

Town Hall Meeting Room  
3715 Bridgeport Way West

- 6:30 pm
1. CALL REGULAR MEETING TO ORDER
  2. ROLL CALL
  3. PLEDGE OF ALLEGIANCE – Councilmember McCluskey
  4. APPROVAL OF MINUTES – May 21, 2018
  5. APPROVAL OF AGENDA
- 6:35 pm
6. PRESENTATIONS
    - Representative Christine Kilduff – 28<sup>th</sup> Legislative District
    - 2018 First Quarter Financial Report – Leslie Blaisdell, Finance Director
- 7:00 pm
7. PUBLIC COMMENTS – (Citizens wishing to address the Council will be given three minutes to comment on matters not scheduled for Public Hearing or Council Consideration. Specific concerns raised at this time will be addressed by City staff after the meeting. State law prohibits the use of this forum to promote or oppose candidates for public office or ballot measure. Please provide your name and address for the record.)
- 7:05 pm
- 8A- CONSENT AGENDA
  - 8C. 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. Receive and File: 2018 First Quarter Financial Report.
  - B. Receive and File: Relay for Life Proclamation.
  - C. Adopt a resolution appointing voting delegates to the 2018 Association of Washington Cities' Annual Business Meeting.
  - D. Authorize the City Manager to execute an amendment to the Professional Services Agreement with Gray CPA Consulting PC to increase the contract amount not to exceed Forty Thousand Dollars (\$40,000.00).
- 7:10 pm
9. 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.)
- RECESS TO STUDY SESSION** – (At this time, 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.)
- 7:20 pm
10. LEGISLATIVE PROPOSAL: EMPLOYMENT INCENTIVE
- 8:30 pm
11. ADJOURNMENT

\*PRELIMINARY CITY COUNCIL AGENDA

June 11, 2018  
Special Council Meeting

June 18, 2018  
Regular Council Meeting

July 2, 2018  
Regular Council Meeting

July 16, 2018  
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](http://www.cityofup.com).

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

# APPROVAL OF MINUTES

**CITY OF UNIVERSITY PLACE  
DRAFT MINUTES  
Regular Meeting of the City Council  
Monday, May 21, 2018  
City Hall, Windmill Village**

**1. CALL REGULAR MEETING TO ORDER**

Mayor Keel called the Regular Meeting to order at 6:30 p.m.

**2. ROLL CALL**

Roll call was taken by the City Clerk as follows:

Councilmember Figueroa	Present
Councilmember Grassi	Present
Councilmember McCluskey	Present
Councilmember Nye	Present
Councilmember Worthington	Present
Mayor Pro Tem Belleci	Present
Mayor Keel	Present

Staff Present: City Manager Sugg, City Attorney Kaser, Executive Director/ACM Faison, Police Chief Blair, Public Works, Parks & Facilities Director Cooper, and City Clerk Genetia.

**3. PLEDGE OF ALLEGIANCE**

Councilmember Grassi led Council in the Pledge of Allegiance.

**4. APPROVAL OF MINUTES**

**MOTION:** By Mayor Pro Tem Belleci, seconded by Councilmember McCluskey, to approve the minutes of the May 7, 2018 meeting as submitted.

**The motion carried.**

**5. APPROVAL OF AGENDA**

**MOTION:** By Mayor Pro Tem Belleci, seconded by Councilmember Grassi, to approve the agenda.

**The motion carried.**

**6. PRESENTATION**

28<sup>th</sup> Legislative District Update – Senator O’Ban and Representative Muri of the 28<sup>th</sup> Legislative District updated Council on various legislative actions and initiatives that passed/failed during the last legislative session.

National Poppy Day Proclamation – Councilmember Grassi presented a proclamation to Karen Schwartz of the American Legion Auxiliary in recognition of National Poppy Day in tribute to those who have made the ultimate sacrifice in the name of freedom.

**7. PUBLIC COMMENTS** – The following individuals provided comment: *James Wingard, 2706 Crystal Springs Road West; and Howard Lee, 8302 41st Street West.*

## 8. CONSENT AGENDA

**MOTION:** By Mayor Pro Tem Belleci, seconded by Councilmember Grassi, to approve the amended Consent Agenda as follows:

- A. Receive and File: Payroll for the period ending 05/15/18, dated 05/18/18, in the total amount of Two Hundred Twenty-Four Thousand Four Hundred Thirty-Six and 90/100 Dollars (\$224,436.90); and Claims dated 05/15/18, check nos. 51981353 through 51981416, wire transfers 5663425, 30870001, 303586, and 2814881, in the total amount of One Million, Six Hundred Fifty-Four Thousand Five Hundred Twenty-Five and 54/100 Dollars (\$1,654,525.54).

**The motion carried.**

## COUNCIL CONSIDERATION

### 9. FIREWORKS ORDINANCE

Staff Report – City Attorney Kaser presented a proposed ordinance relating to fireworks. Last November, Council submitted to its electorate an advisory ballot measure asking whether the sale, possession and discharge of consumer fireworks should be prohibited within the City of University Place. Over 60% of the electorate voted in the affirmative. The proposed ordinance is consistent with the advisory ballot language and implements the prohibition of fireworks with some modifications: (1) the possession prohibitions from possession of any kind to possession with the intent to sell or discharge; (2) the alteration of penalty structure - most fireworks-related violations are decriminalized and constitute a class 1 civil infraction (Attorney Kaser noted, however, that some offenses remain criminal in nature as categorized under state law, such as reckless discharge of fireworks, certain other misrepresentations on permit applications, etc.); and (3) a built-in permitting system for activities that would otherwise be prohibited under the City's current ordinance. In addition, a draft floor amendment was included in response to an interest in allowing flexibility for the use of sparklers should Council decide to pursue it.

Public Comment – The following individuals provided comments on the matter: *Dave Swisher, 8006 47<sup>th</sup> Street West; David Harrowe, 4616 79th Avenue Court West; James Wingard, 2706 Crystal Springs Road West; Curt Carroll, 2711 22<sup>nd</sup> Avenue Court NW, Gig Harbor; Karen Gower, 910 North G Street, Tacoma; Howard Lee, 8302 41st Street West; Dennis Flann, 2623 Lemons Beach Road; and Doug, 7020 35<sup>th</sup> Street West.*

Council Consideration – **MOTION:** By Councilmember Worthington, seconded by Councilmember McCluskey, to pass an ordinance repealing Chapter 9.20 UPMC, creating Chapter 920A UPMC and amending the parks code relative to the sale, possession and discharge of fireworks, as amended.

**The motion passed 4 to 3. Mayor Keel, Mayor Pro Tem Belleci and Councilmember Worthington voted no. (ORDINANCE NO. 702)**

First Amendment: By Councilmember McCluskey, seconded by Councilmember Grassi to allow the use, possession and display of the following consumer fireworks as outlined in WAC 212.17.025 to include wire sparklers/dipped sticks.

**The motion passed 4 to 3. Mayor Pro Tem Belleci, Councilmember Worthington, and Mayor Keel voted no.**

Second Amendment: By Councilmember Nye, seconded by Councilmember Figueroa, to add cylindrical fountains and cone fountains to the list of allowed fireworks.

**The motion passed 4 to 3. Mayor Keel, Mayor Pro Tem Belleci and Councilmember Worthington voted no.**

Third Amendment: By Councilmember Figueroa, seconded by Councilmember Grassi, to have a review by Council of the impact/outcome of the fireworks ordinance twelve months after its effective date.

**The motion passed 5 to 2. Mayor Keel and Mayor Pro Tem Belleci voted no.**

Fourth Amendment: By Councilmember McCluskey, seconded by Councilmember Figueroa, to add an additional thirty-six months of annual review thereafter.

**The motion passed 6 to 1. Mayor Keel voted no.**

Fifth Amendment: By Councilmember Grassi, seconded by Councilmember Figueroa, to allow the sale of limited fireworks permitted by non-profit organizations.

**The motion passed 4 to 3. Councilmember Worthington, Mayor Pro Tem Belleci and Mayor Keel voted no.**

At 8:55 p.m., a motion was made and was carried to extend the meeting for forty minutes.

**10. CITY MANAGER & COUNCIL COMMENTS/REPORTS – No report.**

#### **STUDY SESSION**

#### **11. AUSTINCINA CONTRACT AMENDMENT**

Executive Director/ACM Faison updated Council on the University Place City Hall TI project. Staff is requesting approval of a contract amendment to move to the next phase of the project and to give AustinCina direction to produce the documents necessary for this project to go out for bid, including an alternate bid item for the Drexler mezzanine.

**MOTION:** By Mayor Pro Tem Belleci, seconded by Councilmember Grassi, to suspend Council Rules to allow consideration of AustinCina contract amendment.

**The motion passed 5 to 2. Councilmembers Figueroa and Worthington voted no.**

Public Comment: None.

Council Consideration - **MOTION:** By Councilmember Belleci, seconded by Councilmember Grassi, to authorize amendment #1 to increase the AustinCina contract for added A&E through construction documents for the University Place City Hall TI project, including the Drexler Mezzanine portion, in the amount of \$446,004.00 and authorize the City Manager to execute all necessary documents.

**The motion passed 6 to 1. Councilmember Worthington voted no.**

#### **12. TRANSPORTATION BENEFIT DISTRICT (TBD) – TABLED FOR THE 06/04/18 MEETING**

#### **13. ADJOURNMENT**

The meeting adjourned at 9:12 p.m. No other action was taken.

Submitted by,

Emy Genetia  
City Clerk

# APPROVAL OF CONSENT AGENDA

## FIRST QUARTER FINANCIAL REPORT March 31, 2018



### **Introduction**

The first quarter 2018 financial report is presented here. As has been the custom in the past, the report has been prepared on an accrual basis. There is a one-month lag between when monies are collected by other entities (State of Washington and Pierce County) and when they are received by the City. As a result, the City must accrue those revenues back to the period they were deemed receivable. These accruals include taxes and other state shared revenues.

Overall, first quarter general government revenues are below budget estimates by 2.12%. First quarter expenditures (excluding reserves and transfers) are below budget estimates by 9.00%.



## ON-GOING OPERATING REVENUES

Overall the City's on-going operating revenues are 2.12% below 2018 budget estimates. The table bellows lists all on-going revenues with a 2018 Budget to Actual Variance. Details of major variances are discussed following the table.

	2015 Actual	2016 Actual	2017 Actual	2018			Budget to Actual	
				Budget	1st Qtr Budget	Actual	\$ Variance	% Variance
Property Tax	202,129	220,579	211,136	4,227,582	211,281	220,961	9,680	4.58%
Sales Tax	802,384	720,774	639,151	2,565,000	641,250	701,902	60,652	9.46%
Sales Tax - 1% for Parks	65,958	71,223	77,144	275,000	68,750	57,833	(10,917)	-15.88%
Criminal Justice Sales Tax - State Shared	117,533	126,881	137,457	382,942	95,736	146,781	51,045	53.32%
Criminal Justice Funding - State Shared	24,000	24,294	25,356	96,970	24,243	26,175	1,932	7.97%
Leasehold Excise Tax - State Shared	271	199	245	600	150	119	(31)	-20.83%
Liquor Profits - State Shared	68,847	68,476	68,051	271,295	67,824	67,559	(264)	-0.39%
Liquor Excise Tax - State Shared	19,552	42,086	42,646	160,441	40,110	44,576	4,466	11.13%
Fuel Taxes - State Shared	149,864	176,825	160,678	754,269	188,567	175,779	(12,788)	-6.78%
City Assistance - State Shared	23,234	24,294	24,188	100,500	25,125	25,449	324	1.29%
Utility Tax	592,671	584,216	610,263	2,260,000	565,000	563,851	(1,149)	-0.20%
Gambling Tax	6,200	12,965	8,807	40,500	10,125	15,553	5,428	53.61%
Franchise Fees	620,529	636,726	702,807	3,043,458	760,865	774,517	13,653	1.79%
Real Estate Excise Tax	156,285	213,333	234,111	1,109,436	277,359	257,035	(20,324)	-7.33%
Admission Tax (2015 excludes US Open)	18,316	17,458	14,714	178,518	44,630	16,586	(28,044)	-62.84%
Business License Fees	26,092	29,839	28,934	86,709	21,677	24,193	2,516	11.61%
Solicitor Permit Fees	100	175	50	400	100	150	50	50.00%
Law Enforcement/DUI Restitution	3,090	872	-	Remitted with Court fees			-	n/a
SRO/UPSD Reimbursement	14,328	14,757	20,268	60,799	15,200	20,876	5,676	37.34%
Alarm Permit Fees	1,058	1,702	2,047	6,500	1,625	2,185	560	34.46%
False Alarm Fees	288	218	1,380	1,000	250	259	9	3.60%
Development Services	110,871	94,596	241,192	852,106	213,027	112,292	(100,735)	-47.29%
Impact Fees - Parks	23,401	9,948	91,100	262,266	65,567	25,508	(40,059)	-61.10%
Impact Fees - Traffic	15,707	2,573	92,771	500,000	125,000	26,558	(98,442)	-78.75%
SWM Fees	276,797	166,173	154,770	2,851,578	142,579	162,817	20,238	14.19%
SWM - Drainage Inventory Fees	-	150	-	3,000	750	200	(550)	-73.33%
Court Fees	1,970	12,560	18,597	70,555	17,639	24,201	6,562	37.20%
Sale of Maps/Publications	-	38	-	-	-	-	-	n/a
Public Record/Tapes/Transcripts	22	131	34	-	-	8	8	n/a
Fines/Forfeitures	-	-	40	-	-	40	40	n/a
Investment Interest	4,008	15,868	22,651	160,000	40,000	61,944	21,944	54.86%
Tax Interest	1,160	424	643	2,700	675	1,160	485	71.85%
Judgements & Settlements	83	50	345	349	87	1,710	1,623	1859.89%
Recreation Fees	130,207	122,008	-	-	-	-	-	n/a
Parks Fees	4,043	1,460	5,184	-	-	4,430	4,430	n/a
Animal Control	15,186	14,433	13,863	52,722	13,181	13,402	221	1.68%
Transportation Benefit District Fees	97,178	102,307	118,245	404,000	101,000	122,385	21,385	21.17%
Miscellaneous	9,625	6,430	20,383	2,000	500	639	139	27.80%
<b>Total</b>	<b>3,602,989</b>	<b>3,537,042</b>	<b>3,789,251</b>	<b>20,783,195</b>	<b>3,779,869</b>	<b>3,699,633</b>	<b>(80,236)</b>	<b>-2.12%</b>

General sales tax is up 9.46% when comparing budget to actual for 2018. Sales tax is budgeted conservatively as it is a volatile revenue source. Because sales tax revenues fluctuate from month to month we have provided more detailed information on page 7 to give you a better picture of how the 2018 revenues compare to typical revenue receipts by month.

The 1% Sales Tax for Parks is below budget estimates by 15.88%, however we have only received revenues for January and February. This tax is on a 2-month lag, so March revenues are not received until May. These funds are dedicated to Parks and are used to pay debt service on the Cirque Park bonds and fund Parks Maintenance services.

Criminal Justice Sales Taxes are up 53.32% over our budget projects. These revenues are restricted for Police/Public Safety. These revenues are being review and increased as part of the upcoming budget adjustment.

Gambling tax is up 53.61% due to a significant increase in pull-tab receipts from one taxpayer.

Real Estate Excise tax is 7.33% below our budget estimates. This should increase in coming months with spring/summer home sales. 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.

Admission Tax is down 65.20% due to timing. Much of our Admission tax is generated from the Golf Course. Golf rounds are typically low in the first quarter. This should even out during the year as the weather improves. Collections are up when compared to 1<sup>st</sup> Quarter of 2017.

Development Services fee revenue for the 1<sup>st</sup> quarter, 2018 are below budget estimates by 47.29%. The wet spring has slowed some construction projects. We expect this to increase as the weather improves. This also impacts both Parks Impact Fees and Traffic Impact Fees.

Transportation Benefit District fees are up 21.17% over revenue projections continuing the trend from 2017. All TBD fees are transferred to the Street Fund for street maintenance costs.

## GENERAL FUND OPERATING EXPENDITURES

General Fund operating expenditures are presented by Department.

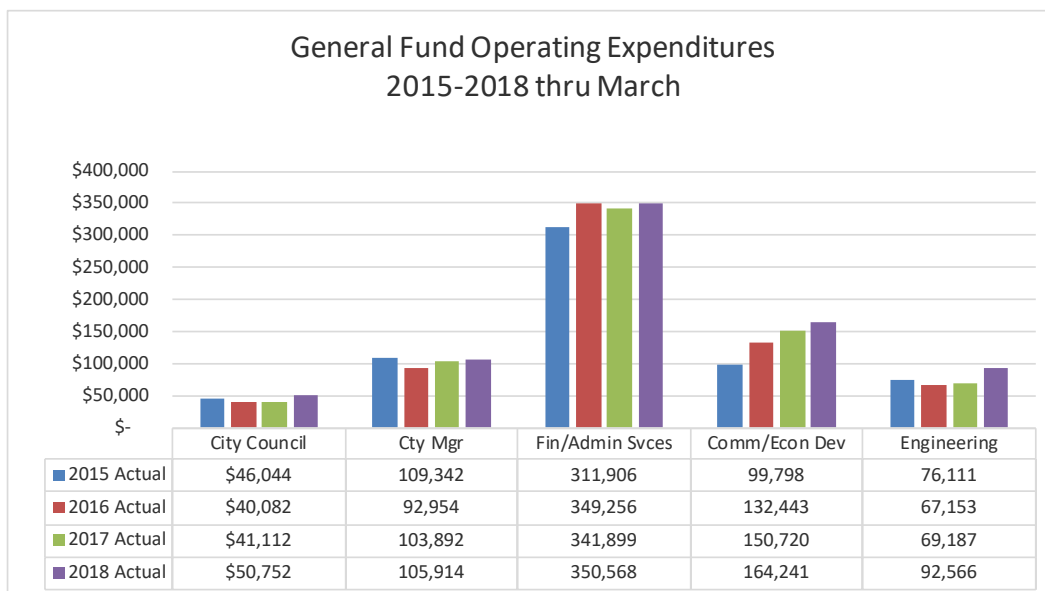
- City Manager’s Office includes the budgets for City Manager, Community Events and Beautification
- Finance and Administrative Services includes the budgets for Finance, Reception, City Clerk and Communications
- Community and Economic Development includes the budgets for Economic Development and Human Resources

Overall, 2018 First Quarter operating expenditures were 9.0% below budget (excluding Reserves and Contingency).

The City Council budget is over by 16.5%, but this is due to one large cost paid early in the year. Overage in Community and Economic Development is also due to timing of payments. Both are expected to remain within budget for 2018.

### GENERAL FUND OPERATING EXPENDITURES 1st Quarter Comparison 2015 to 2018

	2015	2016	2017	2017			Budget to Actual Variance	
	Actual	Actual	Actual	Total Budget	1st Qtr Budget	Actual	\$ Variance	% Variance
<i>City Council</i>	\$ 46,044	\$ 40,082	\$ 41,112	\$ 174,321	\$ 43,580	\$ 50,752	\$ 7,171	16.5%
<i>City Manager's Office</i>	109,342	92,954	103,892	494,232	\$ 123,558	105,914	(17,644)	-14.3%
<i>Finance and Administrative Services</i>	311,906	349,256	341,899	1,662,514	\$ 415,629	350,568	(65,060)	-15.7%
<i>Community &amp; Economic Development</i>	99,798	132,443	150,720	627,841	\$ 156,960	164,241	7,281	4.6%
<i>Engineering</i>	76,111	67,153	69,187	400,609	\$ 100,152	92,566	(7,586)	-7.6%
	<b>643,201</b>	<b>681,888</b>	<b>706,810</b>	<b>3,359,517</b>	<b>839,879</b>	<b>764,042</b>	<b>\$ (75,838)</b>	<b>-9.0%</b>
<i>Reserves/Transfer-Other</i>	339,972	424,623	508,286	7,853,713	\$ 1,963,428	489,547		
<b>Total</b>	<b>\$ 983,173</b>	<b>\$ 1,106,511</b>	<b>\$ 1,215,097</b>	<b>\$ 11,213,230</b>	<b>\$ 2,803,308</b>	<b>\$ 1,253,589</b>		



**POLICE/PUBLIC SAFETY FUND REVENUES AND EXPENSES**

1st QTR  
POLICE AND PUBLIC SAFETY

	2015	2016	2017	2018			Budget to Actual	
	Actual	Actual	Actual	Budget	1st Qtr Budget	Actual	\$ Variance	% Variance
<b>REVENUES</b>								
Property Tax	202,129	220,579	211,136	4,227,582	211,281	220,961	9,680	4.58%
Local Crim Justice Sales Tax	117,533	126,881	137,457	382,942	95,736	146,781	51,045	53.32%
Gambling Tax	-	12,965	8,807	40,500	10,125	15,553	5,428	53.61%
Alarm Permit Fees	1,058	1,702	2,047	4,000	1,000	2,185	1,185	118.50%
Criminal Justice Funding	24,000	24,294	25,356	96,970	24,243	26,175	1,932	7.97%
Liquor Profits Tax - Public Safety	13,928	13,853	13,767	55,647	13,912	13,667	(244)	-1.76%
Law Enforcement Svces/DUI Response	3,090	872	-	Remitted with Court Fees			-	n/a
UPSD/SRO Reimbursement	14,328	14,757	20,268	62,623	15,656	20,876	5,220	33.34%
SWM Administrative Fee - City Attorney	12,439	12,582	14,225	67,788	16,947	13,821	(3,126)	-18.45%
False Alarms	288	218	1,380	1,000	250	259	9	3.60%
Court Fees	1,970	12,560	18,597	70,555	17,639	24,201	6,562	37.20%
Animal Control	15,186	14,433	13,863	52,722	13,181	13,402	221	1.68%
Grants/Contributions	1,285	-	-	-	-	-	-	n/a
Judgements/Settlements - Code Enf	-	-	-	-	-	1,500	1,500	n/a
Miscellaneous	-	-	-	-	-	275	275	n/a
<b>Total Revenues</b>	<b>407,234</b>	<b>455,696</b>	<b>466,902</b>	<b>7,544,334</b>	<b>2,901,973</b>	<b>2,981,660</b>	<b>79,687</b>	<b>2.75%</b>
<b>Expenditures</b>								
Municipal Court	28,431	25,347	48,660	285,000	71,250	68,852	(2,398)	-3.37%
Emergency Preparedness	6,913	13,647	15,390	54,533	13,633	14,391	758	5.56%
Legal Services	75,390	85,279	86,215	410,835	102,709	73,766	(28,943)	-28.18%
Police	609,212	555,324	590,645	3,860,031	965,008	920,366	(44,641)	-4.63%
Public Safety	22,072	20,675	25,304	122,284	30,571	25,061	(5,510)	-18.02%
Animal Control	8,999	9,451	18,407	123,354	30,839	18,800	(12,038)	-39.04%
Code Enforcement	19,566	17,408	33,068	146,795	36,699	36,502	(197)	-0.54%
Jail	14,485	17,750	10,857	116,699	29,175	14,718	(14,457)	-49.55%
<b>Total Expenditures</b>	<b>785,066</b>	<b>744,878</b>	<b>828,545</b>	<b>5,119,531</b>	<b>1,279,883</b>	<b>1,172,456</b>	<b>(107,427)</b>	<b>-8.39%</b>

**Revenues:**

Public Safety revenues are up 2.75% compared to 2018 budget estimates. Local Criminal Justice Sales tax which is up 53.32% over budget estimates. As discussed on page 2 this is an area that is being reviewed for an adjustment with the carryforward budget in June.

Revenues for Court Fees are up 37.20%. A large part of the increase is from Traffic Infraction Fees. In 2017 Council appropriated an additional \$40,000 for Traffic Overtime, which has resulted in an increase in traffic infraction revenues.

Animal Control revenue are below budget estimates by 1.68% and are also down when compared to the 1<sup>st</sup> Quarter of 2017.

**Expenditures:**

Total expenditures are down 8.39% when compared to 2018 budget estimates. Animal control is down 39.04%, but the March bill has not been received yet, so we have only paid January and February.

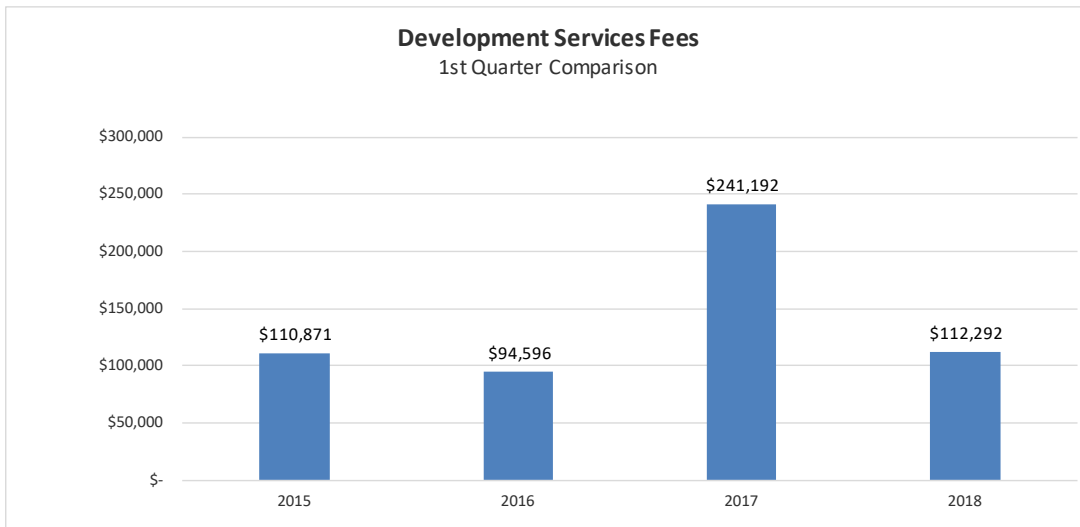
**DEVELOPMENT SERVICES FUND REVENUES AND EXPENSES**

Development Services fee revenue for the 1<sup>st</sup> quarter, 2018 are below budget estimates by 47.29%. The wet spring has slowed some construction projects. We expect this to increase as the weather improves. Other revenue sources include the General Fund transfers for non-fee supported services which, through the first quarter 2018 was \$143,000.

Expenditures through are down 2.98% compared to the first quarter budget estimates.

**Development Services Fees**

	2015	2016	2017	2018			Budget to Actual	
	Actual	Actual	Actual	Budget	1st Qtr Budget	Actual	\$ Variance	% Variance
<b>REVENUES</b>								
Building Fees	\$ 46,593	\$ 46,779	\$ 198,525	\$ 604,076	\$ 151,019	\$ 76,365	\$ (74,654)	-49.43%
Planning Fees	8,435	35,398	13,788	63,708	15,927	8,781	(7,147)	-44.87%
Fire Fees	20,394	6,055	26,730	67,247	16,812	17,446	634	3.77%
Engineering	35,449	6,364	2,150	117,075	29,269	9,700	(19,569)	-66.86%
	<b>\$ 110,871</b>	<b>\$ 94,596</b>	<b>\$ 241,192</b>	<b>\$ 852,106</b>	<b>\$ 213,027</b>	<b>\$ 112,292</b>	<b>\$ (100,735)</b>	<b>-47.29%</b>
<b>Other Sources</b>								
Transfer in: General Fund	110,285	100,000	95,283	571,899	142,975	143,000		
Transfer In: SWM Fund	3,750	-	1,189	12,000	3,000	-		
Fines & Forfeitures	252	84	-	-	-	-		
Miscellaneous Revenue	2,844	2,025	182	-	-	-		
<b>Total Revenues</b>	<b>228,002</b>	<b>196,705</b>	<b>337,846</b>	<b>1,436,005</b>	<b>359,001</b>	<b>255,292</b>		
<b>EXPENDITURES</b>								
Development Services	\$ 279,836	\$ 277,597	\$ 323,372	\$ 1,483,829	\$ 370,957	\$ 357,605	\$ (13,352)	-3.60%
Fire Control	2,726	13,955	19,065	81,112	20,278	21,975	1,697	8.37%
<b>Total Expenditures</b>	<b>\$ 282,562</b>	<b>\$ 291,552</b>	<b>\$ 342,436</b>	<b>\$ 1,564,941</b>	<b>\$ 391,235</b>	<b>\$ 379,581</b>	<b>\$ (11,654)</b>	<b>-2.98%</b>



## 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 is an area that we budget very conservatively. Revenues are higher in some months, so simply doing a budget to actual comparison does not give us a clear view of how the revenues are tracking. The chart on page 2 shows that Sales tax is up 9.61% when comparing budget to actual for 2018. Below are more detailed breakdowns by month of the figures shown on page 2.

### **Local Sales Tax Revenue Monthly Comparison**

<b>MONTH</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>
January	\$ 320,380	\$ 331,629	\$ 273,552	\$ 300,144
February	234,718	187,548	180,591	211,717
March	247,286	201,597	185,008	191,041
<b>Total</b>	<b>\$ 802,384</b>	<b>\$ 720,774</b>	<b>\$ 639,151</b>	<b>\$ 702,902</b>
<b>Taxable Sales</b>	<b>\$ 95,521,905</b>	<b>\$ 85,806,429</b>	<b>\$ 76,089,405</b>	<b>\$ 83,678,810</b>

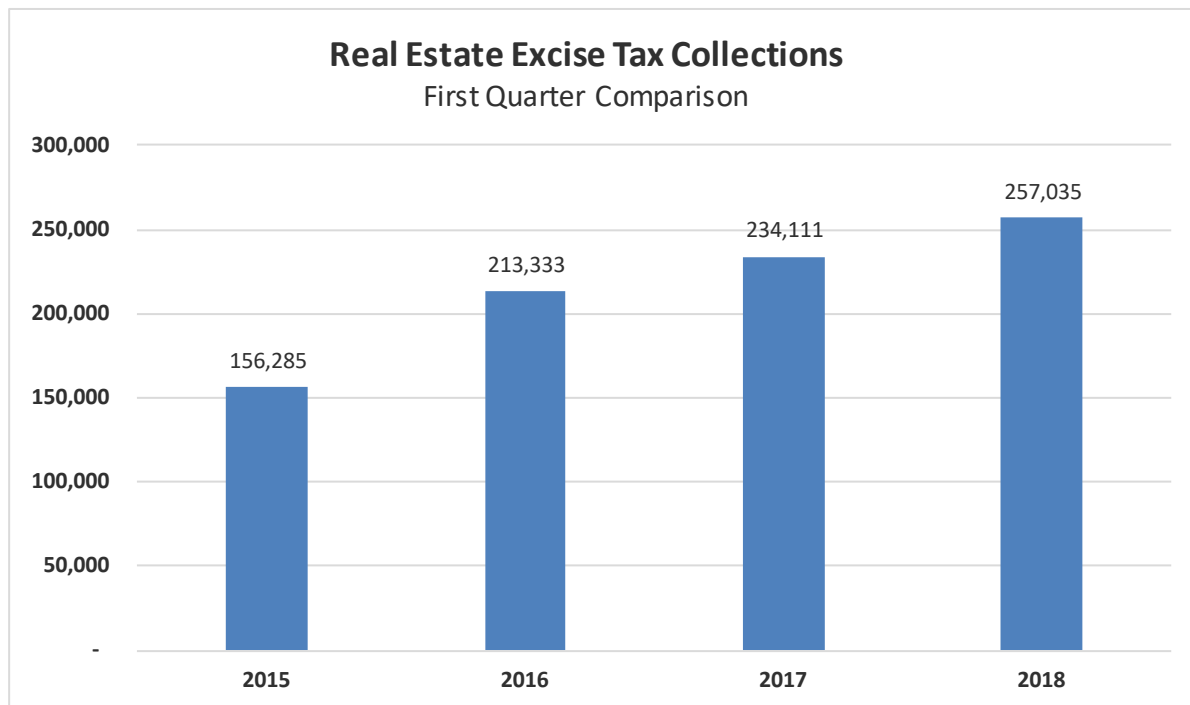
Sales tax breakdowns by category are normally presented here but the information is not available at this time. The Department of Revenue switched to a new system with new tax file structures. Our software company, Microflex, is working to reprogram the upload process to accommodate the new file structure and data. They hope to have the system accepting the new file structure soon.

## Real Estate Excise Tax

Real Estate Excise Tax, at \$257,035 is 7.33% over our 2018 budget estimate of \$1,109,436. Real estate sales continue to improve due to the improved economy.

### REET First Quarter Monthly Comparison

MONTH	2015 <i>Actual</i>	2016 <i>Actual</i>	2017 <i>Actual</i>	2018 <i>Actual</i>
January	\$ 85,619	\$ 102,530	\$ 77,733	\$ 106,750
February	41,421	63,237	108,418	86,037
March	29,244	47,566	47,960	64,248
<b>Total</b>	<b>\$ 156,285</b>	<b>\$ 213,333</b>	<b>\$ 234,111</b>	<b>\$ 257,035</b>
<b>Taxable Sales</b>	<b>\$ 18,605,336</b>	<b>\$ 25,396,830</b>	<b>\$ 27,870,382</b>	<b>\$ 30,599,362</b>



## State-Shared Revenues

Total state-shared revenues are up 10.11% over 2018 budget estimates.

Fuel Tax is the largest revenue source of our State-Shared Revenues and is down 6.78% when compared to our budget estimates. This tax is tied to the number of gallons sold, not the price per gallon. As a result, gas price increases or decreases have no effect on revenue. The Fuel Tax is collected at the state level and is distributed to cities based on percent of population as compared with the State.

State of Washington City Assistance is up 1.29% from budget estimates. Each year the state gives us an estimate of the amount that we should expect to receive, but there is no guarantee that we will receive it. Therefore, we include a reduced amount in our budget estimates.

Leasehold Excise taxes are on property owned by state of local governments and leased to private parties. Currently the City only has two tenants that are required to pay leasehold excise tax, so our tax revenues are very minimal. A third tenant has received a non-profit exemption.

Criminal Justice Sale Tax is above estimates at 53.32% and other Criminal Justice Funding is up 7.97% when compared to first quarter budget estimates.

### STATE SHARED REVENUES

CATEGORY	2015	2016	2017	2018			Budget to Actual	
	Actual	Actual	Actual	Total Budget	1st Qtr Budget	Actual	\$ Variance	% Variance
Liquor Profits Tax	\$ 68,847	\$ 68,476	\$ 68,051	\$ 271,295	\$ 67,824	\$ 67,559	\$ (264)	-0.39%
Liquor Excise Tax	19,552	42,086	42,646	160,441	40,110	44,576	4,466	11.13%
Leashold Excise Tax	271	199	245	600	150	119	(31)	-20.83%
Fuel Tax	149,864	176,825	160,678	754,269	188,567	175,779	(12,788)	-6.78%
City Assistance	23,234	24,733	24,188	100,500	25,125	25,449	324	1.29%
Local Crim Justice Sales Tax	117,533	126,881	137,457	382,942	95,736	146,781	51,045	53.32%
Criminal Justice Fundng	24,000	24,294	25,356	96,970	24,243	26,175	1,932	7.97%
Total	\$ 403,302	\$ 463,495	\$ 458,621	\$ 1,767,017	\$ 441,754	\$ 486,437	\$ 44,683	10.11%
% Change from prior year	5.3%	14.9%	-1.1%			4.9%		



## Utility Tax

Overall, utility tax revenue is 0.20% below 2018 budget estimates. Natural gas taxes, at \$147,164, are up 17.91% over first quarter budget estimates due largely to the colder weather in the first quarter of 2018. Garbage is up 8.04%. Cable television taxes at \$170,694 are up 0.41%.

Cell phone tax revenues of \$990019 are down 19.98% compared to budget estimates. Telephone tax, at \$38,621 is down 14.18% from 2018 budget estimates. Budget estimates for both Cellular and Telephone continue to be an area that we monitor closely. Both of these budgets estimates are being reduced in the upcoming budget adjustment.

### Utility Tax Revenues 1st Quarter Collections

	2015	2016	2017	2018			Budget to Actual	
	Actual	Actual	Actual	Budget	1st Qtr Budget	Actual	\$ Variance	% Variance
Gas	135,298	136,523	173,286	360,000	90,000	147,164	57,164	63.52%
Garbage	79,195	93,713	93,410	365,000	91,250	98,584	7,334	8.04%
Cable	166,172	172,656	176,238	680,000	170,000	170,694	694	0.41%
Phone	47,560	44,961	41,367	180,000	45,000	38,621	(6,379)	-14.18%
Cellular	147,838	126,393	116,676	495,000	123,750	99,019	(24,731)	-19.98%
SWM	16,608	9,970	9,286	180,000	45,000	9,769	(35,231)	-78.29%
<b>Total Revenue</b>	<b>592,671</b>	<b>584,216</b>	<b>610,263</b>	<b>2,260,000</b>	<b>565,000</b>	<b>563,851</b>	<b>(1,149)</b>	<b>-0.20%</b>

## Franchise Fees

Overall, Franchise Fee revenue is up 1.79% over budget estimates. Cable is below budget by 1.83%, Refuse is up by 6.30% and Sewer is up by 11.50%.

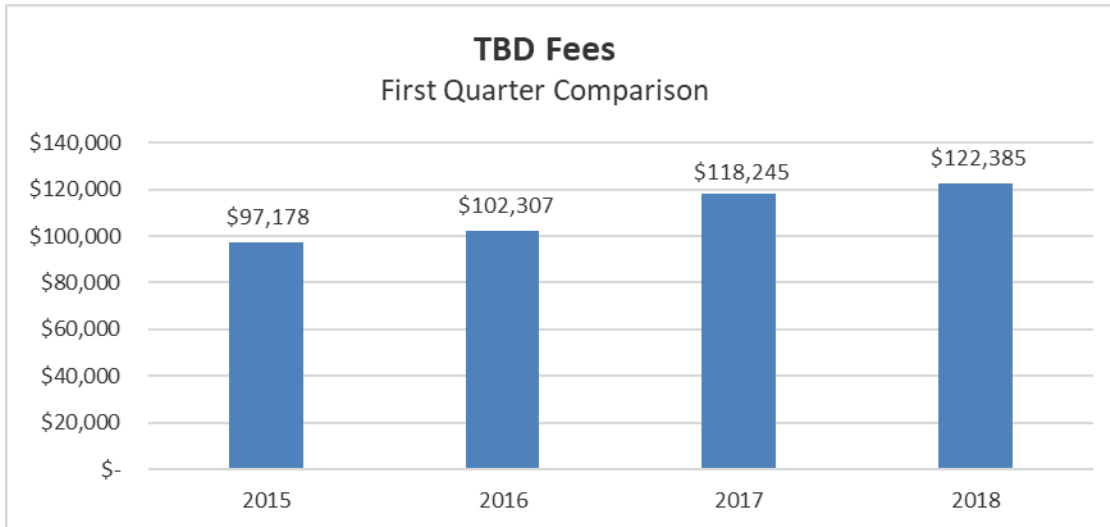
### Franchise Fees 1st Quarter Collections

	2015	2016	2017	2018			Budget to Actual	
	Actual	Actual	Actual	Budget	1st Qtr Budget	Actual	\$ Variance	% Variance
Cable	128,372	134,368	137,546	535,000	133,750	131,296	(2,454)	-1.83%
Refuse	65,933	77,085	77,183	309,000	77,250	82,120	4,870	6.30%
Water	146,554	155,180	153,885	626,554	156,639	156,639	0	0.00%
Electric	279,670	270,092	272,510	1,182,129	295,532	295,532	0	0.00%
Sewer	-	-	61,683	390,775	97,694	108,930	11,237	11.50%
<b>Total Revenue</b>	<b>620,529</b>	<b>636,726</b>	<b>702,807</b>	<b>3,043,458</b>	<b>760,865</b>	<b>774,517</b>	<b>13,653</b>	<b>1.79%</b>

**Transportation Benefit District (TBD) Fees**

First Quarter 2018 revenues of \$122,385 are 21.17% over our budget estimates and 3.50% higher than the same period in 2017.

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



<b>MONTH</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>
January	\$ 31,304	\$ 31,066	\$ 38,432	\$ 40,592
February	30,433	32,848	32,432	36,264
March	35,442	38,392	47,381	45,530
April	36,828	35,583	40,016	-
May	34,551	34,333	45,302	-
June	42,116	39,521	48,609	-
July	33,738	29,502	33,482	-
August	34,056	40,432	49,282	-
September	31,145	33,058	36,412	-
October	31,423	28,215	38,339	-
November	23,443	27,661	34,155	-
December	30,235	31,720	37,066	-
<b>Total</b>	<b>\$ 394,713</b>	<b>\$ 402,330</b>	<b>\$ 480,909</b>	<b>\$ 122,385</b>

## CAPITAL IMPROVEMENT FUNDS - YTD EXPENSES AND STATUS

The table below reflects the active projects for 2018. 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.

<b>PROJECT</b>	<b>1st Quarter Status</b>	<b>2018 Budget</b>	<b>2018 YTD</b>
<b>Parks Capital Improvement</b>			
Sunset Terrace Park	Not Started	\$ 110,000	\$ -
Colgate Park Improvements	Not Started	45,000	-
Paradise Pond Park	In Progress	-	4,555
Riconizuto Park	In Progress	-	2,346
Chambers/Leach Creek Trail (Trail Const. and Easement purchases)	In Progress	-	2,071
		<u>\$ 155,000</u>	<u>\$ 8,972</u>
<b>Public Works Capital Improvement</b>			
CIP Personnel	On-going	\$ 332,621	39,191
Street Overlay	Not started	300,000	-
Bridgeport Way - Phase 4A*	Construction	-	191,419
Bridgeport Way - Phase 5*	In Progress	-	1,518
Bridgeport Overlay	Not Started	1,178,525	-
Mildred Street*	Construction	-	614
19th St Pond Retrofit	Not started, may be pushed	456,333	-
27th St W/Regents TIB*	Construction	-	1,066
27th St. Phase 2 (Grandview to Bridgeport*)	Design/Engineering	-	27,548
35th Street (Bridgeport to Grandview)	Not started	520,000	-
54th Street Improvements*	Enforcement	-	464
67th Overlay	Not Started	453,989	-
Larsen Lane*	Construction	-	118
Morrison CDBG*	Construction	-	175,663
Neighborhood CIP	On-going/as needed	20,000	-
Cirque/56th Street Corridor*	Construction	-	736,813
Upgrade School Flasher Beacons	Not started	40,000	-
SWM - Storm Drainage for CIP	On-going/As needed	100,000	-
SWM - Soundview Dr. W*	Construction	-	16,957
SafeRoutes - 44th Street*	Enforcement	-	7,238
Town Center Infrastructure (Garage)	Funded by Land Sales	3,522,445	-
Contingency		5,053	-
		<u>\$ 6,928,968</u>	<u>\$ 1,198,610</u>
<b>Municipal Facilities CIP</b>			
Library/Civic Building Tis	Design	\$ -	\$ 34,597
		<u>\$ -</u>	<u>\$ 34,597</u>

\* Project total was budgeted in 2017 - remaining budgets will be carried forward as part of the upcoming budget carryforward process

## MISCELLANEOUS DATA

### TOTAL PROPERTY TAX LEVY PER \$1,000 AV

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City of University Place	\$ 1.43	\$ 1.35	\$ 1.31	\$ 1.23	\$ 1.13
County	\$ 1.50	\$ 1.43	\$ 1.38	\$ 1.28	\$ 1.18
State	\$ 2.53	\$ 2.39	\$ 2.23	\$ 2.07	\$ 1.88
State School Levy 2	\$ -	\$ -	\$ -	\$ -	\$ 1.03
Fire District #3 EMS	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.48
Fire District #3 Expense	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.46
Fire District #3 M&O	\$ 1.52	\$ 1.42	\$ 1.33	\$ 1.23	\$ 1.10
UP School District - Bond	\$ 2.89	\$ 2.69	\$ 2.52	\$ 2.31	\$ 2.08
UP School District - Capital Projects	\$ -	\$ 0.26	\$ 0.23	\$ 0.20	\$ 0.18
UP School District - M&O	\$ 4.27	\$ 4.22	\$ 4.14	\$ 3.82	\$ 3.53
Port of Tacoma	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
Pierce County Rural Library	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.47	\$ 0.43
Central Pierce Regional Transit	\$ -	\$ -	\$ -	\$ 0.25	\$ 0.23
Conservation Futures	\$ 0.06	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.04
Flood Control Zone	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.09	\$ 0.08
	<u>\$ 16.99</u>	<u>\$ 16.59</u>	<u>\$ 15.98</u>	<u>\$ 15.18</u>	<u>\$ 15.03</u>

### OPERATING INDICATORS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Building Permits</b>				
Building Permits Issued	822	752	925	1,284
<b>Police</b>				
Part 1 Crimes*	815	824	936	959
DUI Arrests	51	53	28	34
Other Traffic Arrests	154	132	143	162
<b>Fire**</b>				
Emergency Medical Responses	9,128	10,545	11,260	11,616
Fire Responses	286	448	384	410
Other	4,593	4,465	4,236	3,881
<b>Public Works</b>				
Feet of Sidewalks Maintained	144,308	184,890	184,890	219,120

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

\*\* The City of University Place is served by West Pierce Fire and Rescue, which prior to 2011 was Pierce County Fire District #3. West Pierce cannot provide data for University Place only.

## **REPORT SUMMARY**

The report has been produced reflecting City Council's desire for detailed information on individual revenues and expenditures. The report is a continuing work in progress and if there is any additional analysis or trend information you would like to see in the report, please let us know and we will endeavor to include your requests in future reports.

Please do not hesitate to contact Leslie Blaisdell, Finance Director, if you have any questions about any information provided in this report.

### **Revenue and Expense Summary**

The City's general government revenues were 2.12% below 2018 first quarter budget estimates. Operating Expenditures (excluding reserves and transfers) are below estimates by 9.0%.

Utility taxes continue to be an area that we watch closely. Total utility tax revenues are slightly below our projections at 0.20%. We see a continued decline in both Cellular and Telephone Utility tax due to many homeowners eliminating the land line and taking advantage of cheaper cell phone plans.

State Shared revenues are up 10.11%, but continued funding of the State of Washington City Assistance and Liquor taxes is not guaranteed.

### **Budget Strategic Issues**

The City's current financial forecast indicates that existing services and legal and contractual obligations can be met with existing revenues through the forecast period. The Council continues to evaluate other financing options in support of Public Safety and Street Maintenance.

# ***CITY OF UNIVERSITY PLACE PROCLAMATION***

***WHEREAS***, Relay for Life is a life-changing event sponsored by the American Cancer Society that helps communities across the globe celebrate the lives of people who have battled cancer, remember loved ones lost, and fight back against the disease; and

***WHEREAS***, one person can make a difference, which was evident with the story that began in Tacoma, Washington in the mid-1980s with Dr. Gordy Klatt, a Tacoma colorectal surgeon, who wanted to enhance the income of his local American Cancer Society office and show support for all his patients who had battled cancer. Dr. Klatt decided to personally raise money for the fight by doing something he enjoyed – running marathons; and

***WHEREAS***, through Dr. Klatt’s efforts during which he ran for 24 hours and raised \$27,000 to fight cancer that first year, his vision has become a national event providing the opportunity for thousands of communities to come together to plan team relay events and other fund-raising activities which are instrumental in helping the American Cancer Society save more lives and create more birthdays by helping more people stay well and get well.

***NOW, THEREFORE***, the City Council of the City of University Place do hereby proclaim the month of June, 2018 as

## **PAINT THE TOWN PURPLE FOR RELAY OF LIFE**

in the City of University Place. And be it further resolved that, all public officials, employees and all citizens of University Place show our support by painting the City purple during the month of June by wearing purple clothing and/or accessories and by adorning purple bows and ribbons on buildings and cars in an effort to promote the mindset of thinking Survivor. Wear it proud and loud!!!

***PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,  
WASHINGTON ON JUNE 4, 2018.***

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Kent Keel, Mayor

ATTEST:

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Emy Genetia, City Clerk

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

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**Proposed Council Action:**

Adopt a resolution appointing voting delegates to the 2018 Association of Washington Cities' Annual Business Meeting.

**Agenda No:** 8C  
**Dept. Origin:** City Clerk  
**For Agenda of:** June 4, 2018  
**Exhibits:** Resolution

**Concurred by Mayor:** \_\_\_\_\_  
**Approved by City Manager:** \_\_\_\_\_  
**Approved as to form by City Atty.:** \_\_\_\_\_  
**Approved by Finance Director:** \_\_\_\_\_  
**Approved by Department Head:** \_\_\_\_\_

Expenditure Required: \$0.00	Amount Budgeted: \$0.00	Appropriation Required: \$0.00
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**SUMMARY / POLICY ISSUES**

The Association of Washington Cities ("AWC") conducts an annual business meeting during the annual AWC conference to be held in June of this year. The AWC bylaws require that each member, prior to the annual membership meeting, designate up to three delegates who are duly elected or appointed officials of employees of such member as voting representatives of the member in the affairs of the AWC. Councilmember Steve Worthington, Councilmember Javier Figueroa and Mayor Kent Keel have offered to serve as the City's voting representatives to the AWC annual business meeting. It is in the City's best interest to appoint them as voting delegates to AWC for the 2018 business meeting.

**RECOMMENDATION / MOTION**

**MOVE TO:** Adopt a resolution appointing voting delegates to the 2018 Association of Washington Cities' Annual Business Meeting.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, APPOINTING VOTING DELEGATES TO THE ASSOCIATION OF WASHINGTON CITIES ANNUAL BUSINESS MEETING**

WHEREAS, the City is a member of the Association of Washington Cities (“AWC”); and

WHEREAS, AWC conducts an annual business meeting during the annual AWC conference to be held in June of this year; and

WHEREAS, under the AWC bylaws each member, prior to the annual membership meeting, will designate up to three delegates who shall be duly elected or appointed officials or employees of such member as voting representatives of the member in the affairs of the AWC, and will file with the AWC executive director certificates of designation prior to the annual member meeting; and

WHEREAS, Councilmember Steve Worthington, Councilmember Javier Figueroa and Mayor Kent Keel have offered to serve as the City’s voting representatives to the AWC annual business meeting.

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

1. Designation of Voting Representatives. The City Council hereby designates Councilmember Steve Worthington, Councilmember Javier Figueroa and Mayor Kent Keel as the City’s voting representatives to the 2018 AWC annual business meeting.

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

**ADOPTED BY THE CITY COUNCIL ON JUNE 4, 2018.**

\_\_\_\_\_  
Kent Keel, Mayor

**ATTEST:**

\_\_\_\_\_  
Emelita Genetia, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Matthew S. Kaser, City Attorney



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

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**Proposed Council Action:**

Authorize the City Manager to execute an amendment to the Professional Services Agreement with Gray CPA Consulting PC to increase the contract amount not to exceed Forty Thousand Dollars (\$40,000.00)

**Agenda No:** 8D  
**Dept. Origin:** Finance Department  
**For Agenda of:** June 4, 2018  
**Exhibits:** Amendment to PSA  
Original Contract

**Concurred by Mayor:** \_\_\_\_\_  
**Approved by City Manager:** \_\_\_\_\_  
**Approved as to form by City Atty.:** \_\_\_\_\_  
**Approved by Finance Director:** \_\_\_\_\_  
**Approved by Department Head:** \_\_\_\_\_

Expenditure Required: \$40,000.00	Amount Budgeted: \$45,000.00	Appropriation Required: \$0.00
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**SUMMARY / POLICY ISSUES**

On January 1, 2018 the City Manager authorized a Professional Service Agreement with Gray CPA in the amount of 29,999 for Financial Services and CAFR Preparation assistance.

Staff is requesting an amendment to the original agreement in the amount of \$10,001 for a total contract amount not to exceed \$40,000. Additional services were required to research and implement five new Government Accounting Standards Board (GASB) reporting requirements and assistance with the conversion to a Fixed Asset tracking software system.

This increase is within the adopted budget amount of \$45,000 for Financial Services.

**RECOMMENDATION / MOTION**

**MOVE TO:** Authorize the City Manager to execute an amendment to the Professional Services Agreement with Gray CPA Consulting PC to increase the contract amount not to exceed Forty Thousand Dollars (\$40,000.00)

**AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT**

This Amendment to Professional Services Agreement amends the Agreement that was effective the 1st day of January 2018, between the City of University Place, a Washington municipal corporation ("City"), and Gray CPA Consulting, PC ("Contractor").

The City wishes to increase the contract amount by ten thousand and one dollars (\$10,001) for a total contract amount not to exceed \$40,000. The City and the Contractor agree that Section 4. Compensation of the Professional Services Agreement shall be amended to read:

**4. COMPENSATION.**

4.1 In consideration of the Contractor performing the Services, the City agrees to pay an amount not to exceed forty thousand dollars (\$40,000) plus any travel expenses required for onsite work.

All other provisions of the Professional Services Agreement of January 1, 2018 shall remain the same.

Executed on the dates written below.

CONTRACTOR

CITY OF UNIVERSITY PLACE

\_\_\_\_\_  
Printed Name: Gail Gray  
Title: Principal  
Address: 9008 Rolling Oak Ct  
Montgomery, TX 77316

\_\_\_\_\_  
Printed Name: Stephen Sugg  
Title: City Manager  
Address: 3715 Bridgeport Way W.  
University Place, WA 98466-4456

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Matt Kaser, City Attorney

## PROFESSIONAL SERVICES AGREEMENT

This Agreement ("Agreement") is dated effective this 1st day of January, 2018. The parties ("Parties") to this Agreement are the City of University Place, a Washington municipal corporation ("City"), and Gray CPA Consulting, PC, ("Contractor").

A. The City seeks the temporary professional services of a skilled independent contractor capable of working without direct supervision in the capacity of an Accountant, who is experienced in governmental accounting and is familiar with the City's municipal code, resolutions, regulations and policies.

B. The Contractor has the requisite skill and experience necessary to provide such services.

**NOW, THEREFORE,** the Parties agree to the following terms and conditions:

### **1. SERVICES.**

1.1 The Contractor agrees to furnish all personnel, materials, and services and to otherwise do all things necessary for or incidental to the performance of the work set forth in Attachment "A," attached hereto and incorporated by this reference ("Services").

1.2 Compliance With Laws. All duties of the Contractor or designees shall be performed in accordance with all applicable federal and state laws and city ordinances as now existing or hereafter adopted or amended.

1.3 The Contractor shall control and direct the performance of the work. The City reserves the right to inspect, review and approve the work to assure that it has been completed as specified prior to payment.

1.4 Performance Standard. All duties by the Contractor or his designees shall be performed in a manner consistent with accepted practices for other similar services, performed to the City's satisfaction, within the time period prescribed by this Agreement and pursuant to the direction of the City Manager or designee.

### **2. TERM.**

The Term of this Agreement shall commence upon the effective date of this Agreement and shall continue until the completion of the Services, but in any event no later than

December 31, 2018. This Agreement may be extended for additional periods of time upon the mutual written agreement of the City and the Contractor.

**3. TERMINATION.**

Prior to expiration of the term, this Agreement may be terminated immediately, with or without cause, by the City. The Contractor may cancel this Agreement only upon thirty (30) days prior written notice to the City.

**4. COMPENSATION.**

4.1 Total Compensation. In consideration of the Contractor performing the Services, the City agrees to pay an amount not to exceed \$29,999 plus any travel expenses required for on-site work.

4.2 Compensation Rates. Compensation for Services shall be in accordance with the rates set forth in Attachment "A," attached hereto and incorporated by this reference.

4.3 Method of Payment. Payment by the City for the Services will only be made after the Services have been performed and an itemized billing statement has been submitted in the form specified by the City and approved by the appropriate City representative, which shall specifically set forth the Services performed, the name of the person performing such Services, and the hourly labor charge rate for such person. Payment shall be made on a monthly basis thirty (30) days after receipt of such billing statement.

4.4 Contractor Responsible for Taxes. The Contractor shall be solely responsible for the payment of any taxes imposed by any lawful jurisdiction as a result of performance and payment under this Agreement.

**5. REPRESENTATIONS.**

The Contractor warrants that it has the requisite training, skill and experience necessary to provide the Services and is appropriately accredited and licensed by all applicable agencies and governmental entities.

The Contractor has a Business License from the City of University Place.

**6. INDEPENDENT CONTRACTOR.**

It is the intention and understanding of the Parties that the Contractor shall be an independent contractor. The Contractor or his or her employees or agents performing under this Agreement are not employees or agents of the City. The Contractor will not hold himself or herself out as nor claim to be an officer or employee of the City. The Contractor will not make any claim of right, privilege, or benefit which would accrue to an employee under law. The City

shall neither be liable for nor obligated to pay sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax which may arise as an incident of employment. The Contractor shall pay all income and other taxes as due. Industrial or any other insurance which is purchased for the benefit of the Contractor shall not be deemed to convert this Agreement to an employment contract.

It is recognized that the Contractor may or will be performing professional services during the term for other parties and that the City is not the exclusive user of the Contractor's services; provided, however, that the performance of other professional services shall not conflict with or interfere with the Contractor's ability to perform the Services. The Contractor agrees to resolve any conflict in favor of the City.

**7. INDEMNIFICATION.**

Contractor Indemnification. The Contractor agrees to indemnify and hold the City, its elected officials, officers, employees, agents, and volunteers harmless from any and all claims, demands, losses, actions and liabilities (including costs and all attorney fees) to or by any and all persons or entities, including, without limitation, their respective agents, licensees, or representatives, arising from, resulting from, or connected with this Agreement to the extent caused by the negligent acts, errors or omissions of the Contractor, its partners, shareholders, agents, employees, or by the Contractor's breach of this Agreement.

**8. INSURANCE.**

The Contractor shall purchase and maintain the following insurance during the course of the agreement:

1. Automobile Liability with limits not less than one million (\$1,000,000.00) combined single limit.
2. Professional Liability with a limit of not less than one million (\$1,000,000.00) per claim.

The Contractor shall furnish a certificate or certificates of insurance to the City evidencing the required insurance before commencing any work. The Contractor shall give the City thirty (30) days' written notice of cancellation of any such policy(ies).

**9. EQUAL OPPORTUNITY EMPLOYER.**

The Contractor agrees to take all steps necessary to comply with all federal, state, and City laws and policies regarding non-discrimination and equal employment opportunities. The Contractor shall not discriminate in any employment action because of race, religion, color, national origin or ancestry, sex, gender identity, sexual orientation, age, marital status, familial status, or the presence of any sensory, mental or physical handicap. In the event of non-

compliance by the Contractor with any of the non-discrimination provisions of this Contract, the City shall be deemed to have cause to terminate this Contract, in whole or in part.

**10. CONFIDENTIALITY.**

The Contractor agrees that all materials containing confidential information received pursuant to this Agreement shall not be disclosed without the City's express written consent. Contractor agrees to provide the City with immediate written notification of any person seeking disclosure of any confidential information obtained for the City.

**11. WORK PRODUCT.**

All work product, including records, files, documents, plans, computer disks, magnetic media or material which may be produced or modified by the Contractor while performing the Services shall belong to the City. Upon written notice by the City during the Term of this Agreement or upon the termination or cancellation of this Agreement, the Contractor shall deliver all copies of any such work product remaining in the possession of the Contractor to the City.

**12. BOOKS AND RECORDS.**

The Contractor agrees to maintain books, records, and documents that sufficiently and properly reflect all direct and indirect costs related to the performance of the Services and maintain such accounting procedures and practices as may be deemed necessary by the City to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject, at all reasonable times, to inspection, review, or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

**13. NON-APPROPRIATION OF FUNDS.**

If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will not be obligated to make payments for Services or amounts incurred after the end of the current fiscal period, and this Agreement will terminate upon completion of all remaining Services for which funds are allocated. No penalty or expense shall accrue to the City in the event this provision applies.

**14. GENERAL PROVISIONS.**

14.1 Entire Agreement. This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement and no prior agreements shall be effective for any purpose.

14.2 Modification. No provisions of this Agreement may be amended or modified except by written agreement signed by the Parties.

14.3 Full Force and Effect. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

14.4 Assignment. Neither the Contractor nor the City shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other party.

14.5 Successors in Interest. Subject to the foregoing Subsection, the rights and obligations of the Parties shall inure to the benefit of and be binding upon their respective successors in interest, heirs and assigns.

14.6 No Waiver. Failure or delay of the City to declare any breach or default immediately upon occurrence shall not waive such breach or default. Failure of the City to declare one breach or default does not act as a waiver of the City's right to declare another breach or default.

14.7 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

14.8 Venue. The venue for any dispute related to this Agreement or for any action to enforce any term of this Agreement shall be Pierce County, Washington.

14.9 Authority. Each individual executing this Agreement on behalf of the City and the Contractor represents and warrants that such individuals are duly authorized to execute and deliver this Agreement on behalf of the Contractor or the City.

14.10 Notices. Any notices required to be given by the Parties shall be delivered at the addresses set forth below. Any notices may be delivered personally or may be deposited in the United States mail, postage prepaid, to the address set forth below. Any notice so posted in the United States mail shall be deemed received three (3) days after the date of mailing.

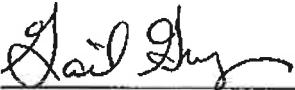
14.11 Performance. Time is of the essence of this Agreement in each and all of its provisions in which performance is a factor.

14.12 Remedies Cumulative. Any remedies provided for under the terms of this Agreement are not intended to be exclusive, but shall be cumulative with all other remedies available to the City at law or in equity.


14.13 Counterparts. This Agreement may be executed in any number of counter-parts, which counterparts shall collectively constitute the entire Agreement.

Executed on the dates written below.

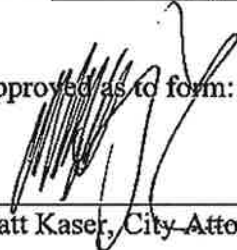
CONTRACTOR

By:   
Printed Name: Gail Gray  
Title: Principal  
Address: 9008 Rolling Oak Ct  
Montgomery, TX 77316  
Date: 3/1/2018

CITY OF UNIVERSITY PLACE

  
Printed Name: Stephen Sugg  
Title: City Manager  
Address: 3715 Bridgeport Way W.  
University Place, WA 98466-4456  
Date: 3-1-18

Approved as to form:

  
Matt Kaser, City Attorney



## ATTACHMENT A

### TO INCLUDE:

#### 2017 CAFR

- Financial Statements
- Notes to the Financial Statements
- Management's Discussion & Analysis
- Statistical Tables 1, 2, 3, 4, 5 and 23
- Fixed Assets/Depreciation
- GASB 68 Calculations
- GASB Implementations
- Assistance/Availability during State Audit

#### Hourly Rates:

- Programmer \$90 per hour billed in half-hour increments
- Accountant-Programmer \$140 per hour billed in 15-min increments
- CPA \$165 per hour billed in 15-min increments

# STUDY SESSION

## LEGISLATIVE PROPOSAL

<p><b>PROPOSAL:</b></p> <p>Adopt legislation which provides a credit against fees or other assessments imposed by the City of University Place to any businesses that create new jobs within the City that hire five or more employees paid at least \$65,000 a year.</p>
<p><b>REASON FOR THE PROPOSAL:</b> <i>(Why is this request necessary?)</i></p> <p>Pierce County and a number of municipal governments have proposed a one-time \$275 per employee credit benefit to companies as those companies each provide at least five jobs with an annual salary of \$65,000.</p>
<p><b>BACKGROUND INFORMATION:</b> <i>(Provide background information to assist in understanding the legislative history or rationale for the legislation, including information on existing Code/Policy.)</i></p> <p>Washington cities obtain revenue through one of several channels. They obtain their revenue through taxes, fees and other charges. The most prominent of taxes allowed by state law are property taxes, retail sales and use tax, business and occupation taxes and real estate excise taxes. State law imposes limits on the use and amount of these taxes and associated revenues. Cities also obtain revenues through fees and other charges. These fees include such things as business licensing fees, permit applications and impact fees.</p> <p>Family wage jobs and growth are to be encouraged. So that the City of University Place may attract family wage jobs and grow, it is appropriate to identify which taxes, fees and other charges may be subject to some form of credit and the manner of awarding these credits.</p>
<p><b>FISCAL IMPACT:</b></p> <p>For the drafting and formulation of legislation, these costs can be addressed within already-existing budget appropriations. The budgetary impact of such legislation can be assessed when legislation returns to the Council for consideration.</p>
<p><b>DESIRED OUTCOME:</b></p> <p>Adoption of appropriate legislation which provides a credit against fees or other assessments imposed by the City of University Place to any business that creates at least five new jobs within the City that pay employees at least \$65,000 a year.</p>
<p><b>RESOURCES REQUIRED:</b></p> <p>None.</p>

Submitted by:

Kent Keel (Signature on file.)  
(Signature)

05/29/18  
(Date)

I have read, understand and fully support the above proposal.

Steve Worthington (Signature on file.)  
(Signature)

05/29/18  
(Date)

Date Submitted: <u>05/29/18</u>	Date Reviewed: <u>05/29/18</u>	Agenda Date: <u>06/04/18</u>
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