:

November 3, 2025

Exhibits:

Resolution

Concurred by Mayor:

Approved by City Manager:

Approved as to Form by City Atty.:

Approved by Finance Director:

Approved by Dept. Head:

Expenditure
Required: \$0.00

Amount
Budgeted: \$0.00

Appropriation
Required: \$0.00

SUMMARY/POLICY ISSUES

The purpose of drafting a City of University Place's list of legislative priorities is to articulate the City's position on several matters that the City would like to see addressed or are expected to arise during the State's upcoming legislative session. As reflected in the attached resolution, the City's priorities for 2026 fall into three categories:

- New state policies and incentives to help cities promote quality development while complying with new state laws;
- Support for particular policy issues identified in AWC's adopted legislative priorities; and
- Support South Sound Housing Affordability Partners (SSHA³P) adopted legislative priorities.

Additionally, the City prioritizes its efforts to obtain investments in public infrastructure through the State's capital and transportation budget.

RECOMMENDATION/MOTION

MOVE TO: Adopt a Resolution establishing the City's 2026 Legislative Priorities.

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON,
ESTABLISHING THE CITY'S 2026 LEGISLATIVE PRIORITIES**

WHEREAS, an adopted list of priorities will assist in developing effective communication between the City Council and other elected officials, provide policy guidance to the City Manager, and inform residents of issues of importance to the City; and

WHEREAS, the City Council now desires to formally adopt a list of 2026 City legislative priorities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AS FOLLOWS:

Section 1. Approval of 2026 Legislative Priorities. The City of University Place's 2026 legislative priorities are as follows:

With regard to *policy issues*, the City seeks legislative support in the following areas:

1. Provide local governments with tools to incentivize compliance with local design guidelines – aligning public and developer interests (which, due to recent State law changes, are heavily weighted towards developers).
2. Support AWC's request for increased funding for indigent defense to comply with State Supreme Court mandated reductions in caseloads.
3. Request legislative clarification on the process for cities that contract for police services to qualify for funding provided in HB 2015 to hire and retain police officers, and support AWC's request for additional tools to support public safety.
4. Support AWC's request for direct and meaningful investments in local infrastructure (e.g., streets, sidewalks and utilities), including support for increased preservation, maintenance and operations cost resulting from state mandated zoning regulations that result in urban sprawl.
5. Support South Sound Housing Affordability Partners (SSHA³P) efforts to expand housing affordability, supply and sustainability.

With regard to *state capital projects*, the City seeks funding for the following projects:

1. Alameda Drive Lighting Improvements – \$1 million to install street lighting along Alameda Drive.
2. Alameda Avenue Sidewalk Extension – \$2 million to extend sidewalks along Alameda Drive from 40th Street to Cirque Drive.
3. Traffic Signal Upgrade Project – \$750,000 to upgrade all signals with emergency battery backup, flashing left turn arrows, ADA audible pedestrian signals, and new video detection systems.
4. Day Island Spit Road – \$1.5 million to enhance the seawall, raise the south Spit Road, and improve drainage to help address King Tide/flooding issues.
5. Day Island Bridge Design – \$800,000 for the design of a replacement for the Day Island Bridge.
6. Cirque Park Spray Pad and Restroom – \$3 million to install spray pad and new restroom at Cirque Park.
7. Cirque Park Sport Courts – \$2 million to install new, multi-function sport courts at Cirque Park that can accommodate up to nine pickleball courts, three basketball courts, or three tennis courts.
8. City Hall Battery Back-up System – \$1 million to install a battery back-up system to City Hall and the Public Works shop to provide power during emergencies.

Section 2. Effective Date. This Resolution shall be effective immediately upon adoption by the City Council.

ADOPTED BY THE CITY COUNCIL ON NOVEMBER 3, 2025.

Javier H. Figueroa, Mayor

ATTEST:

Emelita J. Genetia, City Clerk

APPROVED AS TO FORM:

Matthew S. Kaser, City Attorney

STUDY SESSION

Memo

DATE: November 3, 2025
TO: City Council
FROM: Leslie Blaisdell, Finance Director
SUBJECT: Property Tax Study Session



We received the Preliminary Certification of Assessed Values Pierce County on September 25, 2025. Preliminary values are subject to change. We will receive the final values in December.

2024 Certified Assessed Values for 2025 Tax Levy	7,209,905,156
2025 Preliminary Assessed Values for 2026 Tax Levy	7,531,398,205
Increase %	4.27%

To implement the voter approved 1% statutory increase it is necessary to adopt an ordinance (draft ordinance is attached). The total allowable levy rate including the statutorily allowed increase, New Construction Improvements Values (NC&I) and Administrative Refunds are calculated as follows:

2025 Actual Levy Amount	7,047,516.84
Dollar Amount of Increase	60,220.63
Additional revenue from Admin Refunds	14,345.43
Additional Revenue/Current Year's NC&I	30,087.17
2026 Levy Amount	7,152,170.07

Taxpayers in University Place pay one of two rates depending on whether they qualify for an exemption under RCW 84.36.381. Below is the estimated total allowable broken down by each rate based on the assessed value figure (7,531,398,205) provided to us on September 25th.

Regular Levy Amount - All properties

Prior year's actual levied amount	4,838,848.15
Dollar Amount of Increase	38,133.94
Refund Levy	14,345.43
Current Year's NC&I	20,584.21
Prior year's actual plus dollar amount of increase equals the limit factor increase	4,911,911.73

Levy Lid Lift - Properties without an exemption

Prior year's actual levied amount	2,208,668.69
Dollar Amount of Increase	22,086.69
Current Year's NC&I	9,502.96
Prior year's actual plus dollar amount of increase equals the limit factor increase	2,240,258.34

Estimated Total Allowable Levy 7,152,170.07

Estimated Levy Rate - Taxpayers with Exemption	0.65219
Estimated Levy Rate - Taxpayers without Exemption	0.95341

Next Steps: Public Hearing and Council Consideration is scheduled for November 17, 2025.



Pierce County

Marty Campbell, Assessor-Treasurer

2401 South 35th Street
Tacoma, WA 98409-7498
(253) 798-6111 FAX (253) 798-3142
ATLAS (253) 798-3333
www.piercecountywa.org/atr

September 10, 2025

OFFICIAL NOTIFICATION TO: UNIVERSITY PLACE

RE: 2025 PRELIMINARY ASSESSED VALUES

FOR REGULAR LEVY

Total Taxable Regular Value	7,531,398,205
Taxable Value of Properties qualifying under RCW 84.36.381	94,062,860
Highest lawful regular levy amount since 1985	7,107,737.47
Additional revenue from current year's NC&I	30,087.17
Additional revenue from annexations (RCW 84.55)	0.00
Additional revenue from administrative refunds (RCW 84.69)	14,345.43
<i>Additional revenue from administrative refunds not allowed if limited by statutory rate limit</i>	
Court Order Refunds	0.00
Additional revenue from increase in state-assessed property	0.00
Total Allowable Levy (as controlled by the limit calculation)	7,137,824.64
This year's certified levy amount (including refunds)	

FOR EXCESS LEVY

Taxable Value	-
Timber Assessed Value	-
Total Taxable Excess Value	-
 New Construction and Improvement Value	 30,670,563

*If you need assistance or have any questions regarding this information, please contact Kim Alflen
253.798.7114 kim.alflen@piercecountywa.gov*



Pierce County

Marty Campbell, Assessor-Treasurer

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PRELIMINARY LAWFUL LEVY LIMIT 2025 FOR 2026

UNIVERSITY PLACE

> 10,000

NON LIFTED

REGULAR TAX LEVY LIMIT:

- A. ~~highest regular tax which could have been lawfully levied beginning with the 1985 levy~~ [refund levy not included] times limit factor
(as defined in RCW 84.55.005).

2024

4,828,695.14

1.01

4,876,982.09

- B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

30,670,563

0.671138946394

20,584.21

- C. Tax increment finance area increment AV increase (RCW 84.55.010(1)(e))
Current Year's A.V. less base year's A.V., the result to be multiplied by last year's regular levy rate (or the rate that should have been levied)

0.671138946394

-

- D. State assessed property value in original district, if annexed, less last year's state assessed property value. The remainder to be multiplied by last year's regular levy rate (or the rate that should have been levied).

35,564,942

35,564,942

0.00

0.671138946394

LAST YEAR'S ADDITIONAL REVENUE FOR ESTIMATION

0.00

- E. REGULAR PROPERTY TAX LIMIT (A + B + C)

4,897,566.30

ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:

- F. To find rate to be used in G, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.

4,897,566.30

7,531,398,205

0.650286463075

- G. Annexed area's current assessed value including new construction and improvements times rate found in F above.

0.00

0.650286463075

0.00

- H. NEW LEVY LIMIT FOR ANNEXATION (E + G)

4,897,566.30

LEVY FOR REFUNDS:

- I. RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapters 84.68 or 84.69 RCW. (E or G + refund if any)

4,897,566.30

14,345.43

4,911,911.73

- J. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT

4,911,911.74

- K. Amount of levy under statutory rate limitation.

7,531,398,205

2.278966835045

17,163,806.73

4,911,911.74

- L. PRELIMINARY LAWFUL LEVY FOR THIS YEAR

2026 prelim.xlsx, highest lawful



Pierce County

Marty Campbell, Assessor-Treasurer

2401 South 35th Street
Tacoma, WA 98409-7498
(253) 798-6111 FAX (253) 798-3142
ATLAS (253) 798-3333
www.piercecountywa.org/atr

PRELIMINARY LAWFUL LEVY LIMIT 2025 FOR 2026

UNIVERSITY PLACE-LIFT

> 10,000

LID LIFT/Single Yr Perm
RCW 84.36.381 EXEMPT

REGULAR TAX LEVY LIMIT:

A. ~~highest regular tax which could have been lawfully levied beginning with the 1985 levy~~ [refund levy not included] times limit factor
(as defined in RCW 84.55.005).

2024
2,208,668.69
1.01
2,230,755.38

B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

30,670,563
0.309839732887
9,502.96

C. Tax increment finance area increment AV increase (RCW 84.55.010(1)(e))
Current Year's A.V. less base year's A.V. , the result to be multiplied by last year's regular levy rate (or the rate that should have been levied)

0.309839732887
-

D. State assessed property value in original district, if annexed, less last year's state assessed property value. The remainder to be multiplied by last year's regular levy rate (or the rate that should have been levied).

35,564,942
35,564,942
0.00
0.309839732887

LAST YEAR'S ADDITIONAL REVENUE FOR ESTIMATION

0.00

E. **REGULAR PROPERTY TAX LIMIT (A + B + C)**

2,240,258.34

ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:

F. To find rate to be used in G, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.

2,240,258.34
7,437,335,345
0.301217873341

G. Annexed area's current assessed value including new construction and improvements times rate found in F above.

0.00
0.301217873341
0.00

H. **NEW LEVY LIMIT FOR ANNEXATION (E + G)**

2,240,258.34

LEVY FOR REFUNDS:

I. RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapters 84.68 or 84.69 RCW. (E or G + refund if any)

2,240,258.34
0.00
2,240,258.34

J. **TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT**

2,240,258.34

K. **Amount of levy under statutory rate limitation.**

7,437,335,345
2.278966835045

16,949,440.59

L. **PRELIMINARY LAWFUL LEVY FOR THIS YEAR**

2,240,258.34

2026 prelim.xlsx, highest lawful

**EXAMPLE OF ORDINANCE/RESOLUTION
REQUESTING HIGHEST LAWFUL LEVY**

**Ordinance/Resolution No. _____
RCW 84.55.120**

WHEREAS, the _____ of **UNIVERSITY PLACE** has met and considered
(Governing body of the taxing district) (Name of the taxing district)
its budget for the calendar year 2026 ; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 7,047,516.84 and,
(Previous Year's Levy Amount)

WHEREAS, the population of this district is ☐ more than or ☐ less than 10,000; and now, therefore,
(Check One)

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy
is hereby authorized for the levy to be collected in the 2026 tax year.
(Year of Collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 60,220.63
which is a percentage increase of 1.00000% from the previous year. This increase is exclusive of _____
(Percentage Increase)

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines,
any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this _____ day of _____, _____.

SAMPLE

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: <http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc>.

For tax assistance, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 570-5900. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, RELATING TO AD VALOREM PROPERTY TAXES; ESTABLISHING THE AMOUNTS TO BE RAISED IN 2026 BY TAXATION ON THE ASSESSED VALUATION OF PROPERTY IN THE CITY; AND SETTING THE LEVY FOR THE YEAR 2026

WHEREAS, RCW 35A.34.230 requires the City Council to consider the City's total anticipated financial requirements for the ensuing fiscal year and to determine and establish by ordinance the amount to be raised by ad valorem property taxes for 2026, and to certify the same; and

WHEREAS, the City Council of the City of University Place has met and considered its budget for 2026; and

WHEREAS, the City Council conducted the public hearing on the 2026 property tax levy on November 17, 2025; and

WHEREAS, the voters of the City of University Place previously approved a property tax levy lid lift in the April 2023 general election; and

WHEREAS, the City's actual levy amount from the previous year was \$7,047,516.84; and

WHEREAS, the population of the City is more than 10,000; and

WHEREAS, the City Council, after hearing and duly considering all relevant evidence and testimony, intends to collect both this authorized levy lid lift, and has also determined that it is necessary to meet the expenses and obligations of the City, to increase the regular property tax levy by the one percent (1%) limit factor as prescribed in RCW 84.55, plus the effects of new construction and exhaust any "banked" capacity" (to the extent that there may be any);

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. 2026 Property Tax. An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2026 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be \$60,220.63 which is a percentage increase of 1.00000% from the previous year; this amount consists of the maximum allowed increase allowed under RCW 84.55.010 of 1.01% from the previous year, and with any "banked capacity" which may exist. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Section 2. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

Section 3. Effective Date and Publication. A summary of this Ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall become effective five days after publication.

PASSED BY THE CITY COUNCIL ON NOVEMBER 17, 2025.

Javier H. Figueroa, Mayor

ATTEST:

Emelita J. Genetia, City Clerk

APPROVED AS TO FORM:

Matthew S. Kaser, City Attorney

Publication Date: xx/xx/xx
Effective Date: xx/xx/xx

DRAFT

Memo

DATE: November 3, 2025

TO: City Council

FROM: Lisa Petorak, Director of Administrative Services

SUBJECT: Lemay Franchise Agreement

Background

The City holds two franchise agreements for refuse and recycling services. One is with University Place Refuse and Recycling (U.P. Refuse), and the other is with Harold Lemay Enterprises, Inc., DBA Pierce County Refuse. This memo focuses on the consideration of the franchise renewal for Harold Lemay Enterprises, Inc. ("Lemay"). Lemay services a total of 460 residential and commercial customers. There are 425 residential customers, 9 commercial recycling customers, 15 commercial garbage customers, 10 multi-family customer, and one "other" customer. All customers are within the south-east quadrant of the City (see attached map for the franchise area). The current franchise held by Lemay is set to expire on December 31, 2025.

Summary of the Lemay Franchise Changes

There are six main changes to the proposed franchise:

- Revised CPI-U adjustment and the 12-month period used
- Introduction of a low-income senior discount
- Introduction of a voucher program for refuse and yard waste collection
 - Size definitions for yard waste and refuse collections
- Adjustment to the Franchise term length
- Housekeeping updates such as insurance and legal references

Changing the CPI Calculation Methodology

The current franchise uses the Seattle-Tacoma-Bellevue CPI-U from June to June and applies 70% of the CPI-U change and has a rate ceiling not to exceed 5%. The proposed change updates the period to September-to-September and allows the full 100% adjustment. However, the ceiling rate would remain in place and would not allow rates to exceed 5% of the previous year's rate. The LRI landfill rate operated through Pierce County remains as a pass-through rate both in the old franchise and the proposed new franchise.

This approach will provide a more realistic cost assessment of the market conditions while still maintaining a protective rate ceiling for customers. A review of CPI-U trends between June versus September shows negligible difference between the two 12-month comparators and aligns with the budgetary timeframe in use by Lemay.

Memo

Introducing a Low-Income Senior Discount

The proposed franchise introduces a 20% senior discount for low-income seniors using a 35-gallon container (may include yard waste and recycling). Eligibility will align with existing Tacoma Public Utilities (TPU) low-income senior program, requiring verification of the TPU discount eligibility.

Introducing Language for Four Pick-Up Services Per Year

Lemay will offer at least four curbside pickup opportunities per year for residential customers. These pickups may include both refuse and yard waste collection. The definitions section has been updated to specify size of oversize brush pick up and yard waste to sizes that have previously been advertised to the community. During designated periods, eligible residents may request pickup service directly from Lemay.

Franchise Length

The proposed franchise has a termination date of December 31, 2035, with a one-time mutually agreed to option to extend for an additional five years through 2040. Negotiations would start in 2033.

Housekeeping Items

The agreement incorporates updated insurance requirements per WCIA standards, including minimums for general liability, automobile, and umbrella coverage.

Other changes modernize the document's language, update references to RCWs and municipal codes, and align the format with current City practices and other franchise templates.

Council Considerations

Staff have negotiated with Lemay, a franchise that attempts to balance market comparator considerations and customer needs while maintaining services customers have grown accustomed to and adding a low-income senior service that was not previously provided. Pending Council direction, staff will finalize the agreement for Council consideration during a public hearing before the current franchise expires in December of this year. Attached you will find the full franchise agreement proposal.

AN AGREEMENT BETWEEN THE CITY OF UNIVERSITY PLACE, WASHINGTON,
AND HAROLD LEMAY ENTERPRISES, INCORPORATED, GRANTING HAROLD
LEMAY ENTERPRISES, INC. DBA PIERCE COUNTY REFUSE A NEW FRANCHISE
THROUGH DECEMBER 31, 2035, FOR COLLECTION AND DISPOSITION OF SOLID
WASTE, RECYCLABLE MATERIALS, AND YARD WASTE, REVOKING THE PRIOR
FRANCHISE AGREEMENT BETWEEN THE PARTIES.

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AN AGREEMENT BETWEEN THE CITY OF UNIVERSITY PLACE, WASHINGTON, AND HAROLD LEMAY ENTERPRISES, INC. DBA PIERCE COUNTY REFUSE, GRANTING HAROLD LEMAY ENTERPRISES, INCORPORATED A NEW FRANCHISE THROUGH DECEMBER 31, 2035, FOR COLLECTION AND DISPOSITION OF SOLID WASTE, RECYCLABLE MATERIALS, AND YARD WASTE.

THIS AGREEMENT (“Agreement”) is between the City of University Place, a Washington municipal corporation (“the City”) and Harold LeMay Enterprises, Incorporated, a Washington corporation (“the Company”), as provided in RCW 35A.47.040.

Section 1. RECITALS.

1.1. Before incorporation of the City on August 31, 1995, the Company handled the collection, hauling and transportation of solid waste, recyclable materials and yard waste for the individuals and businesses that are now residents of the City under its Certificate of Convenience and Necessity (“G Certificate”). The G Certificate was issued by the Washington Utilities and Transportation Commission (“WUTC”).

1.2. The City desires the Company to continue to provide such services through this Agreement with the City and the parties wish to enter into this Agreement to define the rights, responsibilities and obligations relating thereto.

1.3. The City and the Company agree to implement a new Agreement following the expiration of the franchise Agreement that is set to expire December 31, 2025.

1.4. The Company is qualified to provide solid waste, yard waste and recyclable collection services in accordance with the terms of this Agreement.

1.5. The Company is granted terms in this Agreement to provide for reliable, environmentally sound, and timely solid waste, yard waste and recyclable collection services to City residents and businesses. This Agreement constitutes a grant of an exclusive City franchise to the Company and full satisfaction of the City’s obligations under RCW 35A.14.900.

Section 2. DEFINITIONS. The following terms shall have the following definitions for the purposes of this Agreement.

2.1 “Adjustment Date” means the Index reports as of September 30 in any year during the term of this Agreement.

2.2. “Agreement Date” means the date following mutual acceptance of the terms of this Agreement by both parties.

2.3 “Aluminum” means cans and Containers composed solely of aluminum.

- 2.4. “Automated Carts” means a cart designed to be picked up and emptied by mechanical means. Specific type and size to be defined in rate items.
- 2.5. “Bale” means material compressed by machine and securely tarped or banded.
- 2.6. “Base Rates” means the rates set forth in Exhibit A and incorporated herein by this reference, as such rates may be adjusted in accordance with this Agreement. The Base Rates in effect at a particular time shall be used as a basis for any adjustments required under this Agreement.
- 2.7. “Bulky Materials” means empty carriers, cartons, boxes, crates, etc., or materials offered for disposal, all of which may be readily handled without shoveling.
- 2.8. “Can” means a can made of durable corrosion-resistant, nonabsorbent material, watertight, with a close-fitting cover and two graspable handles that is larger than 20 gallons in capacity but not to exceed 32 gallons or 4 cubic feet. A Can cannot weigh more than 45 pounds when filled nor more than 12 pounds when empty.
- 2.9. “Cardboard” for recycling means: corrugated cardboard, cereal boxes, soap boxes, brown paper bags, etc. It must be clean, free of packing materials, and flattened. Waxed or food-contaminated cardboard cannot be included.
- 2.10 “Cart” means a wheeled plastic Container provided by the Company. Size and type to be defined in rate items.
- 2.10. “Charge” means a set flat fee for performing a service as described in Exhibit A, or the result of multiplying the amount charged for a unit times the number of units serviced as described in Exhibit A.
- 2.12 “Co-mingled or Co-mingled Recycling” means the items that are allowed to be included and mixed together in the Company-provided Recycling Cart, as defined in this Agreement, which are: newspaper, Cardboard, Mixed Paper, Aluminum and Metal Containers, and plastic. Glass is not included and must be taken to a Drop-Off Recycling Site to be recycled. “Co-mingled Recycling” may also be referred to as “single stream recycling.”
- 2.13. “Compacted Material” means material which has been compressed by any mechanical device either before or after it is placed in the receptacle handled by the Company.
- 2.14. “Compactor Disconnect/Reconnect Charge” means a flat fee established by the Company for the service of disconnecting a compactor for a Drop Box or Container prior to taking it to be dumped and then reconnecting the compactor when the Drop Box or Container is returned to the customer’s site.
- 2.15. “Container” means a detachable Container that is left at a customer’s premises

and emptied into the collector's truck and is lifted by mechanical means.

2.16. "Curb or Curbside" means a location within five (5) feet of the drivable portion of a street, alley or roadway, as determined by the Company, for the purpose of acceptable placement of solid waste, recycling or yard waste collection Containers.

2.17. "Designated Disposal Site" means the LRI Landfill located in Graham, Washington, unless otherwise directed in writing by the City in accordance with Section 6.2.

2.18. "Drop Box" means a Container that is placed on the Company's truck by mechanical means, hauled to a disposal site and returned to customer's premises.

2.19. "Drop-off Recycling Site" means a location that the City and the Company have mutually agreed upon for the Company to provide and maintain one or more Drop Boxes, Containers, Carts, toters, bins, or other Containers for the use of City residents to bring and deposit recyclable materials.

2.20. "Drum" means a Metal Container of approximately 50-gallon capacity, generally used for oils or solvents. Maximum weight not to exceed 45 pounds when filled.

2.21. "Franchise Area" means the service area identified in Company's G Certificate.

2.22. "Gate Charge" means a flat fee charged for opening, unlocking or closing gates in order to pick up solid waste.

2.23. "Glass" for recycling means: bottles and jars only, of any color, that is composed solely of glass. It does not mean tempered glass, window glass, ceramic glass, light bulbs, fluorescent tubes and broken glass of any kind.

2.24. "CPI" means the Consumer Price Index for All Urban Consumers for Seattle-Tacoma-Bellevue, published by the United States Department of Labor, Bureau of Labor Statistics.

2.25. "Litter Receptacle" means a Container not over 60-gallon capacity generally placed in shopping centers and along streets or highways for litter. Maximum weight not to exceed 75 pounds when filled.

2.26. "Loose Material" means material not set out in bags or Containers. Also includes materials which must be shoveled.

2.27. "Metal Containers" means Cans and Containers composed of metals, such as tin or bimetal, which are attracted by a magnet.

2.28. "Mixed Paper" means junk mail, phone books, office paper, etc. Do not include Newspaper with Mixed Paper. Not accepted: waxed, plastic coated, aluminized, food contaminated paper, paper plates, paper towels, bathroom tissue, or carbon paper.

- 2.29. “Multi-Family Recycling Center” means a site that the multi-family complex owner/manager and the Company have mutually agreed upon that provides one or more Carts, bins, Containers or Drop Boxes for the purpose of providing co-mingled and/or separated recycling to the multi-family residents.
- 2.30. “Newspaper” means any part of the newspaper that was included when it was delivered or purchased. Magazines may be included with Newspaper.
- 2.31. “Oversized Brush Pickup” means a special collection event occurring two times per year. The Company shall collect at Curbside from each residential customer, branches and limbs must be bundled up to two feet by two feet by four feet (2’x2’x4’) and placed in a loose pile up to six feet by six feet by six feet in size (6’x6’x6’). Limit: one pile per household per event.
- 2.32. “Packer” means a device or vehicle specially designed to pack Loose Material.
- 2.33. “Pass Through Fee” means a fee that is billed directly to the customer without markup or markdown by the Company.
- 2.34. “Permanent Service” means, in conjunction with Containers and Drop Boxes, when service is provided for a period of more than ninety days.
- 2.35. “Plan” means the City-adopted or designated solid Waste Management Plan.
- 2.36. “Plastic” for recycling means plastic bottles such as milk jugs, soda Containers, detergent and shampoo bottles, etc., with neck or openings smaller than the base. Plastic tubs, buckets, bags or any other plastic items not meeting this definition are not accepted. Plastic bottles containing automotive fluids or other hazardous materials are not accepted.
- 2.37. “Recyclable Materials” means those recyclable items defined in RCW 70A.205.015 (19) designated by the City to be picked up in the recycling program, which are limited to Glass, Aluminum, Metal Containers, Mixed Paper, Cardboard and Newspaper.
- 2.38. “Recycling Bin, Cart, or Container” means a bin or Container specifically designed or designated for the collection of recyclables.
- 2.39. “Recycling Ordinances” means University Place Municipal Code Sections 12.20.060(A) (curbside program), 12.20.060 (B) (multi-family program) and 12.20.070(yard waste program).
- 2.40. “Solid Waste” means those wastes defined in RCW70A.205.015(22), whether the source be residential, commercial, industrial or otherwise, but shall not include Recyclable Materials and Yard Waste, as those terms are defined herein and shall not include dangerous or hazardous wastes regulated under chapter 70.105 RCW.
- 2.41. “Special Pickup” means a pickup requested by the customer at a time other than

the regularly scheduled service day, but which does not involve the dispatch of a truck. If a special dispatch is required, time rates will apply.

2.42. “Temporary Service” means a service that is required for a period of 90 days or less in conjunction with Containers and Drop Boxes. Temporary service rates are not to be used for the first 90 days of service when a customer requests, and the Company provides, service for more than 90 days.

2.43. “TPCHD” means Tacoma-Pierce County Health Department. In the event that the TPCHD is dissolved or disbanded, all references to TPCHD shall refer to the successor organization providing public health services under Title 70 RCW.

2.44. “Unit” means a Can made of durable, corrosion-resistant, nonabsorbent material, watertight, with a close-fitting cover and two handles with a capacity greater than 20 gallons but not to exceed 32 gallons or 4 cubic feet. Cannot weigh more than 45 pounds when filled or more than 12 pounds when empty. Where agreeable between Company and customer (and where allowable under local ordinance), a box, carton, Cardboard barrel or other suitable Container may be substituted for a garbage can, for a single pickup which includes the Container, if it meets the above-stated size and weight limits.

2.45. “Unlocking” means a flat fee imposed by the Company when their personnel must unlock padlocks or other locking devices to perform pickup service.

2.46. “WUTC” means the Washington Utilities and Transportation Commission.

2.47. “Yard Waste” means vegetative yard and garden debris including grass, leaves, weeds, branches and limbs not to exceed (4) four inches in diameter and/or (4) four feet in length. Unflocked, undecorated holiday trees are acceptable that fit within size restrictions. Yard waste does not include dirt, rocks, sod, beauty bark, stumps, lumber, bags, manure, animal waste, or table scraps.

2.48. “Organics” means any solid waste that is a biological substance of plant or animal origin capable of microbial degradation. “Organics” includes “Yard Waste” as well as food waste items such as fruit, vegetables, meat, poultry, seafood, eggshells, bread, rice, coffee grounds and filters, and teabags. Dog and cat waste is not an organic for the purposes of this definition.

2.49. “Yard Waste Bin or Container” means a bin or Container specifically designed or designated for the collection of Yard Waste and Organics.

Section 3. SCOPE OF WORK. In accordance with the terms of this Agreement, the Company shall furnish all labor, materials, facilities, services and equipment necessary to provide:

3.1. Collection, hauling and transportation services for all Solid Waste generated within the City for disposal during the term of this Agreement;

3.2. Recycling services to the City at the same level and of the same types as set forth in Chapter 12.20 UPMC; and Yard Waste collection services to the City. In furnishing such labor, materials, facilities, services and equipment, the Company shall provide the levels of services set forth in this Agreement, including Exhibits hereto, subject to the limitations and restrictions contained therein.

3.3. The Franchise Area within which the services under this Agreement shall be performed by the Company shall be as described in the Company's G Certificate (G-64) as issued by the WUTC and as configured on August 30, 1995, as such area may be amended as allowed in this Agreement.

Section 4. TERM.

4.1. The term of this Agreement shall commence at 12:00 a.m. on January 1, 2026 and shall expire on December 31, 2035 ("Agreement Term").

4.2. Provided that the Company is not in default, the parties may extend this Agreement for a single successive extension of no more than five (5) years in duration, with said extension expiring on December 31, 2040. Any such extension shall be under the terms and conditions of this Agreement, as amended from time to time by the City and the Company.

4.3. The City and the Company shall meet in 2033 or thereafter to discuss the potential for extending the Agreement Term or entering into a new agreement. In any event, any decision by the parties to extend the Agreement Term or enter into a new agreement will be made by December 31, 2035.

Section 5. ANNEXATION.

5.1. If the City annexes an area in which, before annexation, an entity other than the Company has operated under a franchise, permit or license to collect and transport Solid Waste, this Agreement and the rights and obligations of the Company hereunder shall apply and become effective with respect to such annexed area(s) immediately upon the earlier of (a) the expiration of any continuation franchise granted by the City under RCW 35A.14.900 or (b) the purchase by the City of the facilities or business of the entity holding the pre-annexation franchise, permit or license.

5.2. If (a) the City annexes an area not previously covered by any such franchise, permit or license; (b) the City annexes areas within which the Company has an existing WUTC permit or other franchise for garbage or refuse collection and removal; or (c) the Company acquires an area within the City currently served by a different contractor, this Agreement shall apply and become effective with respect to such annexed or acquired area immediately upon the City's annexation or the Company's acquisition of such area.

5.3. The Company agrees, in consideration for this Agreement, that the Company's G Certificate right of franchise, if any, applicable to any annexed areas under Section 5.2 or otherwise, shall be deemed canceled on the effective date of the annexation and that the

Company shall service the newly annexed areas under this Agreement.

5.4. The Company waives any and all claims or rights for compensation or damages under RCW 35A.14.900, as it may be amended or replaced from time to time, or pursuant to any other law or authority in effect on the Agreement Date from the City, its agents, officers or assigns, arising from the cancellation of any right of franchise resulting from the City's initial incorporation or any subsequent annexations during the Agreement Term and during the term of the prior franchise agreement between the City and the Company.

Section 6. SOLID WASTE COLLECTION AND DISPOSAL.

6.1. The Company shall collect Solid Waste from the premises of each residential customer account within the City not less than biweekly but at the customer's option, weekly, and of each commercial and industrial customer account as agreed by the Company and that customer. Title to all Solid Waste collected by the Company hereunder shall remain with the generator until it is delivered to and accepted at the Designated Disposal Site.

6.2. The Company shall transport all Solid Waste collected under this Agreement to the Designated Disposal Site.

6.3. No Solid Waste collected by the Company within the City may be diverted from the Designated Disposal Site without City approval, except for Solid Waste eliminated through waste reduction or waste recycling activities consistent with City ordinances or the Plan. In disposing of Solid Waste, the Company shall comply with all applicable federal, state and local environmental health laws, rules or regulations.

6.4. The City and the Company may meet periodically to review the level of services and Base Rates provided in this Agreement. Services under review may include Recycling, Special Programs, Solid Waste Collection programs, and any other services that the City deems worthy of review. Review of Base Rates may include a comparison with refuse rates across the local region.

6.5. Notwithstanding any other term contained herein, the Company shall have no obligation to collect any material which is, or which the Company reasonably believes to be, Excluded Waste. "Excluded Waste" means any hazardous waste and any radioactive, volatile, corrosive, highly flammable, explosive, biomedical, infectious, biohazardous, or toxic material as defined by applicable federal, state or local laws or regulations. Title to and liability for any Excluded Waste shall remain with the customer, even if the Company inadvertently collects and disposes of such Excluded Waste. If the Company finds what reasonably appears to be discarded Excluded Waste, Company shall notify the customer and the City.

Section 7. RECYCLABLE MATERIALS; YARD WASTE.

7.1. The Company shall provide collection of Recyclable Materials and Yard Waste not less than once every two weeks. Collection will be provided to all single- family residences

and multifamily residences subscribing to Cart or bin service in the City limits who have signed up for the collection of Recyclable Materials and Yard Waste with the Company and have received bins and Carts as provided herein. For collection, all yard waste must be placed in the Company provided Cart/s, except for occasional tagged bags, boxes, or Cans, and any other City-directed Oversized Brush Pick up events.

7.2 The Company shall provide recycling bins, including those for public use on City-owned or publicly owned property or upon the Company's property of the same type as specified in the Recycling Ordinances for recyclables. The Company shall, at its expense maintain the safety and cleanliness of the Glass recycling bins at Drop-off Recycling Sites, and the nearby surrounding areas around those public Glass recycling bins. The Company shall at the Company's expense also provide single Yard Waste Carts for Yard Waste, and such Carts shall remain the property of the Company.

The Company shall collect Recyclable Materials the customer prepares in the following manner and then places in the bins:

7.2.1. Aluminum - drain contents and flatten, if possible, then place in the co-mingled recycling bin.

7.2.2. Glass - place Glass jars and bottles only, of any color, loose into designated Glass- only recycling drop off locations in the City. All jars and bottles must be unbroken, rinsed and placed in the bin carefully. It is not necessary to remove labels. Not accepted: plate Glass, window Glass, mirrors, light bulbs, Pyrex or other kitchen cookware.

7.2.3. Tin Cans - remove paper labels, rinse clean to avoid attracting insects or animals. Remove tops and bottoms (if possible), place inside Can and flatten. Not accepted: clothes hangers, aerosol cans or scrap metal.

7.2.4. Mixed Paper - Cardboard must be flattened when placed in the co-mingled recycling bin.

7.2.5. Newspaper - Only Newspaper and catalogs made of newsprint may be included.

7.2.6. Plastic Containers – Bottles, jugs, dairy tubs, and buckets. Remove lids, empty completely, rinse clean and discard.

7.3. Recyclable Materials.

7.3.1. Yard Waste collected within the City by the Company shall be properly disposed of or marketed by the Company in accordance with applicable laws and regulations. The Company becomes the owner of Recyclable Materials and Yard Waste when such material is placed into Containers provided by the Company at Curbside for collection or, if the material is not placed at Curbside, when the Company or its personnel receives such Recyclable Materials or Yard Waste. The Company may market or dispose

of Recyclable Materials or Yard Waste in any manner the Company deems to be economically feasible. The Company shall be responsible for all marketing and sale of Recyclable Materials or Yard Waste collected hereunder and shall be entitled to all proceeds therefrom.

7.3.2. Recyclable Materials collected by the Company shall not be disposed of in a landfill unless the Company has considered other alternatives and, after good faith efforts to locate a market, has determined that such disposal is the only economical way to avoid a monetary loss. If the Company finds it necessary to landfill Recyclable Materials on a continuing basis, it shall notify and explain to the City representatives its reason for such actions.

7.4. The City shall adopt and enforce reasonable ordinances prohibiting scavenging of Recyclable Materials and Yard Waste that would otherwise become the property of the Company hereunder.

7.5. Upon mutual agreement, on terms and conditions and at rates satisfactory to the parties, the City and the Company may include additional items for recycling and additional programs under this Agreement.

Section 8. COLLECTION EQUIPMENT AND SPILLAGE.

The Company shall provide an adequate number of vehicles and Containers for its collection services under this Agreement. Such vehicles shall be kept in good repair and appearance and in a sanitary condition at all times. Each vehicle shall have clearly visible on each side the name and phone number of the Company and a vehicle number. All vehicles and Containers used for hauling Solid Waste, Recyclable Materials, and Yard Waste shall be reasonably enclosed to prevent spillage or leakage. Any spillage that occurs during collection shall be immediately cleaned up by the Company at its expense. Any and all item(s) or equipment, including but not limited to: bins, Carts, Containers, Drop Boxes, etc., provided to customers under this Agreement by the Company, are and shall remain the property of the Company and is provided at Company expense, except as noted otherwise. Other than normal wear and tear, the customer shall be liable for damages if such items are lost, damaged, or stolen.

Section 9. COLLECTION SCHEDULE.

9.1. The Company shall establish bi-weekly collection routes and schedules. It shall be the customer's responsibility to place Solid Waste, Recyclable Materials and Yard Waste at the appropriate location for collection in the appropriate Container before the approved starting hour. Both the City and the residential customers shall be notified at least seven days before any route changes. The Company will furnish the City a map indicating pick-up days for all roads in the Franchise Area.

9.2. The Company shall provide regularly scheduled service for residential customers on a regular weekday, Monday through Friday.

9.3. Residential pickup shall be made between the hours of 6 a.m. and 6 p.m. If the Company or the City receives complaints about the 6 a.m. collection starting time that cannot be resolved by the best efforts of the Company and the City, the Company shall shift to a 7 a.m. starting time.

9.4. Hours and days of pickup for collection from industrial or commercial outlets shall be in the Company's discretion, as long as appropriate sanitary conditions are maintained and disruption to adjacent residential areas are minimized.

9.5. When the Company changes the pickup date for its Franchise Area, or a portion of its Franchise Area, all customers in the affected area must be notified of the change by mail, personal contact, or by a notice being affixed to their solid waste Can in advance of the implementation of the new pickup schedule.

9.6. For regularly scheduled service, when pickup is missed due to the Company's observance of a holiday, the Company will provide service on an alternate day at no additional Charge to the customer. A list of the holidays observed by the Company is shown below:

New Year's Day
Thanksgiving Day
Christmas Day

There is no pickup on these three holidays and all regularly scheduled pickups will be one day late, which shall include Saturdays but not Sundays for the balance of the week.

Section 10. SERVICE.

10.1 The Company may refuse to pick up materials from points where, because of the condition of the streets, alleys or roads, it is impractical or dangerous to persons or property to operate vehicles.

10.2 The Company may refuse to drive onto private property when, in the Company's judgment, driveways or roads are improperly constructed or maintained or without adequate turnarounds or have other unsafe conditions.

10.3 The Company will not be required to enter private property to pick up material while an animal considered or feared to be vicious is loose. The customer will be required to confine the animal on pickup days.

10.4 Any pickup may be missed due to weather or road conditions. If the items(s) missed is (are) taken on next pickup, no credit will be given to customer.

10.5 Other than to offer reasonable care, the Company assumes no responsibility for articles left on or near, or accidentally thrown inside, Carts, bins, or Units.

10.6 Where the Company is requested to provide service, and damage occurs to a

customer's driveway due to reasons not in control of the Company, the Company will assume no responsibility.

10.7 The Company reserves the right to reject pickup of a stationary Packer or Drop Box which, upon reasonable inspection:

- a) appears to be overloaded;
- b) would cause applicable vehicle load limitation to be exceeded, or
- c) if transported by the Company, would violate load limitation on vehicle operation; or negatively impact or otherwise damage road surface integrity.

Section 11. EMPLOYEE CONDUCT.

The Company's employees and agents shall be courteous, refrain from loud and/or obscene language, exercise due care, perform their work without delay, minimize noise, and not damage public or private property while performing Agreement services. If on private property, Company employees shall follow the regular pedestrian walkways and paths, returning to the street after replacing empty Containers. Employees shall not trespass or litter; cross flower beds, hedges or property to adjoining premises; or meddle with private property. The Company shall bear full responsibility for all conduct of its agents or employees performing Agreement services.

Section 12. COMPLAINTS.

The City shall direct all complaints to the Company. All complaints shall be investigated by the Company within two (2) business days after notice to the Company. The Company shall maintain a written record of all complaints, indicating the disposition of each. Such records shall be available for the City's inspection during Company business hours.

Section 13. NOTIFICATION TO CUSTOMERS.

The Company shall provide customers with notice of, and necessary information about, the services under this Agreement. The Company shall also timely provide customers with necessary information about complaint procedures, rates, regulations, days of collection and other pertinent information to avoid unnecessary inquiries to the City.

Section 14. DISABLED SERVICE.

The Company shall establish and implement a special disabled collection program through which the Company will provide carry-out service at no additional Charge to households that lack the ability to place Containers at the Curb because of a disability covered by the program. Residents shall contact the Company to request disabled carry-out service, and the Company shall provide such service if requested. These criteria shall comply with all local, state and federal regulations and shall be subject to the City's review and approval before program implementation.

Section 15. LOCATION OF CUSTOMER SERVICE OFFICE.

The Company shall maintain an office in Pierce County within twenty (20) miles of City Hall. The Company's office and customer service assistance shall be accessible by a phone number local to

City residents. The Company's office shall be open at a minimum from 8 a.m. to 5:00 p.m. daily, except Saturdays, Sundays, and designated holidays. Representatives shall be available at the Company's local office during office hours for communication with the public and City representatives.

Section 16. BILLINGS AND REFUNDS.

16.1. The Company shall have full responsibility for billing and collection from customers all fees relating to the collection, transportation and disposal of Solid Waste, Recyclable Materials and Yard Waste under this Agreement, including determination of the timings of billings and the billing periods. Any customer who has not remitted required payments within 45 days after the date of billing may be notified by the Company that service may be discontinued 15 days after the date of notice if payment is not made before that time. The Company uses letters, emails, live and automated calls to notify customers of past due balances throughout the 60-day period. The Company shall make commercially reasonable efforts to promptly and accurately resolve customer disputes. The Company shall make commercially reasonable efforts to meet customers virtually, telephonically, or in-person to resolve customer service matters. Upon payment of the delinquent fees, the Company shall resume collection on the next regularly scheduled collection day. Customer billing shall not be made more than two months before the service provided.

16.2. Rates and Charges shall be as described in Exhibit A.

16.3. Credits. When there has been a transaction that results in a credit being due to the customer, the Company must issue a check within 30 days unless other arrangements have been made with the customer. When service is discontinued during a pre-billed period and the customer is due a refund, the following shall apply:

1. All requests for refunds for discontinued service will be honored.
2. If the customer provides a forwarding address to the Company or one can be obtained from the post office, the Company will issue a refund check no later than 30 days following the request.
3. The Company will make an attempt to refund overpayments of the amount described in Exhibit A. If the customer does not provide a forwarding address and the U.S. Post Office cannot furnish a forwarding address, the amount may be presumed to be abandoned and subject to the Uniform Unclaimed Property Act after the lapse of one year.

16.4. Off-Curb Charges. Except for service provided to the infirm or handicapped, additional Charges shall be assessed according to Exhibit A if Cans or Units are to be loaded by the Company and if the Cans or Units are not placed at the Curb, in the alley, or points where the Company's vehicle can be driven within five feet of the Cans or Units on improved access roads commonly available for public use. Driveways are not considered improved access roads commonly available for public use.

Note: The Company may elect to drive in and the Charge will be limited to one Can. If Cans are carried over 125 feet but are safely accessible to Company's vehicle, the drive-in Charge will

apply.

16.5. Residential rates. Residential monthly rates shall apply to the Solid Waste collection service, Curbside Recycling service, and/or Yard Waste Collection service for residential property. This includes single family dwellings, duplexes, apartments, mobile homes and courts, condominiums, etc., where service is billed directly to the occupant of each residential Unit. Customers may be Charged for service requested even if fewer Units are serviced on a particular trip.

16.6. Commercial rates. Commercial rates apply to commercial businesses. They also apply to duplexes, apartments, mobile home and courts, condominiums, etc., where service is billed to and paid by the residential property owner or manager. Customers will be Charged for service ordered, even if fewer Units are serviced or Containers are less than full on a particular day.

16.7. Truck and driver time Charges. Time is Charged as described in Exhibit A: when customers order single, special or emergency pickup; for material requiring special equipment, precautions, or disposal; for special trips to collect loose and Bulky Material; for material that must be taken to a special site for disposal; and when a truck must wait at or return to the customer's site due to no fault on the part of the Company. Time taken for a driver to remove contaminants from the load may be included in the Charge. Time shall be recorded and Charged from the time the vehicles leave the Company's terminal until return to the terminal, excluding interruptions. Time is to be recorded to the nearest increment of 15 minutes.

16.8. Additional Charges for over-weight Containers, Drop Boxes and compactors. When the maximum net weight allowance is exceeded as stated in the following table, an additional Charge per occurrence will be assessed to the customer as described in Exhibit A. Charges will only be assessed if the material is transported.

Maximum Net Weight Allowance for Containers, Drop Boxes, and Compactors

Service Type	Single Rear Axle	Tandem Rear Axle
Drop Boxes & Compactors	10,000 lbs. per load	20,000 lbs. per load
Containers	250 lbs. per cubic yard	250 lbs. per cubic yard

16.9. Materials requiring special testing and/or analysis. When the Company or disposal facility determines that testing and/or analysis of solid waste is required to determine whether dangerous or prohibited substances are present, the actual cost for such testing and/or analysis will be paid by the customer.

16.10. Low income senior discount. The Company will offer a twenty percent (20%) discount to those who (1) are already qualified through the Tacoma Public Utility's Low Income Senior Program (TPU Program); and (2) whose service consists of only a 35- gallon waste Container (and may include Recycling and Yard Waste). If Tacoma Public Utility abandons this program, the parties agree to negotiate substitute criterion comparable to the TPU Program.

Section 17. RATE AND RATE ADJUSTMENTS.

17.1. Base rates. As compensation for its service hereunder, the Company shall be paid the Base Rates. The Base Rates shall be adjusted on and after March 1, 2026

Rates may be automatically adjusted annually beginning March 1, 2027. On or no later than November 1st of each year, starting 2026, the Company shall submit in writing and/or electronic form to the City for review and verification a Rate Adjustment Statement, calculating the new rates for the next year. The City shall have thirty (45) days to confirm the Company's rate modification calculations. In the event the Company does not submit a Rate Adjustment Statement by November 1st, the rate shall remain the same.

Upon City review and verification, which shall not be unreasonably withheld or delayed, the new rate shall take effect March 1st of the following year, and Customers shall be notified by January 15th, forty-five (45) days prior to the new rate going into effect. Should ratepayers not receive notification by January 15th, due to missed deadlines by the Company implementation of the new rates shall be delayed by one month without recovery for lost revenue. The Company shall not be held liable for any resulting delays in implementation of new rates based on failures by the City to verify rates within forty-five (45) days.

Adjustments to the Company's collection service Charge shall be made in units of one cent (\$0.01). Fractions less than one cent (\$0.01) shall not be considered when making adjustments.

17.2 CPI Adjustments. The Company's collection service Charges and miscellaneous fees and Contract options contained in Exhibit A, excluding disposal fees, for each level of service shall be increased or decreased by one hundred percent (100%) of the annual percentage change in the Seattle-Tacoma-Bellevue Metropolitan Area for the U.S. City Average Urban Wage Earners (CPI-U) prepared by the United States Department of Labor, Bureau of Labor Statistics, or a replacement index (the "CPI"). The City and Company mutually agree to work together in good faith in the event that a replacement index is needed. Rates will be adjusted by calculating the percentage change in the CPI-U index for the most recent 12-month period ending on September 30th.

17.3 Disposal Fee Adjustments. Disposal Fee adjustments shall be made to Company collection rates to reflect increases or decreases in the rates for disposal fees for solid waste. If the Company or the City receives notice of any of the following, it shall notify the other party in writing and/or electronically of such changes as soon as possible.

17.3.1 a change in the rates for disposal of Solid Waste at the Designated Disposal Site;

17.3.2 a change in the location of the Designated Disposal Site after the Agreement Date, the refusal of the Designated Disposal Site to accept Solid Waste or other unavailability of the Designated Disposal Site for Solid Waste;

17.3.3 If the disposal fees which are Charged to the Company to dispose of the

City's Solid Waste are increased or decreased at any time for one or more of the preceding reasons, the Base Rates Charged by the Company hereunder, upon thirty (30) days' notice, shall be changed in a manner sufficient to reflect and pass through any such disposal rate change and be effective on such date, (a) such increase shall be sufficient to compensate the Company fully for the disposal fees it is required to pay before the effective date of the change to the Base Rates and (b) such decrease shall be sufficient to enable customers to fully recoup the Company's increased revenue or decreased expenses from reductions in disposal fees. Upon the occurrence of a disposal fee change, the Company shall advise the City of the proposed increase or decrease in the Base Rates and, upon request of the City, will provide the City with documentation supporting the change in the Base Rates under this Section.

17.4 Automatic rate ceiling. In addition to the adjustments attributable to CPI, the City will ensure that rates Charged under this Agreement shall not exceed 5% of the previous year's rates. Adjustments and calculations under this section shall not include Disposal Fee-related Charges.

17.5 Change in law or taxes. If new City, Pierce County, Washington State taxes or Federal taxes are imposed, the rates of existing taxes are changed after the execution of this Agreement, and the impact of these changes results in increased or decreased Company costs in excess of ten thousand dollars (\$10,000) annually, other than taxes associated with Disposal Fees, the Company and City shall enter into good faith negotiations to determine the amount and the method of adjustment and agreed upon adjustment shall not be unreasonably withheld. Any adjustment in Company Charges should coincide with the annual rate adjustment process described in Section 17.1 but shall not be considered an automatic rate adjustment and requires City Council approval.

17.6 Notice to customers. The Company shall provide notice to its customers of any changes to its rates and shall pay for notice of these changes as provided in RCW 35A.21.152. Notice by electronic means shall be acceptable if the customer has previously opted in to receive electronic communications from Company. The Company, however, is not obligated to pay for the publication of the Agreement or any amendment to the Agreement.

17.7 Truth in billing. The City and the Company agree that the Base Rates include all of the City Agreement Administration Fees (Section 18) and other fees and Charges authorized by law. In addition to the Administration Fees, the City or other agency may impose other fees or taxes that shall be assessed and payable as directed by City ordinance or legislation of another government agency or jurisdiction. The Company may pass on such fees or taxes to Customers or otherwise separately line-item and change such fees and taxes to Customers, only to the extent authorized by law. The Company is exclusively responsible for determining whether such fees, taxes and other Charges may be Charged or passed on to Customers.

Section 18. CITY AGREEMENT ADMINISTRATION FEE.

18.1. To compensate the City for the exclusive rights granted in this Agreement and to

assist in deferring the cost incurred by the City in the administration of this Agreement, the Company shall pay to the City no later than 15 days after the end of each calendar quarter (quarters ending at the end of March, June, September, and December) a City Agreement Administration Fee equal to five percent (5%) of the gross revenues actually received by the Company from customers derived from the Base Rates. The City Agreement Administration Fee shall be calculated in accordance with Exhibit B and shall be applied to Base Rates in accordance with this Agreement.

18.2. In the event any payment is not received within forty-five (45) days from the end of the calendar quarter, the Company shall pay, in addition to the payment or sum due, interest from the due date at an interest rate of 1% per month, beginning on the forty-sixth (46th) day after the end of the calendar quarter and continuing every day thereafter until the seventy-sixth (76th) day after the end of the calendar quarter, or until payment is made, whichever is earlier. If any payment is not received within seventy-six (76) days after the end of the end of the calendar quarter, the Company shall be assessed a late fee in the additional amount of two hundred dollars (\$200.00) per day, beginning on the seventy-sixth (76th) day after the end of the calendar quarter and continuing every day thereafter until paid.

18.3. The Company acknowledges the substantial value of this Agreement and understands that the City Agreement Administration Fee will be considered an operating expense, which, as and to the extent provided in this Agreement, may be included in the Base Rates and will not be identified as a separate Charge on any customer billings.

18.4. Nothing in this Agreement precludes the City's exercise of taxing authority, including but not limited to the imposition on the Company of a utility tax, business and occupation tax, and other levy or excise for general government. The Company retains the right to include such taxes in customer rates and Charges.

Section 19. CITY-OPERATED FACILITIES.

The Company, at no additional cost to the City, shall remove and dispose of Solid Waste, Recyclable Materials and Yard Waste resulting from normal City operations from buildings used by the City within the Franchise Area for its administrative and governmental functions, which Solid Waste, Recyclable Materials and Yard Waste are placed in Cans or Containers supplied by the City or the Company and conveniently located for collection. Such services shall also cover street and park Containers.

Section 20. SPECIAL COLLECTION EVENTS.

20.1. The Company shall cooperate with the City in designing and implementing City-sponsored collection events. The City and the Company shall confer regarding the terms and conditions of such events.

20.2. The City and the Company shall jointly design and implement additional collection events. Such collection events shall provide the opportunity for customers, at a frequency of no less than four times per year, to dispose of refuse materials or Yard Waste materials at no additional Charge. Should the County approach the Company to host a paper

shredding event within the City at premises controlled by the Company, the Company will make a good faith effort to consider hosting the event at a location within the City. These events are for the disposal of items not included in the normal collection services provided for in this Agreement. The material types and quantities eligible for these future special collection events and other details and conditions of these events shall be jointly discussed and agreed to by the Company and the City after considering the best interests of the City and its residents and the costs to the Company and the City of the event. Public information for these events shall be a shared responsibility of the City and the Company. The City will provide reasonable access to its newsletter, and publications and other media through which it communicates to the community at no cost to assist in publicizing these events and will assist the Company in staffing appropriate sites (i.e., drop-off sites). The Company shall not seek reimbursement for any cost it incurs from the planning and implementation of these events.

Section 21. COMPANY PLANNING ASSISTANCE.

The Company shall, upon request and without additional cost, make available either to the City or the property owner, planning assistance on new construction or major remodeling of buildings and structures within City limits with respect to the design and planning of garbage and recycling removal facilities and their location upon the site of the proposed construction or remodeling project.

Section 22. DISRUPTION DUE TO CONSTRUCTION.

The City reserves the right to construct any improvement or to permit any such construction in any street or alley in such manner as the City may direct. Such construction may for a time prevent the Company from traveling its accustomed route or routes for collection. The Company shall continue to collect Solid Waste, Recyclable Materials, and Yard Waste to the same extent as though no interference existed upon the streets or alleys normally traversed, unless the Company cannot obtain reasonable access to a customer, in which case the Company shall make arrangement as soon as reasonably possible during normal business hours to collect such customer's Solid Waste, Recyclable Materials, and Yard Waste. This shall be accomplished at no extra expense to the City or customers.

Section 23. SAFEGUARDING PUBLIC AND PRIVATE FACILITIES.

The Company shall use good faith efforts to protect all public and private facilities and utilities whether located on public or private property, including street Curbs. If such facilities, utilities or Curbs are damaged by the Company's negligent operations, the Company shall promptly notify the City of the damage, or if the City is the first to receive notice thereof, the City shall promptly notify the Company of the damage. The Company shall repair or replace the damaged property to its condition before such damage. If the Company fails to do so within 30 days after receiving notice of the damage, the City may undertake such repairs or replacement and bill the cost to the Company.

Section 24. RECORDS AND AUDITS.

24.1. The Company shall at all times cooperate with the City in providing all information

relating to its services hereunder. The Company shall keep records of the Solid Waste, Recyclable Materials, and Yard Waste volume collected hereunder and the Company's revenues therefrom. Upon request, the City shall have the right to reasonable access to such records during the Company's office hours and to audit those records by a City staff member or a City-designated auditor, at the expense of the City, no more than annually during the Agreement Term. The Company will only be required to retain these records for seven years. Accounting records of the Company shall utilize the system prescribed by the WUTC known as the "Uniform System of Accounts for Class A Garbage and Refuse Collection Companies" or a similar type approved by the WUTC. All such records are proprietary property of the Company.

24.2. The City agrees to treat as confidential any books or records that constitute proprietary or confidential information under RCW 42.56, the Public Records Act ("PRA"), to the extent the Company makes the City aware of such confidentiality. The Company shall be responsible for clearly and conspicuously stamping the word "Confidential" on each page that contains confidential or proprietary information and shall provide a brief written explanation as to why such information is confidential under the PRA. If the City receives a request under the PRA to inspect or copy the information so identified by the Company and the City determines that the release of the information is required under the PRA or otherwise appropriate, the City will use its best efforts to promptly provide the Company with notice of the request in accordance with RCW 42.56.540, and a copy of any written request by the party demanding access to such information, in order to have a reasonable time (no less than ten (10) business days) within which the Company may seek an injunction to prohibit the City's disclosure of the requested record. If the Company fails to timely obtain a court order enjoining disclosure, the City will release the requested information on the date specified. The Company shall join the Person requesting the documents to such an action. The Company shall defend, indemnify, and hold the City harmless from any claim or judgment.

24.3. The City has, and by this Section assumes, no obligation on behalf of the Company to claim any exemption from disclosure under the PRA. The City shall not be liable to the Company for releasing records. The City shall not be liable to the Company for any records that the City releases in compliance with this Section or in compliance with an order from the court of competent jurisdiction.

Section 25. INDEMNIFICATION.

25.1. The Company's indemnification of the City. The Company shall defend, indemnify, and hold harmless the City its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, in connection with this Agreement, except only such injury or damage as shall have been occasioned by the sole negligence of the City.

However, should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Company and the City, its officers, officials, employees, and volunteers, the Company's liability hereunder shall only be to the extent of the Company's negligence. It is further specifically and expressly

understood that the indemnification provided herein constitutes the Company's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

25.2. Claims Subject to Indemnification. The term "claims" as used in this section means all claims, lawsuits, causes of action, damages, penalties, Charges, costs, expenses, judgments, losses, liabilities of any character or kind, including reasonable attorney fees (including those fees incurred to establish the City's right to indemnification) and other legal actions and proceedings of any nature, whether or not asserted in a judicial forum, including but not limited to claims involving bodily or personal injury or death of any person or damage to any property (including but not limited to persons employed by the City, the Company or any other person and all property owned or claimed by the City, the Company, any affiliate of the Company or any other person) in any way connected with any of the following:

25.2.1. The performance or nonperformance of any provision or requirement of this Agreement by the Company, its officers, employees, subcontractors, agents or servants;

25.2.2. Any act or omission of the Company, its officers, employees, subcontractors, agents or servants at any facilities (other than any Designated Disposal Site or any site to which the Company delivers Yard Waste in accordance with this Agreement) or involving any equipment used in connection with this Agreement;

25.2.3. The failure of the Company, its agents or servants to comply in any respect with applicable legal requirements; or

25.2.4. Any release(s) or emission(s) or threatened release(s) or emission(s) of nonrecyclable waste or otherwise by any person(s) at, onto, into, above, under, through or from any of the equipment used in connection with this Agreement except in accordance with applicable laws.

25.3. Notice to the Company; Defense. If an action is brought against the City for which indemnity may be sought against the Company, the City shall promptly notify the Company in writing. The Company shall have the right to assume the investigation and defense of any such action, including the employment of counsel and the payment of all expenses. On demand of the City, the Company shall at its own cost and expense defend and provide qualified attorneys acceptable to the City under a service agreement acceptable to the City to defend the City or its officers, employees, agents and servants against any claim in any way connected with the events described herein. The City shall fully cooperate with the Company in its defense of the City, including consenting to all reasonable affirmative defenses and counterclaims asserted on behalf of the City. The City may employ separate counsel and participate in the investigation and defense, but the City shall pay the fees and costs of that counsel unless the Company has agreed otherwise. The Company shall control the defense of claims (including the assertion of counterclaims) against which it is providing

indemnity under this section, and if the City employs separate counsel, the City shall assert all defenses and counterclaims reasonably available to it.

25.4. Applicability of RCW 4.24.115. If a court of competent jurisdiction determines that this Agreement is subject to RCW 4.24.115, the Company's obligation to indemnify the City for liability for damages arising from bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of the Company and the City shall be limited to the Company's negligence.

25.5. Indemnification for claims of the Company's employees. It is further specifically and expressly understood that the indemnification provided in this section extends to suits against the City for injuries sustained by any person directly or indirectly employed by the Company except to the extent any such injury was caused by the City's negligence or willful misconduct.

25.6. No Indemnity Waiver. The Company hereby expressly agrees that any immunity that may be granted to the Company under the Washington State Industrial Insurance Act, Title 51 RCW, as amended or recodified, shall not be construed by the Company as a release from its obligation to indemnify the City under this section. The parties do not under this section waive or surrender any indemnity available under any applicable federal, regional, state or local law. This Section 25.8 shall survive termination or expiration of this Agreement.

Section 26. INSURANCE.

26.1 Insurance term. The Company shall procure and maintain for the duration of the Agreement and as long as Company has facilities in the right-of-way, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Agreement and use of the rights-of-way.

26.2 No limitation. The Company's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Company to the coverage provided by such insurance or otherwise limit the City's recourse to any remedy available at law or in equity.

26.3 Minimum scope of insurance. The Company shall obtain insurance of the types and coverage described below:

1. Commercial general liability insurance shall be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. The City shall be named as an additional insured under the Company's Commercial General Liability insurance policy with respect to this

Agreement using ISO endorsement CG 20 12 05 09 if the Agreement is considered a master permit, or CG 20 26 07 04 if it is not, or substitute endorsement providing at least as broad coverage.

2. Automobile liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be at least as broad as ISO form CA 00 01.

3. Contractors' pollution liability insurance shall be in effect throughout the entire Agreement covering losses caused by pollution conditions that arise from the operations of the Company. Contractor's Pollution Liability shall cover bodily injury, property damage, cleanup costs and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims.

4. Workers' compensation coverage is required by the Industrial Insurance laws of the State of Washington.

5. Excess or umbrella liability insurance shall be excess over and at least as broad in coverage as the Company's Commercial General Liability and Automobile Liability insurance. The City shall be named as an additional insured on the Company's Excess or Umbrella Liability insurance policy.

26.4 Minimum amounts of insurance. The Company shall maintain the following insurance limits:

1. Commercial general liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$5,000,000 general aggregate.

2. Automobile liability insurance with a minimum of combined single limit for bodily injury and property damage \$5,000,000.

3. Contractors' pollution liability insurance shall be written in an amount of at least \$2,000,000 per loss, with an annual aggregate of at least \$2,000,000. Pollution Liability coverage at least as broad as that provided under ISO Pollution Liability-Broadened Coverage for Covered Autos Endorsement CA 99 48 shall be provided, and the Motor Carrier Act Endorsement (MCS) 90 shall be attached.

4. Excess or umbrella liability insurance shall be written with limits of not less than \$5,000,000 per occurrence and annual aggregate. The Excess or Umbrella Liability requirement and limits may be satisfied instead through the Company's Commercial General Liability and Automobile Liability insurance, or any combination thereof that achieves the overall required limits.

26.5 Other insurance provisions. Company's Commercial General Liability, Automobile Liability, Excess or Umbrella Liability, Contractor's Pollution Liability insurance policy or policies are to contain, or be endorsed to contain, that they are primary insurance as respect to the City. Any insurance, self-insurance, or self-insured pool coverage

maintained by the City shall be in excess of the Company's insurance and shall not be combined with it.

26.7 Acceptability of insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

26.8 Verification of Coverage. The Company shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Agreement.

26.9 Subcontractors. The Company shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirement of the Company-provided insurance as set forth herein, except the Company shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Company shall ensure that the City is an additional insured on each and every Subcontractors' Commercial General Liability insurance policy using an endorsement at least as broad as ISO CG 2026.

26.10 Notice of cancellation. The Company shall provide the City with written notice of any policy cancellation within 5 business days of their receipt of such notice.

26.11 Failure to maintain insurance. Failure on the part of the Company to maintain the insurance as required shall constitute a material breach of the Agreement, upon which the City may, after giving five (5) business days' notice to the Company to correct the breach, terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand.

26.12 City full availability of company limits. If the Company maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Company, irrespective of whether such limits maintained by the Company are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Company.

26.13 Company self-insurance. If the Company becomes self-insured for the coverages required in this Agreement during the term of the Agreement, the Company or its affiliated parent entity shall comply with the following: (i) provide the City, upon request, a copy of the Company's or its parent company's most recent audited financial statements, if such financial statements are not otherwise publicly available; (ii) the Company or its parent company is responsible for all payments within the self-insured retention; and (iii) the Company assumes all defense and indemnity obligations as outlined in the indemnification section of this Agreement.

Section 27. MODIFICATION. This Agreement constitutes the entire Agreement and understanding between the parties hereto. This Agreement shall not be considered modified, altered, changed, or amended in any respect unless in writing and signed by the parties hereto.

Section 28. INTERPRETATION. If provisions in this Agreement and any referenced WUTC rule or regulation are inconsistent, the provisions of this Agreement shall govern. The City and the Company agree that Memoranda of Understanding may be drafted and agreed to from time to time by the City and the Company and attached to this Agreement for clarity and the understanding of future parties.

Section 29. ASSIGNMENT.

29.1. Assignment; subcontracting; delegation of duties.

29.1.1. The City entered into this Agreement with the Company in consideration of the Company's size, limited service area and unique presence in the community. Except for subcontracting identified in this Agreement, the Company shall not assign or subcontract any of the work or delegate any of its duties under this Agreement without the prior written approval of the City.

29.1.2. When requested, approval by the City of a subcontract or assignments shall not be unreasonably withheld. However, the City may, in its discretion, reduce the remaining Agreement term to 5 years after the effective date of any assignment of this Agreement, but in no event shall the Agreement Term extend beyond December 31, 2035 without further agreement of the parties.

29.1.3. In the event of an assignment, subcontracting or delegation of duties, the Company shall remain responsible for the full and faithful performance of this Agreement, and the assignee, subcontractor; other obliger shall also become responsible to the City for the satisfactory performance of the work assumed. The City may condition approval upon the delivery by the assignee, subcontractor or other obliger of its covenant to the City to complete fully and faithfully the work or responsibility undertaken or other security acceptable to the City.

29.2. Change in control.

29.2.1. City may terminate this Agreement without penalty upon any change in control or the transfer of a controlling interest in the beneficial ownership of the Company, unless the City consents to the successor entity assuming Company's responsibilities hereunder. "The transfer of a controlling interest of the Company" shall include, but is not limited to, the transfer of more than 50% of the voting stock or the beneficial ownership of the Company to or from a single entity. However, intracompany transfers, such as transfers between different subsidiaries or branches of the parent corporation of the Company, or transfers to corporations, limited partnerships or any other entity owned or

controlled by the Company as of the date of this Agreement, shall not be construed as the transfer of a controlling interest of the Company. If the City determines that the new ownership can adequately and faithfully render the service required in this Agreement for the remainder of the Agreement Term and has the same commitment to the community as does the Company, the City may elect to execute a novation, allowing the new ownership to assume the rights and duties of this Agreement and releasing the Company of all obligation and liability. The new ownership would then be solely liable for any work and/or claims related to this Agreement.

29.2.2. The term “transfer” includes a sale, merger, or change in ownership by operation of law, the issuance of new shares, or conversion of shares without voting rights to voting shares. “Voting stock” means the shares entitled to vote for election of the directors of the corporation.

29.2.3. Notwithstanding the requirements above in this Section 29, the Company shall have the right to transfer interests in the beneficial ownership of the Company, and/or to assign this Agreement without City’s consent so long as the Company (and/or its transferee or assignee) remains controlled 51% or more, directly or indirectly, by Harold LeMay Enterprises, Incorporated.

29.2.4. For purposes of this subsection 29.2, control by Harold LeMay Enterprises, Incorporated, means control directly or indirectly by any or all of:

(a) Those natural persons who currently control Harold LeMay Enterprises, Incorporated as of December 31, 2025;

(b) Spouses or surviving spouses of those persons described in subsection 29.2.1;

(c) Lineal descendants of those persons described in subsection 29.2.1 (adopted children shall be deemed lineal descendants for purposes of this section); a trust, estate, corporation, limited partnership, limited liability company, voting trust or other entity controlled by, or the beneficiaries, shareholders or members of which are persons described in subsection 29.2.4(a)- (c), above; or

(d) A corporate trustee designated to act in a fiduciary capacity for the estate or trust of any of the persons described in subsection 29.2.4 (a)-(c), above.

29.3. Binding effect. This Agreement shall be binding on any and all successors or assignees of the Company or the City, in accordance with this Section 29.

Section 30. COMPLIANCE WITH LAWS. The Company shall conduct operations under this Agreement in compliance with all applicable legal requirements. The Company shall obtain and pay for any permits, taxes and/or licenses required by the City or any other governmental authority for the performance of this Agreement.

Section 31. EXCLUSIVE RIGHT.

31.1. The City grants the Company the exclusive right to collect, haul and transport all Solid Waste, Recyclable Materials, and Yard Waste generated within the area of the City described in Section 3.4 of this Agreement.

31.2. This Agreement does not apply to:

31.2.1. Solid Waste, Recyclable Materials or Yard Waste self-hauled by the generator;

31.2.2. Recyclable Materials hauled by owners of privately operated recycling centers;

31.2.3. Construction/demolition waste hauled by self-haulers or demolition contractors from a project on which they are providing demolition services in the normal course of their business; or

31.2.4. Yard waste generated and self-hauled by private landscaping services from a landscaping project on which they are working.

31.3. The parties agree to cooperate in the enforcement of the provisions of this Agreement and the City's authority to regulate a system of solid waste handling.

Section 32. FORCE MAJEURE. Neither the City nor the Company will be liable for failure to perform its obligations under this Agreement and such failure shall not be a default under this Agreement when the failure is due to fire, flood, storms, epidemics, earthquakes, volcanic eruptions, war, riot, insurrection, governmental restraint, labor disturbances against entities other than the Company, unavailability of a disposal site or any other causes of any nature that could not be controlled or prevented by the party failing to perform which make this Agreement impossible to perform. In any such case, the party claiming the benefit of this provision shall use due diligence to remove any such causes and to resume performance under the Agreement as soon as is feasible.

Section 33. DEFAULTS; FAILURE TO PERFORM CONTRACTUAL OBLIGATIONS.

33.1. Company defaults involving disposal. If the Company is notified that it has violated the provisions of this Agreement relating to the disposal of Solid Waste, the Company shall, to the extent it disposed of such Solid Waste, promptly upon receipt of notice from the City, take steps to remedy the violation and to prevent further violations. Such action may include removing such Solid Waste and disposing of it at an approved facility.

33.2. Other Company Defaults. The Company shall be in default of this Agreement if it violates any provision of this Agreement and fails to cure such violation. In addition to any rights set forth elsewhere in this Agreement, the City reserves the right to declare the Company to be in default of this Agreement if:

33.2.1. The Company fails to commence collection or fails to provide a substantial portion of service under this Agreement for more than five business days after performance is due;

33.2.2. The Company fails to obtain and maintain any permit required by the City or any federal, state or other regulatory body in order to perform the services required under this Agreement and as a result, the Company is prohibited from performing its obligations under this Agreement; or

33.2.3. The Company is in such noncompliance with this Agreement that it creates a serious hazard to public health or safety.

In the event of default, other than a default described in subsections 33.2.1, 33.2.2 or 33.2.3, the City shall give the Company forty-five (45) calendar days' written notice of its intent to exercise its rights under Section 33.3, stating the reasons for such action. If Company fails to cure the stated violation within the forty-five (45) day period, the City may terminate the Agreement.

With respect to a default described in subsections 33.2.1, 33.2.2 or 33.2.3, the City shall give the Company forty-eight (48) hours' written notice of its intent to exercise its rights under Section 33.3, stating the reasons for such action. If the Company cures the stated reason within the applicable cure period or if the Company initiates efforts satisfactory to the City to remedy the stated reason and the efforts continue in good faith, the City shall not exercise its rights under Section 33.3 for the particular incident. If the Company fails to cure the stated reason within the applicable cure period, or if the Company does not undertake efforts satisfactory to the City to remedy the stated reason, the City may, without impairing any of its rights hereunder, exercise its rights under Section 33.3.

33.3. City remedies. If the Company is in default under this Agreement, and after any cure period, the City may pursue any or all of the following:

- (i) Terminate this Agreement by written notice and order the Company to discontinue further service;
- (ii) Be released from its obligations under this Agreement and use any other method or person to perform those services;
- (iii) Seek the judicial remedy of specific performance; and
- (iv) Pursue any other remedy available at law or equity.

33.4. Company right to terminate. If the City fails to comply with this Agreement and fails to cure such breach within forty-five (45) days after written notice thereof from the Company (or if the default cannot reasonably be cured within forty-five(45) days, then if the City fails to commence to cure the default within such forty-five (45) days and fails to diligently and in good

faith continue to cure the default within a reasonable period thereafter), then the Company may, without impairing any other of its rights hereunder, terminate this Agreement by written notice at any time after such forty-five (45) day period (or extended period).

33.5. Right to require performance. The failure of either party at any time to require performance by the other of any provisions hereof shall in no way affect the right of that party thereafter to enforce the same. Waiver by a party of any breach of any provision hereof shall not be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

Section 34. NOTICES. All notices required under this Agreement shall be personally delivered, sent by confirmed facsimile transmission or mailed by certified or registered mail, postage prepaid, as follows:

If to the Company, address
to:

Pierce County Refuse
4111 192nd St E
Tacoma, WA 98466
Attn: District Manager

With a copy to:

Waste Connections
3 Waterway Square Place, Suite 110
The Woodlands, TX 77380
Attn: Legal Department

If to the City, address to:

City of University Place
3609 Market Place W. Suite 200
University Place, WA 98466
Attn: City Manager

Or to such other address as any party shall specify by written notice so given. Notices shall be deemed to have been given and received as of the date personally delivered or received by confirmed facsimile transmission or three business days after deposit in the U.S. Mail.

Section 35. RELATIONSHIP OF PARTIES. The City and the Company intend that an independent contractor/principal relationship be created by this Agreement. Responsibility for the implementation of services lies solely with the Company. No agent, employee, servant or representative of the Company shall be deemed to be an employee, agent, servant, or representative of the City.

Section 36. GOVERNING LAW; VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any action brought under this Agreement shall be in Pierce County, Washington

Section 37. SEVERABILITY. If any term or provision of this Agreement is, to any extent, held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each remaining term and provision shall be valid and enforced to the fullest extent permitted by law.

Section 38. NO THIRD-PARTY BENEFICIARIES. This Agreement is entered into by the City in its governmental capacity and is not intended nor does it create any third-party beneficiary or other rights in any private person.

Section 39. EXECUTION/AGREEMENT DATE. This Agreement is effective on the Agreement Date and is executed on the date(s) shown below.

CITY:

COMPANY:

CITY OF UNIVERSITY PLACE,
WASHINGTON

HAROLD LEMAY ENTERPRISES,
INCORPORATED

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**Business of the City Council
City of University Place, WA**

Proposed Council Action:

Pass an Ordinance granting a franchise to Harold Lemay Enterprises, Inc., DBA Pierce County Refuse.

Agenda No:

Dept. Origin: Administrative Services

For Agenda of: November 17, 2025

Exhibits: Ordinance
Franchise Agreement

Concurred by Mayor: _____

Approved by City Manager: _____

Approved as to Form by City Atty.: _____

Approved by Finance Director: _____

Approved by Dept. Head: _____

Expenditure
Required: \$0.00

Amount
Budgeted: \$0.00

Appropriation
Required: \$0.00

SUMMARY/POLICY ISSUES

The City currently holds two franchise agreements for refuse and recycling services within the City. Harold Lemay Enterprises, Inc., currently doing business as Pierce County Refuse, provides refuse and recycling services to the south-east quadrant of the City. The franchise provides services to 460 residential and commercial customers. The current franchise agreement that is in place through December 31, 2025, and is set to expire. The new franchise would begin on January 1, 2026, and is set to expire on December 31, 2035, or in 2040 if both the City and Harold Lemay Enterprises, Inc., mutually agree to extend the franchise via a one-time five-year extension.

RECOMMENDATION/MOTION

MOVE TO: Pass an Ordinance granting a franchise to Harold Lemay Enterprises, Inc., DBA Pierce County Refuse.

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, GRANTING A FRANCHISE TO HAROLD LEMAY ENTERPRISES, INC.,
DBA PIERCE COUNTY REFUSE TO PROVIDE SOLID WASTE AND RECYCLING
COLLECTIONS SERVICES**

WHEREAS, the City Council desires to provide University Place citizens with the solid waste and recycling collection services; and

WHEREAS Harold Lemay Enterprises, Inc. can provide such services to University Place; and

WHEREAS, Harold Lemay Enterprises, Inc., currently holds a franchise for solid waste services, and the City and Harold Lemay Enterprises, Inc., believe it to be mutually advantageous to execute a new franchise agreement;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, DO ORDAIN AS FOLLOWS:**

Section 1. Adopting a New Franchise Agreement With Harold Lemay Enterprises, Inc., DBA Pierce County Refuse. Harold Lemay Enterprises, Inc., is hereby granted a franchise agreement to provide for the collection and disposition of solid waste, recyclable materials, and yard waste as set forth in the Solid Waste Franchise Agreement Between the City of University Place and Harold Lemay Enterprises, Inc., in the form attached hereto and incorporated herein by reference.

Section 2. Execution of Documents. The proper officials are authorized to execute any and all appropriate documents to effectuate this Ordinance and accompanying franchise on behalf of the City of University Place.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances by a court of competent jurisdiction shall not be affected.

Section 4. Directions to City Clerk. The City Clerk is hereby authorized and directed to forward certified copies of this ordinance to the franchisee and permit holder.

Section 5. Publication and Effective Date. A summary of this Ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall be effective on five (5) days after such publication.

PASSED BY THE CITY COUNCIL ON _____, 2025.

Javier H. Figueroa, Mayor

ATTEST:

Emelita J. Genetia, City Clerk

APPROVED AS TO FORM:

Matthew S. Kaser, City Attorney

Publication Date: xx/xx/xx
Effective Date: xx/xx/xx

Memo

DATE: November 3, 2025

TO: City Council

FROM: Kenneth George, Planning Manager
Community and Economic Development

SUBJECT: Proposed 2026 Planning Commission Workplan

In accordance with Ordinance 692, the City Council establishes an annual workplan for the Planning Commission based on direction from the City Council, State mandates that require plan or regulatory amendments, and advice from staff. Following a staff presentation on October 15, 2025, the Planning Commission recommends the City Council direct the Commission to work on the following:

- At the start of the year, the Planning Commission will review several state bills adopted during the 2024 and 2025 legislative sessions. Following the City's 2024 Comprehensive Plan update and the 2025 amendments to development regulations, this review will help ensure continued consistency with state law. Key legislation includes (but is not limited to):
 - HB 1998 – Requires cities to allow dorm-style housing units (referred to as *co-living* in the bill) that would have a common kitchen.
 - HB 1096 – Authorizes *lot splitting*, a proposal that had failed in prior years but passed legislation in 2025.
 - SB 5184 – Enacts *parking reform* by capping local minimum parking requirements.
 - SB 5509 – Revises standards for the siting of *childcare centers* to increase accessibility.
 - SB 5559 – Updates the new *unit lot subdivision* provisions, superseding the 2023 laws and clarifying local processing requirements.
 - SB 5571 – Limits the City's authority to regulate *exterior building materials* that comply with building codes.
- Beginning in the latter part of the first quarter, the Planning Commission will explore options for improving the City's Small Lot Development regulations. This housing provision, adopted in 2009, has seen limited use since its inception. The Comprehensive Plan supports the Small Lot Development standards (Policy HS2B), and the City's Housing Action Toolkit (HAT) includes specific recommendations we can explore to enhance their usability. Improvements to the development provision are intended to make the standards more practical, flexible, and effectively support small-scale residential development. This serves to support the Council's *Affordable Housing* goal.

Memo

- Starting the second quarter, the Planning Commission will explore development of a Cottage Housing Ordinance. The City passed a cottage housing pilot program in 2009 to support up to three pilot projects (totaling no more than 24 units per project) for a limited period of time. Even after the program was extended, there were no projects that moved forward with this program. The Planning Commission reviewed options for incorporating cottage housing within the Middle Housing Ordinance, adopted in June of 2025, and recommended separating cottage housing to spend more time developing separate standards. The separate standards align with the States model standards, which also provide separate development regulations for middle housing and cottage housing. Cottage Housing is supported by the Comprehensive Plan, Policy LU7D, and the Council's *Affordable Housing* goal.
- By late in the second quarter, the Planning Commission will begin reviewing draft plans and designs concepts for inclusion in the City's pre-approved accessory dwelling unit (ADU) program. This initiative is intended to streamline permitting, lower design costs for homeowners, and encourage the construction of ADUs as a way to expand local housing choices. The Commission's review will focus on selecting designs that are consistent with City zoning and design standards. Establishing a pre-approved ADU program helps support the Council's *Affordable Housing* goal.
- Finally, work on the Residential 3 (R3) Zone and Overlay is anticipated to begin in the latter half of 2026. The City's Housing Action Toolkit (HAT), adopted in 2021, recommends exploring an (R3) zone or overlay zone to create additional opportunities for middle housing. Currently the City's two low-density residential zoning, Residential 1 (R1) and Residential 2 (R2), allows detached single-family units with accessory dwelling units. With the adoption of the Middle Housing Ordinance in June 2025 (HB 1110 Implementation), these zones now permit up to four units when an affordable housing option is included. The Planning Commission will evaluate how development of an R3 zone or overlay could further expand middle housing opportunities in appropriate areas of the City. Establishing this new zoning district would also advance the Council's *Affordable Housing* goal.

See the attached workplan matrix for schedule and workplan descriptions.

	January	February	March	April	May	June	July	August	September	October	November	December
	Legislative Update Amendments											
		Improve Small Lot Development Standards										
				Cottage Housing								
						Pre-Approved ADU Plans						
				R3 Zone/Overlay Development								
Legislative Update Amendments (Compliance with recently passed state law.)	The periodic Comprehensive Plan update brought the City into compliance with GMA and other state laws passed through the 2023 legislative session. The State Legislature passed a number of bills during the 2024 and 2025 session. The Planning Commission will review the City's requirements to update development regulations to ensure the City is in compliance with recent bills. These include, but are not limited to: HB 1998 (co-living housing), HB 1096 (lot splitting), SB 5184 (parking reform), SB 5509 (childcare facilities), SB 5559 (streamlining ULS), and SB 5571 (regulating exterior cladding materials).											
Improve Small Lot Development Standards (Council Goal 4, <i>Affordable Housing</i> & Comp Plan Goal Policy HS2B)	The City's Housing Action Toolkit (HAT), adopted in 2021, recommends the City explore ways to improve the Small Lot Development code, which is one of the City's housing provisions that have rarely been used since its adoption in 2009. The Small Lot Development provision is still supported by multiple comprehensive plan policies: HS2B, HS2C, HS3H, and HS2J. The HAT recommends a number of ways to improve the usability of the small lot standards with the goal of making the development provision more accessible.											
Cottage Housing (Council Goal 4, <i>Affordable Housing</i> & Comp Plan Goal Policy LU7D)	The Planning Commission will explore development of a Cottage Housing Ordinance. The Planning Commission previously reviewed options for incorporating cottage housing within the Middle Housing Ordinance adopted in June of 2025, and recommended separating cottage housing to spend more time developing separate standards. This aligns with the State's model standards, which also provide separate development regulations for middle housing and cottage housing.											
Pre-Approved ADU Plans (Council Goal 4, <i>Affordable Housing</i>)	The Planning Commission will study options for the development and the designs for a pre-approved accessory dwelling unit (ADU) program for the City. This program aims to streamline the permitting process, reduce design costs for homeowners, and encourage the construction of ADUs as a means to expand housing options. The Commission will evaluate design options and best practices from other jurisdictions to establish a set of pre-approved plans that align with the City's zoning and design standards.											
R3 Zone/Overlay Development (Council Goal 4, <i>Affordable Housing</i> & Comp Plan Goal LU7)	The City's Housing Action Toolkit (HAT), adopted in 2021, recommends the City explore development of a Residential 3 (R3) zone/overlay to provide additional middle housing opportunities in the City. The City currently has two low-density zoning districts, Residential 1 (R1) and Residential 2 (R2) that allow for detached single-family units and accessory dwelling units. With the adoption of Middle Housing in June of 2025 (HB 1110 Implementation), the R1 and R2 zones allow up to 4 units (with affordable housing option). The Planning Commission will explore development of an R3 zone/overlay to see how best to integrate additional middle housing regulations into appropriate areas of the City.											

Economic Development Advisory Commission Workplan 2026

Commission Scope and Intent:

“City Council commissions provide a community sounding board and focus group to originate ideas and assist the City Council in fashioning legislative policy. Commissions are exclusively advisory to the City Council. Commissions may not take independent action representing the City with other agencies or bodies, and do not direct or duplicate the work of the City’s administration. ...The Economic Development Advisory Commission advises the City Council on matters relating to economic development in the City.” (Exhibit A to City of University Place Ordinance No. 692)

Strategy	Timeframe Anticipated	Progress: June 2026	Progress: December 2026
<i>In support of City Council Goal #2 Economic Development</i>			
Commissioners will develop and retain familiarity with the UP business community by attending events facilitated by Economic Development staff. During interaction with UP businesses, Commissioners point businesses to resources available through the City.	Throughout 2026		
Work with a Liaison from the Planning Commission to facilitate communication between Commissions and to bring a business perspective to Planning Commission projects.	Throughout 2026		
Provide input and review update to Business webpages, to include a focus on the business districts and including information on restaurants located in University Place.	1 st Quarter 2026		
Review district plans to identify recommended actions to implement the plans and support business districts.	Throughout 2026		
Participate with the Planning Commission in its development of a Subarea District Plan for the Town Center Business District to further implement the Regional Growth Subarea Plan. Provide business perspective on potential impacts.	Completion 1 st Quarter 2026		

This draft approved to be forwarded to City Council by Economic Development Advisory Commission October 30, 2025.