

City of Redmond



Agenda

Tuesday, March 10, 2026

4:30 PM

City Hall: 15670 NE 85th St; Remote: Comcast Ch. 21/321, Ziplly Ch. 34,
Facebook (@CityofRedmond), Redmond.gov/rctvlive, or 510-335-7371

Committee of the Whole - Finance, Administration, and Communications

Committee Members

Vanessa Kritzer, Presiding Officer

Jessica Forsythe

Angie Nuevacamina

Sayna Parsi

Vivek Prakriya

Menka Soni

Melissa Stuart

Meetings can be attended in person, viewed live on RCTV (redmond.gov/rctlive), Comcast Channel 21/321, Ziplly Channel 34, Facebook/YouTube (@CityofRedmond), or listen live at 510-335-7371

AGENDA

ROLL CALL

A. Action Items - 20 minutes

1. UKG Pro Extension - Additional Launch Support [CM 26-140](#)

[Attachment A: UKG Service Request Order](#)

[Attachment B: Original UKG Pro Statement of Work](#)

Department: Technology and Information Services, 5 minutes

Requested Action: Consent, March 17th

2. Adoption of an Ordinance for the 2025-2026 Budget Adjustment #5 [CM 26-143](#)

[Attachment A: Ordinance 2025-2026 Budget Adjustment #5](#)

[Attachment B: Teen Center Building Demo Project Information Sheet](#)

[Exhibit 1: Summary of 2025-2026 Budget Adjustment #5](#)

Department: Finance, 5 minutes

Requested Action: Consent, March 17th

3. Capital Project Bond Reimbursement Resolution [CM 26-125](#)

[Attachment A: Reimbursement Resolution](#)

Department: Finance, 5 minutes

Requested Action: Consent, March 17th

4. Capital Project Bond Debt Redemption Resolution [CM 26-126](#)

[Attachment A: Redemption Resolution](#)

Department: Finance, 5 minutes

Requested Action: Consent, March 17th

B. Feedback for Study Session - N/A

C. Informational - 40 minutes

1. 2027-2028 Budget Process Update [CM 26-157](#)

[Attachment A: 2027-2028 Budget Process Overview](#)

[Attachment B: Long-Range Financial Strategy Presentation](#)

[Attachment C: Updated Long-Range Financial Strategy Draft](#)

Department: Finance, 10 minutes

Requested Action: Informational

2. Respect, Equity, Diversity, and Inclusion (REDI) Program Update [CM 26-154](#)

[Attachment A: REDI Strategic Plan Implementation Update](#)

Department: Executive, 5 minutes

Requested Action: Informational

3. 2025-2026 BTIP Project Update [CM 26-138](#)

[Attachment A: 2025-2026 BTIP Update](#)

Department: Technology and Information Services, 10 minutes

Requested Action: Informational

4. Data Governance Program - Update [CM 26-153](#)

Department: Technology and Information Services, 15 minutes

Requested Action: Informational

D. Read Only - N/A

ADJOURNMENT

Meeting videos are usually posted by 12 p.m. the day following the meeting at redmond.legistar.com, and can be viewed anytime on Facebook/YouTube (@CityofRedmond) and OnDemand at redmond.gov/OnDemand



Memorandum

Date: 3/10/2026

File No. CM 26-140

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|-------------------------------------|------------------|--------------|
| Human Resources | Cathryn Laird | 425-556-2125 |
| Technology and Information Services | Michael Marchand | 425-556-2173 |

DEPARTMENT STAFF:

| | | |
|-------------------------------------|-----------------|-----------------------------|
| Technology and Information Services | Courtney Miller | Technology Project Manager |
| Human Resources | Kseniya Daly | Deputy HR Director |
| Technology and Information Services | Carmen Hall | Project Mgmt Office Manager |

TITLE:

UKG Pro Extension - Additional Launch Support

OVERVIEW STATEMENT:

Implementing UKG Pro will bring a modern Human Resource Information System (HRIS) to the City, strengthening operational efficiency, expanding employee self-service capabilities, and ensuring a secure, reliable platform. The contract extension secures additional UKG support during launch to help ensure the system is fully aligned with City of Redmond policies, payroll procedures, and collective bargaining agreements.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
2025/2026 BTIP
- **Required:**
N/A
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

UKG Pro benefits include:

- Integration of Core HR & Payroll with existing Timekeeping
- Increased self-service options for employees and managers for HR processes
- Streamlined Payroll processes with improved reporting and reduction of manual processes
- Eliminate risk associated with an outdated system (current system end of life 2027)

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

The cost for additional UKG launch support is \$75,000 through April 2026, followed by \$25,000 for each additional month beyond April. The total request is \$225,000, allowing for resource coverage through October. Actual spend will depend on final launch date.

Approved in current biennial budget: **Yes** **No** **N/A**

Budget Offer Number:

362

Budget Priority:

Strategic and Responsive

Other budget impacts or additional costs: **Yes** **No** **N/A**

If yes, explain:

N/A

Funding source(s):

Costs associated with the implementation will come from the 2025/2026 BTIP

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

| Date | Meeting | Requested Action |
|------|--|------------------|
| N/A | Item has not been presented to Council | N/A |

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|-----------|--|-------------------|
| 3/10/2026 | Committee of the Whole - Finance, Administration, and Communications | Provide Direction |

Time Constraints:

Current Core HR/Payroll solution will be de-supported in Q1 2027.

ANTICIPATED RESULT IF NOT APPROVED:

If the change order is not approved, the City would be unable to complete implementation.

ATTACHMENTS:

Attachment A: UKG Service Request Order

Attachment B: Original UKG Pro Statement of Work



Service Request Order

This Service Request Order (SRO) outlines the scope of services to be provided by UKG and is/are subject to the terms and conditions set forth in the UKG Master Services Agreement (MSA) or such other existing underlying agreement between the Parties. Unless otherwise defined herein, words and expressions defined in the MSA shall have the same meaning in this SRO. In the event of a conflict or discrepancy between the terms in this SRO and the MSA, the MSA shall prevail.

| | | | |
|-------------------------------|------------------|-------------------------------|----------------------------|
| Customer Bill-to Name: | CITY OF REDMOND | Legal Entity: | UKG Kronos Systems LLC |
| Contact Name: | Courtney Miller | Solution Id: | 6115682 |
| Phone: | | Email: | cmiller@redmond.gov |
| | | Job Title: | Technology Project Manager |
| Creation Date: | 1/15/2026 | | |
| SR Number: | SR-2026-00117754 | Quote Expiration Date: | 2/14/2026 |
| Currency: | USD | | |

Scope of Services:

UKG will provide resource(s) to complete the following services:

| SRP Number | Service Name |
|-------------------------|--|
| SRP-2026-00117754 | Solutions Consultant |
| Description of Services | Additional Launch support, extension through April go live @75k - client is aware and has agreed that should another extension be required past April 1 go live they will incur and addition 25k per month. Current Launch team will remain in place to support the April go live. |

Service Warranty:

This Service Request will be considered complete after thirty (30) calendar days of delivery. Any defects must be submitted in writing by the Customer within this period. Reported defects that fall within the boundaries of this Service Request will be corrected at no cost to the Customer. Additional revisions not contained in the original scope will be considered a new request.

Service and Fee Assumptions:

- Projects are submitted for UKG resource assignment and scheduling upon Customer’s SRO approval.
- All services are contingent upon Customer involvement as mutually agreed to throughout the project.
- Additional requirements or revisions not contained in the original scope will be considered a new request and will require an additional SRO.
- All services will be performed remotely unless otherwise mutually agreed to in advance. Travel expenses are not included in SRO fees and will be invoiced separately if incurred as per the UKG Global Travel and Expense Policy.
- Customer agrees to pay UKG for all fees due pursuant to this SRO plus any applicable federal, state, and local taxes.
- Request details, service assumptions, and attachments for this SRO are available in the UKG Customer portal as applicable.

Fees and Billing:

Fixed Fee:

This SRO item is Fixed Fee and will be billed with one (1) payment:

- 100% of total fees billed upon approval of this SRO

| SRP Number | Work Location | Service Name | Quantity | Unit Price | Total Price |
|-------------------|---------------|----------------------|----------|---------------|---------------|
| SRP-2026-00117754 | Remote | Solutions Consultant | 1 | USD 75,000.00 | USD 75,000.00 |

Summary of Fees:

| Fee Totals | Total Price |
|-----------------|---------------|
| Total Fixed Fee | USD 75,000.00 |

Accepted and Agreed to:

CITY OF REDMOND

Signed by:
Signature: Courtney Miller
6A7AF732A35848C...

Contact Name: Courtney Miller
Job Title: Project Manager
Date Signed: 1/15/2026





City Contract Routing Form

City Contract #: 10613



Section 1 – Attach Contract Documents

(multiple files can be uploaded)

Is an insurance certificate attached?

Yes

No/Not applicable

Comments: _____

Section 2 – Fill Out Contract Details

Date: 9/10/24 Department: TIS Division: TIS Mail Stop: 3SFN

Project Administrator Name: Courtney Miller Extension: 2171

Project Manager Name (if different than above): _____ Extension: _____

Contract Type: Consulting Services If other, please indicate: _____

Contract Title: UKG Pro Subscription Services & Professional Services

Contractor/Consultant Business Name: UKG Kronos Systems, LLC

Contract Description: UKG Pro product suite - WFM Phase 2 project replacing UKG Dimensions. Subscription Services annual in advance total \$147,900 - will replace existing UKG Dimensions licensing expense that will be terminated at end of 2024. Legal review completed by Emily Romanenko-further legal review not required. Termination of Payroll Services contract connected to Dimensions

Project ID #: 2357 Project Category: _____ Budget/Account #: 520.41103.51880.2357-520-03

Council Approval Date: 3/7/23 Agenda Memo #: 23-024 RFP/IFB/RFQ #: _____

New Contract

Total Amount: \$239,281

Start Date: 9/10/24 End Date: 12/31/25

Renewal Option (Y/N): Y If yes, how many? 12 month renewal term

Amendment/Renewal/Change Order #: _____ Original CC #: _____

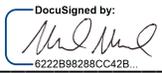
New Start Date: _____ New End Date: _____

Current Contract Amount (including all previous amendments/change orders): _____

Amount of this Amendment/Change Order (proposed increase/decrease): _____

New/Cumulative Contract Amount: _____

Section 3 – Route Contract for Signatures and Approvals

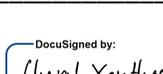
Department Director or Designee:  Date: 9/10/2024 Comments: _____

TIS Director:  Date: 9/10/2024 Comments: _____

City Attorney:  Date: 9/11/2024 Comments: _____

Risk Manager:  Date: 9/11/2024 Comments: _____

Mayor or Designee:  Date: 9/13/2024 Comments: _____

City Clerk's Office:  Date: 9/13/2024 Comments: Electronic Original - in Hummingbird

Purchasing: no signature required – for copy only



ORDER FORM

Quote#: Q-240863
Expires: 30 Sep, 2024
Sales Executive: Alison Mercier
Effective Date: Effective as of the date of last signature of this Order

Order Type: Quote
Date: 28 Aug, 2024

Customer Legal Name:
CITY OF REDMOND

Ship To: CITY OF REDMOND
15670 NE 85TH STREET #3SFN
REDMOND, WA 98052-3580 USA

Customer Legal Address:
15670 NE 85TH STREET #3SFN, REDMOND, WA 98052-3580
USA

Bill To: CITY OF REDMOND
15670 NE 85TH STREET #3SFN
REDMOND, WA 98052-3580 USA

Bill To Contact:

Ship To Contact: Courtney Miller

Ship to Phone: 425-556-2171
Ship to Mobile: 901-412-7222
Contact: Courtney Miller
Email: cmiller@redmond.gov

Currency: USD
Customer PO Number:
Solution ID: 6115682
Initial Term: 60 months
Uplift Percent: 4 %

Shipping Terms: Shipping Point
Ship Method: FedEx Ground
Freight Term: Prepay & Add
Renewal Term: 12 months
Payment Terms: Net 30 Days

Billing Start Date: Upon Signature of Order Form
Data Center Location: USA

Subscription Services

Billing Frequency: Annual in Advance

| Subscription Services | Quantity | PEPM | Monthly Price |
|-------------------------------|----------|-----------|---------------|
| UKG PRO PAY AND PEOPLE CENTER | 850 | USD 14.50 | USD 12,325.00 |
| UKG PRO PAY | 850 | USD 0.00 | USD 0.00 |
| UKG PRO PEOPLE CENTER | 850 | USD 0.00 | USD 0.00 |



| Subscription Services | Quantity | PEPM | Monthly Price |
|---|----------|----------|----------------------|
| UKG PRO PAYMENT SERVICES | 850 | USD 0.00 | USD 0.00 |
| UKG PRO WAGE ATTACHMENT DISBURSEMENT | 850 | USD 0.00 | USD 0.00 |
| UKG PRO TAX FILING SERVICES | 850 | USD 0.00 | USD 0.00 |
| UKG PRO CHECK PRINTING | 850 | USD 0.00 | USD 0.00 |
| UKG PRO BENEFITS ENROLLMENT | 850 | USD 0.00 | USD 0.00 |
| UKG PRO BASIC SSO | 850 | USD 0.00 | USD 0.00 |
| UKG PRO MODEL MY PAY | 850 | USD 0.00 | USD 0.00 |
| UKG PRO DATA EXCHANGE SERVICES | 850 | USD 0.00 | USD 0.00 |
| UKG PRO ACA SERVICES | 850 | USD 0.00 | USD 0.00 |
| UKG PRO COMPENSATION | 850 | USD 0.00 | USD 0.00 |
| UKG PRO TALENT ACQUISITION | 850 | USD 0.00 | USD 0.00 |
| UKG PRO RECRUITING | 850 | USD 0.00 | USD 0.00 |
| UKG PRO ONBOARDING | 850 | USD 0.00 | USD 0.00 |
| UKG PRO LIMITED ACCESS | 1 | USD 0.00 | USD 0.00 |
| UKG PRO HR ONLY/GLOBAL EMPLOYEES | 1 | USD 0.00 | USD 0.00 |
| INCOME AND EMPLOYMENT VERIFICATION FROM EQUIFAX | 1 | USD 0.00 | USD 0.00 |
| UKG PRO PEOPLE ASSIST | 850 | USD 0.00 | USD 0.00 |
| UKG PRO HCM NPRD | 850 | USD 0.00 | USD 0.00 |
| UKG PRO DOCUMENT MANAGER | 850 | USD 0.00 | USD 0.00 |
| Total Price | | | USD 12,325.00 |

Professional Services - Fixed Fee

Billing Frequency: 4 consecutive equal quarterly payments of \$22,845.25 commencing on the Effective Date

| Professional Services - Fixed Fee | Billing Role | Quantity | Unit Price | Total Price |
|-----------------------------------|--------------|----------|---------------|----------------------|
| UKG LAUNCH FIXED FEE | Grouped | 1 | USD 91,381.00 | USD 91,381.00 |
| Total Price | | | | USD 91,381.00 |

Quote Summary

| Item | Total Price |
|--|---------------|
| Total Monthly SaaS and Equipment Rental Fees | USD 12,325.00 |



| Item | Total Price |
|------------------|---------------|
| Total Fixed Fees | USD 91,381.00 |

Order Notes:

Compensated Employees: persons receiving a check, advice of deposit or otherwise compensated by the Customer using the Applications as set forth herein.

The Launch services shall be provided to Customer for only the services as set forth in the UKG Pro Statement of Work for CITY OF REDMOND which is made a part hereof and incorporated by reference as UKG Pro Statement of Work for CITY OF REDMOND. Launch services outside of the scope of the UKG Pro Statement of Work for CITY OF REDMOND shall be quoted to Customer and agreed upon by the Parties in writing.

Limited Access Employees: persons with a status of terminated who have access to the UKG Pro portal.

People Center Employees: persons not receiving a check, advice of deposit or otherwise compensated by the Customer using the Applications as set forth herein.

The monthly subscription amount (number of employees multiplied by the applicable Subscription Fee) may increase or decrease if the number of employees increases or decreases, but in no event shall the monthly Subscription Fee be calculated on less than the Minimum Quantity.

The Statement of Work attached to this order form is incorporated herein by reference.

Customer is migrating from their existing UKG DIMENSIONS HR, UKG DIMENSIONS COMPENSATION, UKG DIMENSIONS PAYROLL, & UKG DIMENSIONS PAYROLL SERVICES to UKG PRO Pay and People Center software as a service offering ("Pro HCM") and shall remain responsible for all fees related to these Applications until Pro HCM Billing Start date commences. The customer is responsible to communicate to UKG to cancel the applications from their contract after the Billing Start date of Pro HCM.

After the Initial Term, the Subscription Fee shall increase per annum by the Uplift amount set forth above.

This Order is subject to and governed by the terms and conditions of the Master Services Agreement dated as of the Effective Date between UKG and Customer (hereafter "Agreement").

UKG will provide the Services in accordance with the Services Descriptions and Statements of Work located at: www.ukg.com/services-descriptions

All Customer Data (as defined in the Agreement) will be secured and protected as set forth in the Technical and Organizational Measures of UKG's Data Processing Addendum. Any personal data provided to UKG through the Subscription Services will be processed in accordance with UKG's Data Processing Addendum located at: www.ukg.com/ukg-unified-dpa

UKG will notify Customer without undue delay (and in any event within seventy-two (72) hours) and in accordance with Applicable Laws upon UKG or any Subprocessor becoming aware of a Personal Data Breach affecting Customer Personal Data, providing Customer with sufficient information to allow Customer to meet its obligations to report or inform Data Subjects of the Personal Data Breach under the Applicable Laws.

If UKG creates technical system log information, aggregated technical usage or traffic data, and/or statistically measured technical usage or traffic data that contains or originated (in whole or part) from Customer Data, then UKG's use of such data shall be strictly limited to the direct purposes of delivering and enhancing the Services and UKG's technical security operations and systems maintenance. UKG is prohibited from using such data that personally identifies an individual for secondary commercial purpose (including but not limited to marketing to such individuals, or disclosing data to third parties for reasons unrelated to the primary purpose for originally collecting the data), nor may UKG solicit consent from the identified individual to do so unless the Agreement defines a means to do so that does not unduly burden individual privacy rights.

IN WITNESS WHEREOF, the parties have caused this Order to be executed by their authorized representatives and shall be effective as of the date of the last signature below.

| CITY OF REDMOND | | UKG Kronos Systems LLC | |
|---|---|------------------------|--|
| Signature: | <u>Signed by:</u> <i>Kelley Cochran (Mayor Designee)</i> 5D9FG672744G4E4... | Signature: | <u>DocuSigned by:</u> <i>Erica Bukowski</i> 93A063ADEBCA41A... |
| Name: | <u>Kelley Cochran (Mayor Designee)</u> | Name: | <u>Erica Bukowski</u> |
| Title: | <u>Finance Director</u> | Title: | <u>Sr. Order Processing Analyst</u> |
| Date: | <u>9/13/2024</u> | Date: | <u>9/10/2024 2:58 PM EDT</u> |
| <p>The monthly price on this Order has been rounded to two decimal places for display purposes. As many as eight decimal places may be present in the actual price. Due to the rounding calculations, the actual price may not display as expected when displayed on your Order. Nonetheless, the actual price on your invoice is the true and binding total for this Order for purposes of amounts owed for the term. If you are tax exempt, please email a copy of your "Tax Exempt Certificate" to TaxExemption@ukg.com along with the quote number otherwise this order is subject to applicable taxes. The actual tax amount to be paid by Customer will be shown on Customer's invoice.</p> | | | |

UKG is aligning our product brand and announcing that the UKG Dimensions® and UKG Pro® solutions will be one product suite under the name UKG Pro. Click here to learn more and view examples of current to future names

<https://www.ukg.com/one-suite#WhatproductnamesarechangingunderUKGDimensions>

Master Services Agreement

This Master Services Agreement (this "**Agreement**") is made between the UKG entity ("**UKG**") and the customer entity signing this Agreement ("**Customer**") and sets forth the terms and conditions governing each Order or Statement of Work, which references this Agreement. CUSTOMER'S USE OF UKG'S SUBSCRIPTION SERVICES AND UKG'S PERFORMANCE OF PROFESSIONAL, TRAINING, AND SUPPORT SERVICES ARE SUBJECT TO AND GOVERNED EXCLUSIVELY BY THIS AGREEMENT AND ANY ADDITIONAL TERMS STATED IN THE ORDER OR STATEMENT OF WORK, INCLUDING ANY ATTACHMENTS THERETO. This Agreement is effective as of the date of the last Party to sign below ("**Effective Date**"). Capitalized terms used but not defined in this Agreement will have the meanings ascribed to them in the applicable Order or SOW.

1. Services

- 1.1 Subscription Services.** The Subscription Services will be identified in the Order. During the Initial Term and all applicable Renewal Terms defined in the Order, UKG will provide the Subscription Services to Customer and Customer may use such Subscription Services solely for its internal business purposes to manage the type and number of its employees (including those of its Affiliates) listed in the Order, subject to and conditioned on compliance with this Agreement, the Documentation, and the Order.
- 1.2 Support Services.** UKG shall maintain a trained and knowledgeable staff capable of providing support for the Subscription Services. UKG will use commercially reasonable diligence to correct reproducible errors when reported to UKG and provide phone, email, or online support 24 hours a day / 7 days a week as set forth in the UKG Support Policy located at <https://www.ukg.com/saas-support-policies-and-services>. UKG will also provide periodic enhancements and modifications to the Subscription Services, including bug fixes, to correct reproducible errors reported to UKG.
- 1.3 Professional Services.** UKG will provide the Professional Services listed in the Order, in accordance with the applicable Statement of Work or Services Description. If Customer requests additional Services that were not previously identified on an Order or Statement of Work, then the Parties may need to execute additional Orders or Statements of Work.
- 1.4 Training Services.** In connection with a Subscription Service, UKG will provide (a) live virtual training facilitated by a knowledgeable instructor and delivered remotely via a published schedule intended for (i) the core team to help key functional and technical users make informed solution design and configuration decisions and to provide fundamental product knowledge, and (ii) an application and system administrator to prepare functional and technical super users to perform their most common tasks in the solution; and (b) self-paced product training. Training services outside the scope of this section shall be provided by UKG as described in the Order.

2. Acknowledgements

- 2.1 Reservation of Rights.** The Subscription Services are provided with a limited right to use and are not sold, and UKG reserves and retains all rights not expressly granted in this Agreement. UKG has and shall maintain sole and exclusive ownership of all rights, title, and interests in the Services and Documentation, and all modifications and enhancements thereof (including ownership of all trade secrets, copyrights, trademarks, brands, and other intellectual property rights pertaining thereto). There will be no "work for hire" created as part of the Services or any deliverables owned by Customer, and all works, customizations, models, and developments created by UKG shall be considered a part of the Services.
- 2.2 Use Restrictions.** Except as expressly provided in this Agreement, no other use of the Subscription Services is permitted. Customer may not, and may not cause or permit others to: (a) reverse engineer, disassemble, adapt, translate, or decompile the Subscription Services, including, without limitation, any third party components, or otherwise attempt to derive source code, trade secrets, or knowhow from the Subscription Services; (b) license, sell, transfer, assign, distribute, or outsource use of the Subscription Services or Documentation, or provide service bureau, data processing, or time sharing access to the Subscription Services, or otherwise use the Subscription Services to provide payroll or human resource record keeping for third parties, other than Affiliates; (c) create Internet "links" to the Subscription Services or "frame" or "mirror" the Subscription Services on any other server, or wireless or Internet-based device; (d) access or use the Subscription Services or Documentation to build or support, directly or indirectly, products or services competitive to UKG; (e) interfere with or disrupt the integrity or performance of any Subscription Services or any data contained therein; (f) attempt to gain unauthorized access to any Subscription Services or its related data, systems, or networks; or (g) remove or alter any proprietary notices or marks on the Subscription Services or Documentation.
- 2.3 Customer Feedback.** Customer has no obligation to provide UKG with any suggestion, enhancement request, recommendation, evaluation, correction, or other feedback about the Services ("**Feedback**"), but if it does, Customer grants to UKG and its Affiliates a worldwide, perpetual, irrevocable, royalty-free license to use, copy, modify, distribute, disclose, create derivative works, and make and incorporate such Feedback into its Services for any purpose. UKG has no obligation to incorporate or apply any Feedback to the Services.

- 2.4 Consent to Subcontract.** Customer hereby consents to UKG subcontracting Services to persons or companies qualified by UKG to provide Services on UKG's behalf. UKG may also fulfill its obligations related to certain Services through its Affiliates. UKG shall be responsible for the actions of its subcontractors and Affiliates.
- 2.5 Compliance with Laws.** UKG shall comply with Applicable Laws in performing its obligations hereunder. Customer shall comply with Applicable Laws when using the Services and remains solely responsible for its compliance with Applicable Laws, including, but not limited to, with respect to the configuration and use of the Services and regardless of whether UKG provides assistance with Customer compliance matters. Customer acknowledges that the specific record retention requirements established under Applicable Laws relating to Customer are the responsibility of Customer and not UKG.
- 2.6 Upgrades.** Customer acknowledges that the Subscription Services may change at any time as required by changes to normal business conditions. It is further understood by Customer that any changes to the Subscription Services will be applicable to all UKG customers utilizing the Subscription Services and such changes will not materially diminish the functionality of the Subscription Services.
- 2.7 Acceptable Use.** Customer will use the Subscription Services in full compliance with the Acceptable Use Policy located at <https://www.ukg.com/acceptable-use-policy> ("**Acceptable Use Policy**"), which requires Customer not to (a) use, or encourage, promote, facilitate or instruct others to use, the Services for any illegal, harmful or offensive use, or to transmit, store, display, distribute or otherwise make available content that is illegal, harmful, or offensive, (b) use the Services to violate the security or integrity of any network, computer or communications system, software application, or network or computing device, (c) interfere with or fail to cooperate with any UKG investigation of a security incident involving any UKG system, infrastructure or customer data, (d) make network connections to any users, hosts, or networks unless Customer has permission to communicate with them, and (e) use the Service to distribute, publish, send, or facilitate the sending of unsolicited mass e-mails or other messages. If Customer violates the Acceptable Use Policy, UKG may take immediate action without notice to prevent further harm, including suspending Customer's use of the Subscription Services and ceasing performance of any other Services.
- 2.8 Access Credentials.** Except as otherwise provided herein, Customer will not provide any third party with access credentials to the Subscription Services and will safeguard and compel all users to safeguard the access credentials. Customer will be responsible for all acts and omissions of its users. Customer will notify UKG promptly if it learns of any unauthorized use of any access credentials or any other known or suspected breach of security. If Customer allows use of the Subscription Services by any of its Affiliates without requiring such Affiliate to execute a separate Order with UKG to establish its own tenant environment, then Customer will be fully responsible and liable for all use and misuse of the Subscription Services by such Affiliate, and will fully cooperate with UKG in enforcing all of its rights to, interests in, and protection of the Services, including in seeking equitable remedies against any Affiliate that breaches this Agreement. Customer may also allow use of the Subscription Services by its legally bound contractors, provided such use is solely on Customer's behalf, is strictly in compliance with the terms and conditions of this Agreement, Customer at all times remains in control of and retains management over the Subscription Services, and Customer is liable for all breaches of this Agreement by such contractor.
- 2.9 Connectivity.** Customer is responsible for securing, paying for, and maintaining connectivity to the Subscription Services from Customer's location(s) via the internet, including any and all related hardware, software, third party services, and related equipment and components for such connectivity. Customer agrees that UKG will have no liability for such connectivity and Customer will not be excused from any of its obligations under the Agreement due to the quality, speed, or interruption of the communication lines from the Customer's location(s) to the internet.

3. Fees

- 3.1 Fees.** Customer will pay the fees on the payment terms and in the currency indicated in the Order. For each Order, the billing period of the fees will start on the Billing Start Date as set forth in the Order and will continue for the time period indicated as the Initial Term on the Order and all Renewal Terms. Customer is responsible to pay for the Services for the entire Initial Term and each Renewal Term. UKG may increase the fees as set forth in the Order. The increased fees will be set forth in the applicable invoice, which will be provided to the Customer at least sixty (60) days prior to the end of the then-current term. Except as otherwise specified in the Order (a) subscription fees are based on Subscription Services purchased and not time of actual usage; (b) minimum quantities purchased cannot be decreased during the relevant subscription term; (c) additional quantities may be purchased; and (d) payment obligations are non-cancelable and fees paid are non-refundable.
- 3.2 Taxes.** The fees exclude, and Customer will be responsible for, all sales, use, excise, withholding, VAT, and any other similar taxes, duties and charges of any kind imposed by any governmental entity in connection with the Services (excluding taxes based solely on UKG's income).
- 3.3 Late Payment.** Any invoices not reasonably disputed in writing within thirty (30) days from the date of receipt will be deemed undisputed and due. All undisputed invoices not paid within thirty (30) days after the date such amounts are due and payable may accrue interest at a rate up to the maximum allowable by applicable law. Customer will reimburse UKG for any additional reasonable cost incurred by UKG in connection with collecting any amounts payable under this

Agreement. If Customer is more than thirty (30) days overdue in its payment of an undisputed amount due, then UKG reserves the right to suspend the Services provided under the applicable Order, but only until such payment is made to UKG and provided that UKG gives Customer at least ten (10) business days prior written notice of the overdue amount before UKG suspends the Services. Upon payment in full of all overdue amounts, UKG will restore the Services.

4. Data, Security and Privacy

- 4.1 Ownership of Customer Data.** Customer shall retain ownership of all rights, title, and interests in and to Customer Data. No ownership rights in Customer Data will transfer to UKG. UKG will maintain backup copies of Customer Data as required to maintain and provide the Services, but Customer is responsible for maintaining backup copies of all Customer Data that Customer inputs into the Services or otherwise provides to UKG.
- 4.2 Use of Customer Data.** Customer grants to UKG a non-exclusive, perpetual, irrevocable, worldwide right to use, display, copy, modify, distribute, and create derivative works from Customer Data for the purposes of providing, operating, maintaining, customizing, and improving the Services, developing new or different products or services, and benchmarking, modeling, and training. Except as otherwise noted by UKG, Customer Data will be used for such purposes only in an aggregated, de-identified manner, that does not identify Customer, its users, employees, or Customer Confidential Information, and that is stripped of all persistent identifiers (e.g. device identifiers, IP addresses, and cookie ID's) such that Customer Data on its own cannot reasonably be identified as originating from Customer.
- 4.3 Collection of Personal Data.** Services may employ applications and tools that collect and process Personal Data that may be required by UKG to provide the requested Services or functionality included in or related to those Services. If Customer wishes to stop the collection and processing of Personal Data, Customer may need to uninstall or discontinue using certain Services.
- 4.4 Data Privacy and Security.** Each Party agrees to comply with Applicable Laws in its processing of Personal Data. UKG and its subprocessors will process Personal Data in accordance with UKG's Data Processing Addendum located at <https://www.ukg.com/ukg-unified-dpa>. All Customer Data will be secured and protected as set forth in the Technical and Organizational Measures of UKG's Data Processing Addendum. UKG has a list of its current subprocessors at <https://www.ukg.com/DPA-subprocessors>.

5. Confidentiality

- 5.1 Definition. "Confidential Information"** is any non-public information relating to a Party, which includes Customer Data, that is disclosed pursuant to any Order or this Agreement, and which reasonably should be understood by the recipient of such information to be confidential because of (a) legends or other markings; (b) the circumstances of the disclosure; or (c) the nature of the information itself.
- 5.2 Exceptions.** Information will not be considered Confidential Information if the information was (a) in the public domain without any breach of this Agreement; (b) disclosed to the receiving Party on a non-confidential basis from a source lawfully in possession of such Confidential Information and, to the knowledge of the receiving Party, is not prohibited from disclosing such Confidential Information to receiving Party; (c) released in writing from confidential treatment by disclosing Party; or (d) is independently developed by the receiving Party without use of or reference to the Confidential Information.
- 5.3 Nondisclosure.** Except as expressly permitted in this section, neither Party will disclose the other Party's Confidential Information to any third party.
- 5.4 Protection.** Each Party will secure and protect the Confidential Information of the other Party with a reasonable standard of care commensurate with the sensitivity of such Confidential Information and using precautions that are at least as stringent as it takes to protect its own Confidential Information of like nature, but no less than reasonable precautions.
- 5.5 Use.** Each Party will only use the Confidential Information of the other Party as expressly permitted by or as required to exercise their rights, duties, and obligations under this Agreement.
- 5.6 Disclosure Exceptions.** Confidential Information may be shared with and disclosed to (a) any Affiliate, subcontractor, or other third party who has a need to know to enable the receiving Party to exercise its rights or perform its obligations in connection with this Agreement and have non-disclosure obligations at least as stringent as the confidentiality provisions of this Agreement that apply to the Confidential Information; or (b) any court or governmental agency of competent jurisdiction, pursuant to a subpoena, order, civil investigative demand or similar process with which the receiving Party is legally obligated to comply, and of which the receiving Party notifies disclosing Party as required by a legal process, including in connection with any proceeding to establish a Party's rights or obligations under this Agreement (provided however that, when permitted by Applicable Law, a Party will give the other reasonable prior written notice so that the disclosing Party has an opportunity to contest any disclosure required by a legal process).
- 5.7** UKG recognizes the Customer is a municipal entity subject to the Washington State Public Records Act, Chapter 42.56 RCW, and that Customer is obligated to disclose records upon request unless a specific exemption from disclosure

exists. Nothing in the Agreement is intended to prevent the Customer's compliance with the Public Records Act, and Customer shall not be liable to UKG due to Customer's compliance with any law or court order requiring the release of public records, if Customer acted in good faith in attempting to comply with the provisions of Chapter 42.56 RCW. In the event that Customer receives a public record request under Chapter 42.56 RCW or similar law for the disclosure of any of UKG's Confidential Information related to this Agreement, Customer shall promptly provide written notice to UKG of disclosure request so that UKG can take appropriate steps to protect its interest and seek exemption as provided under the Washington State Public Records Act.

6. Warranty

- 6.1 Mutual Warranties.** Each Party hereby warrants that (a) it has the full right and authority to enter into this Agreement; and (b) the performance of its obligations and duties under this Agreement does not conflict with or result in a breach of any other agreement of such Party or any judgment, order, or decree by which such Party is bound.
- 6.2 Subscription Services Warranty.** UKG warrants that the Subscription Services will substantially conform with the Documentation and that the functionality of the Subscription Services will not be materially diminished or adversely modified. In the event of a breach of the warranty described in this Section, as Customer's exclusive remedy and UKG's sole obligation, at UKG's cost, UKG will make commercially reasonable efforts to remedy such breach, provided that if UKG cannot substantially remedy such breach, then Customer may terminate the affected Subscription Services in accordance with Section 7.2.2. Customer agrees to report any non-conformance of the Subscription Services within thirty (30) days of its discovery and provide UKG with reasonable information and assistance to enable UKG to reproduce or verify the non-conforming aspect of the Subscription Services.
- 6.3 Professional, Support, and Training Services Warranty.** UKG warrants that the Professional Services, Support Services, and Training Services will be performed by qualified personnel in a good and professional manner. In the event UKG breaches the warranty described in this Section, as Customer's exclusive remedy and UKG's sole obligation, UKG will reperform the deficient Professional, Support, or Training Service, at UKG's cost, provided that if UKG cannot substantially remedy such breach, then UKG will refund any fees prepaid by Customer for the affected Services. Customer must report any deficiencies in such Services, including Professional Services, within thirty (30) days of the completion of the Services.
- 6.4 Disclaimer.** TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, UKG DISCLAIMS ALL OTHER WARRANTIES NOT SET FORTH IN THIS AGREEMENT, EITHER EXPRESS OR IMPLIED, INCLUDING ALL WARRANTIES OF MERCHANTABILITY, QUALITY, PERFORMANCE, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, TITLE, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE, IN CONNECTION WITH THIS AGREEMENT, THE SERVICES, AND ANY PRODUCTS PROVIDED BY UKG. UKG DOES NOT REPRESENT, WARRANT, OR COVENANT THAT THE SERVICES OR ANY OTHER PRODUCT OR SERVICE PROVIDED HEREUNDER WILL BE UNINTERRUPTED, ERROR-FREE, VIRUS-FREE, OR SECURE. THIS DISCLAIMER OF WARRANTY MAY NOT BE VALID IN SOME JURISDICTIONS AND CUSTOMER MAY HAVE WARRANTY RIGHTS UNDER LAW WHICH MAY NOT BE WAIVED OR DISCLAIMED; HOWEVER, ANY SUCH WARRANTY RIGHTS EXTEND ONLY FOR THIRTY (30) DAYS FROM THE EFFECTIVE DATE OF THIS AGREEMENT (UNLESS AND ONLY TO THE EXTENT SUCH LAW PROVIDES OTHERWISE).
- 6.5 Customer Warranty.** Customer warrants that it has all rights and required consents to provide to UKG Customer Data.

7. Term & Termination

- 7.1 Term of the Agreement.** The term of this Agreement commences on the Effective Date and continues until the stated term in each applicable Order or as otherwise terminated as permitted in this Agreement. At the expiration of the Initial Term, and at the expiration of each Renewal Term, each as indicated on the Order, the Services will automatically renew for the duration indicated on the Order as the Renewal Term.
- 7.2 Types of Termination**
- 7.2.1 Non-renewal.** Either Party may terminate any Service identified in an Order upon at least sixty (60) days prior written notice to be effective at the expiration of the Initial Term or a Renewal Term (as such terms are defined in the Order).
- 7.2.2 For Cause.** Either Party may terminate this Agreement, or any Service identified in an Order, if the other Party fails to perform any material obligation under this Agreement, and such Party is not able to cure the non-performance within thirty (30) days of written notice of such default with reasonably sufficient detail regarding the alleged breach, provided that UKG may immediately terminate or suspend Customer's access to the Services if Customer is in breach of the "Use Restrictions" or "Confidentiality" sections of this Agreement, or the Acceptable Use Policy. Either Party may immediately terminate this Agreement and all Orders if the other Party has a receiver or similar party appointed for its property, becomes insolvent, acknowledges its insolvency in any manner, ceases to do business, makes an

assignment for the benefit of its creditors, or files a petition in bankruptcy. Other than as expressly permitted in this Agreement, or an Order, SOW, or Services Description, neither Party may terminate this Agreement and each Party remains fully obligated to the terms and conditions herein.

7.2.3 Termination due to lack of Government Funding. Customer is a government funded organization, and in the event of the loss of funds appropriated from the Government to Customer specifically dedicated to pay UKG for the Services, Customer may terminate the Order upon ninety (90) days prior written notice to UKG. Termination of the Order for this reason shall not relieve Customer of its obligation to pay any amounts due to UKG up to the date of termination. Customer represents that by executing an Order Form for the Service, Customer has received fiscal appropriations for the amounts due during the Term as indicated on such Order Form.

7.3 Effects of Termination. The following terms apply if an Order is terminated for any reason:

7.3.1 Fees. All fees will be paid by Customer for amounts owed through the effective date of termination, and, if the Order is terminated for UKG's breach of the Agreement, any fees prepaid by Customer for the Service not rendered prior to the effective date of termination will be credited against Customer's account, with any remaining amounts refunded to Customer within thirty (30) days of the effective date of termination.

7.3.2 Cessation of Services. UKG will cease to provide the Services to Customer and Customer's right to use and access the Subscription Services will end as of the effective date of termination. If Customer requires access to the Subscription Services after the effective date of termination or transition assistance, such access and assistance will be subject to mutual agreement and additional fees under a separate Order or SOW, and will be subject to the terms and conditions of this Agreement.

7.3.3 Deletion of Customer Data. UKG will delete Customer Data after Customer's rights to access the Subscription Services and retrieve Customer Data have ended, unless otherwise provided under this Agreement, a Services Description, Order, SOW, or another document. UKG will delete Customer Data in a series of steps and in accordance with UKG's standard business practices for destruction of Customer Data and system backups. UKG has no obligation to retain Customer Data and Customer Data may be permanently deleted as part of UKG's data management program(s) or practice(s), and in accordance with Applicable Laws.

7.3.4 Confidential Information. UKG and Customer will each return or destroy any Confidential Information of the other Party, with any retained Confidential Information remaining subject to this Agreement.

8. Indemnification

8.1 Claims Against Customer. UKG will defend Customer and Customer's respective directors, officers, and employees, who are acting on behalf of Customer ("**Customer Indemnified Parties**"), from and against any and all third party Claims to the extent (i) the Subscription Services infringe or misappropriate any legitimate copyright or patent, or (ii) arising from a breach by UKG of its security obligations under UKG's Data Processing Addendum resulting in the unauthorized use or disclosure of Customer Data. UKG will indemnify and hold harmless the Customer Indemnified Parties against any liabilities, damages, costs, or expenses (including, without limitation, reasonable attorneys' fees) actually awarded by a court of applicable jurisdiction to the extent resulting from such third party Claim, or as a result of UKG's settlement of such third party Claim.

8.2 Mitigation. In the event that a final injunction is obtained against Customer's use of the Subscription Services by reason of infringement or misappropriation, or if in UKG's opinion, the use of the Subscription Services is likely to become the subject of a successful Claim of infringement or misappropriation, UKG (at its option and expense) will use commercially reasonable efforts to either (a) procure for Customer the right to continue using the Subscription Services as provided in the Agreement; or (b) replace or modify the Subscription Services so that they become non-infringing but remain substantively similar to the affected Subscription Services. Should neither (a) nor (b) be commercially reasonable, either Party may terminate the Agreement and the rights granted hereunder upon written notice, at which time UKG will provide a refund to Customer of any fees paid by Customer for the infringing elements covering the period of their unavailability.

8.3 Exceptions. UKG will have no liability to indemnify or defend Customer to the extent the alleged infringement or misappropriation of the Subscription Services is based on (a) a modification undertaken by Customer, or on behalf of Customer without the express written permission of UKG; (b) use other than as authorized by this Agreement; or (c) use in conjunction with any equipment, service, or software not provided by UKG, where the Subscription Services would not otherwise infringe, misappropriate, or become the subject of the third party Claim.

8.4 Qualifications. Customer will provide written notice to UKG promptly after receiving notice of a third party Claim. If defense of such third party Claim is materially prejudiced by a delay in providing notice, UKG will be relieved from providing such indemnity to the extent of the delay's impact on the defense. UKG will have sole control of the defense of any indemnified third party Claim and all negotiations for its settlement or compromise, provided that UKG will not enter into any settlement which imposes any obligations on Customer without the prior written consent of Customer.

Customer will cooperate fully (at UKG's request and expense) with UKG in the defense, settlement, and compromise of any such action. Customer may retain its own counsel at its own expense, subject to UKG's rights above.

- 8.5** This "Indemnification" section states UKG's sole liability and Customer's exclusive remedy for all third party Claims and damages.

9. Limitations of Liability

- 9.1 Monetary Cap.** EXCEPT WITH RESPECT TO UKG'S INTELLECTUAL PROPERTY INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, DURING ANY TWELVE (12) MONTH CONTRACT TERM (BEGINNING ON THE EFFECTIVE DATE OF THE APPLICABLE ORDER), UKG'S TOTAL AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS IN CONNECTION WITH ANY SERVICE SHALL IN NO EVENT EXCEED THE AMOUNT PAID OR PAYABLE BY CUSTOMER TO UKG DURING SUCH TWELVE (12) MONTH CONTRACT TERM FOR THE SERVICE GIVING RISE TO SUCH CLAIM(S).
- 9.2 Exclusion of Damages.** UKG WILL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES; FOR THE COST OF ACQUIRING SUBSTITUTE OR REPLACEMENT SERVICES; OR FOR ANY LOST OR IMPUTED PROFITS OR REVENUES, BUSINESS INTERRUPTION, LOST GOODWILL, OR LOST DATA RESULTING FROM OR RELATED TO THE SERVICES OR THIS AGREEMENT, HOWEVER CAUSED; OR ANY DAMAGES TO THE EXTENT CAUSED BY CUSTOMER'S DATA OR APPLICATIONS, CUSTOMER'S ALLOWANCE OF UNAUTHORIZED THIRD PARTY ACCESS, OR CUSTOMER'S INTRODUCTION OF MALICIOUS CODE.
- 9.3 Applicability of Limitations.** THESE LIMITATIONS APPLY FOR ANY REASON, REGARDLESS OF LEGAL THEORY AND THE REASON LIABILITY IS ASSERTED, EVEN IF UKG HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NOTHING IN THIS SECTION OR ELSEWHERE IN THIS AGREEMENT SHALL OPERATE TO EXCLUDE OR LIMIT THE LIABILITY OF ANY PARTY TO THE EXTENT SUCH LIABILITY CANNOT LAWFULLY BE SO LIMITED OR EXCLUDED UNDER APPLICABLE LAW. INSOFAR AS APPLICABLE LAW PROHIBITS ANY LIMITATION ON LIABILITY HEREIN, THE PARTIES AGREE THAT SUCH LIMITATION WILL BE AUTOMATICALLY MODIFIED, BUT ONLY TO THE EXTENT SO AS TO MAKE THE LIMITATION COMPLIANT WITH APPLICABLE LAW. THE PARTIES AGREE THAT THE LIMITATIONS ON LIABILITIES SET FORTH HEREIN ARE AGREED ALLOCATIONS OF RISK AND SUCH LIMITATIONS WILL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

10. General

- 10.1 Insurance.** During the Order Term, UKG shall maintain appropriate insurance coverage and will provide appropriate Certificates of Insurance if requested by Customer. UKG presently maintains insurance coverage rated 'A-' "Excellent" by A.M. Best for the following risks in the following minimum amounts in United States Dollars:

- Comprehensive General Liability Insurance: \$2 million aggregate; \$1 million per occurrence, including \$1 million personal injury.
- Business Auto: \$1 million combined single limit bodily injury and property damage liability.
- Umbrella: \$5 million aggregate, \$5 million per occurrence.
- Workers' Compensation: as required by statute.
- Errors and Omissions (includes Cyber Liability coverage): \$5 million aggregate, \$5 million per occurrence.

Customer is included as an additional insured via blanket endorsement for General Liability and ongoing operations. Such protection shall be primary and non-contributory with respect to Customer's insurance, but only with respect to UKG's sole negligence. Upon written request, such blanket endorsement shall be provided to Customer.

- 10.2 Jurisdiction & Dispute Resolution.** This Agreement is governed by and is to be interpreted solely in accordance with the laws of the state of Washington, without regard to any conflict of law provision that would result in the application of a different body of law, and each Party agrees to submit to exclusive venue in the courts in King County, Washington in any dispute arising out of or relating to this Agreement. IF NOT OTHERWISE PROHIBITED BY APPLICABLE LAW, EACH PARTY AGREES THAT ANY CLAIM RELATED TO THIS AGREEMENT WILL BE RESOLVED ONLY ON AN INDIVIDUAL BASIS AND NOT IN A CLASS, CONSOLIDATED, OR REPRESENTATIVE ACTION, SUIT, OR OTHER SIMILAR PROCESS. The United Nations Commission on International Trade Law, the United Nations Convention on Contracts for the International Sale of Goods, and the Uniform Computer Information Transactions Act (UCITA) will not apply to this Agreement.
- 10.3 Government Use Provision.** If Customer is a U.S. government entity, then it acknowledges that the Subscription Services and Documentation consist of "commercial items," as defined in FAR 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as these terms are used in FAR 12.212 and in DFARS 227.7202, as applicable. All such Customers will comply with this Agreement while using Subscription Services and

Documentation, and if such Customer needs any additional rights, it agrees that it will be subject to a mutually agreed addendum to this Agreement.

- 10.4 Export.** Each Party shall comply with the export laws and regulations of the United States and other applicable jurisdictions in providing and using the Services. Without limiting the generality of the foregoing, Customer represents that it is not on any U.S. government denied-party list and it shall not make the Services available to any person or entity that (a) is located in a country that is subject to a U.S. government embargo; (b) is listed on any U.S. government list of prohibited or restricted parties; or (c) is engaged in activities directly or indirectly related to proliferation of weapons of mass destruction.
- 10.5 Severability & Waiver.** The invalidity or illegality of any provision in this Agreement will not affect the validity of any other provision. All unaffected provisions remain in full force and effect. The waiver of any breach of this Agreement will not constitute a waiver of any subsequent breach or default and will not negate the rights of the waiving Party.
- 10.6 Surviving Provisions.** Provisions in this Agreement which by their nature are intended to survive in the event of a dispute or because their obligations continue past termination of the Agreement, including provisions relating to acknowledgements, reservation of rights, use restrictions, fees, confidentiality, limits of liability, indemnification, and termination, will so survive.
- 10.7 Assignment.** This Agreement cannot be assigned by a Party, whether by operation of law or otherwise, without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement in its entirety (including all Orders and Statements of Work) as part of a merger, acquisition, transfer, or sale of all or substantially all of its assets, stock or business, including to an Affiliate, so long as the assignee agrees to be bound by all of the terms and conditions of this Agreement, the Orders, and Statements of Work. This Agreement shall be binding on and inure to the benefit of all permitted predecessors, successors, and assigns of each Party.
- 10.8 Force Majeure.** If an unforeseeable event reasonably beyond the control of either of the Parties arises to prevent a Party from performing its obligations under this Agreement, including, but not limited to, acts of war, terrorism, uprising, acts of nature like earthquakes or floods, outbreak of infectious disease, civil unrest, embargoes, riots, sabotage, labor shortages, changes in laws or regulations, the failure of the internet or communications via common networks, power or system failure, or a delay in transportation (collectively “**Force Majeure**”), each Party will be excused from performance of its obligations under this Agreement, except payment of fees, for the duration of the Force Majeure affecting such Party, provided that the affected Party will use reasonable efforts to mitigate the impact of the Force Majeure. Notwithstanding the foregoing, UKG remains obligated to provide disaster recovery portions of the Services to the extent not also prevented by the Force Majeure.
- 10.9 Publicity.** UKG will not publicize matters relating to Customer's use of the Services without Customer's prior consent. Despite the foregoing, UKG may identify the Customer as a UKG customer and use Customer's name, trademark, and logo, in any and all media, including without limitation, UKG's advertising literature, marketing materials, websites, and lists of UKG's customers.
- 10.10 Notice.** When either Party needs to provide notification or consent under this Agreement, those notices and consents must be in writing and considered delivered upon actual receipt. All notices to UKG must be sent to the following: UKGLegal@ukg.com with a copy to EVP Chief Legal Officer, UKG Inc., 900 Chelmsford Street, Lowell, MA 01851. All notices to Customer will be sent to the contact listed on the applicable Order. Any cure period required under this Agreement will begin on the date the notice is received.
- 10.11 eSignature.** Each Party agrees that an eSignature (or a facsimile signature by the authorized representative) is evidence of acceptance of a valid and enforceable agreement.
- 10.12 No Third Party Beneficiaries.** The provisions of this Agreement are for the sole benefit of the Parties and they will not be construed as conferring any rights on any third party nor are there any third party beneficiaries to this Agreement.
- 10.13 Relationship of the Parties.** The Parties are independent contractors. Nothing in this Agreement shall be deemed to constitute a partnership or joint venture between the Parties or constitute any Party to be the agent of the other Party for any purpose.
- 10.14 Entire Agreement.** This Agreement (and any information in referenced herein, including in an exhibit, schedule, attachment, annex, or at any URL) along with any corresponding Order, SOW, and Services Description constitute the entire agreement between the Parties pertaining to each Order. This Agreement supersedes all prior and contemporaneous representations, negotiations, and communications between the Parties relating to the Services and its subject matter. Customer acknowledges that it has not relied upon any such representations, negotiations, and communications, and waives any rights or claims arising from such representations, negotiations, and communications, including any claims for fraud or misrepresentation. This Agreement may only be amended in writing signed by each of the Parties. If Customer uses its own purchase order or similar document, any terms or conditions in such purchase order are null and void. In the event of a conflict between the provisions contained in this Agreement and those contained

in an Order, SOW, or Services Description, the following order of precedence shall apply: (1) the Order, (2) this Agreement, (3) Services Description, and (4) the SOW.

11. Definitions

- 11.1 “Affiliates”** means, as to UKG, those entities that are directly or indirectly controlled by UKG Inc.; and as to Customer, those Customer entities that directly or indirectly control, are controlled by, or are under common control with Customer. “Control” (in this context) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and operating policies of the entity in respect of which the determination is being made through the ownership of the majority of its voting or equity securities, contract, or otherwise.
- 11.2 “Applicable Law(s)”** means all laws, codes, legislative acts, regulations, ordinances, administrative rules, rules of court, and court orders applicable to a Party’s respective business.
- 11.3 “Claim(s)”** means any and all notices, charges, claims, proceedings, actions, causes of action and suits.
- 11.4 “Customer Data”** means all content, information, and data Customer inputs into the Subscription Services, including but not limited to Personal Data.
- 11.5 “Documentation”** means the written specifications for the Subscription Services or published online by UKG on its community pages accessible at <https://www.ukg.com/support> and <https://library.ukg.com/>, such as user manuals and administrator guides, as well as the Services Descriptions.
- 11.6 “Order”** means an order form agreed by both Parties, which is subject to this Agreement or otherwise references this Agreement, setting out, among other things, the type and quantity of employees that may be managed in the Subscription Services, the term of the Order, price and payment terms of the Services to be provided by UKG, and the fees to be paid by Customer.
- 11.7 “Party” or “Parties”** means UKG or Customer, or both, as the context dictates.
- 11.8 “Personal Data”** means data related to a natural person or particular individual as defined under Applicable Laws, including “personal data” as defined under the EU General Data Protection Regulation (“GDPR”); “personal information” as defined under the California Consumer Privacy Act (“CCPA”); and any similar terms, such as “personally identifiable information” defined under applicable privacy laws.
- 11.9 “Professional Services”** means the deployment, launch, configuration, implementation, integration, delivery, consulting, managed, and other similar services provided hereunder.
- 11.10 “Services”** means the (a) Subscription Services; (b) Support Services; (c) Professional Services; (d) Training Services; and (e) other services or offerings as set forth in an Order.
- 11.11 “Services Description”** means the supplemental terms applicable to a Subscription Service or other offerings located at <http://www.ukg.com/services-descriptions>.
- 11.12 “Statement of Work” or “SOW”** means a document executed by both Parties, which is subject to this Agreement and the applicable Order or otherwise references this Agreement, detailing the scope of Professional Services or Training Services, the associated fees, and other applicable terms.
- 11.13 “Subscription Services”** means those UKG software-as-a-service (“SaaS”) applications set forth on the Order, including the UKG data accessible therein, and made available to Customer via a hosted multi-tenant environment to use on a subscription basis.
- 11.14 “Support Services”** means support and maintenance services provided by UKG for the Subscription Services, as described in this Agreement.
- 11.15 “Training Services”** means in person and virtual instructor-led training and courses, including online, on-demand, in-product, and on-site courses provided by UKG.

IN WITNESS WHEREOF, the Parties through their duly authorized representatives have read the foregoing and all documents incorporated herein and agree and accept such terms effective as of the date of the last signature below.

| | |
|---|--|
| UKG Kronos Systems LLC | CITY OF REDMOND |
| Dated: 9/10/2024 2:58 PM EDT | Dated: 9/13/2024 |
| By: <small>DocuSigned by:</small> <i>Erica Bukowski</i> <small>93A063ADEBCA41A...</small> | By: <small>Signed by:</small> <i>Kelley Cochran (Mayor Designee)</i> <small>5D9FC072714C4E4...</small> |
| Name: Erica Bukowski | Name: Kelley Cochran (Mayor Designee) |
| Title: Sr. Order Processing Analyst | Title: Finance Director |

UKG Pro Statement of Work for City of Redmond

This Statement of Work (SOW) outlines the scope of services to be provided by UKG for the implementation of the Subscription Service(s) in the corresponding Order and is subject to the terms and conditions set forth in the UKG Master Services Agreement (MSA) or such other existing underlying agreement between the Parties. The SOW shall apply to this Order and shall supersede any Statement of Work linked in the Order. The scope of services described herein are fixed price and subject to the same terms and conditions as the corresponding Order. Unless otherwise defined herein, words and expressions defined in the Order shall have the same meaning in this Statement of Work.

1. Introduction to Launch

UKG’s Launch methodology provides a framework for how the project will progress during the Customer’s deployment. The project team follows this framework to transition Customer’s applicable functions from the legacy provider(s) to the UKG Subscription Service(s). The Launch methodology includes the following phases:

| Launch Phase | Description |
|--------------|--|
| Welcome | This phase includes UKG’s internal readiness and team assignments, Customer preparation and access to Subscription Service(s), project team kick off, and initial project planning. |
| Requirements | This phase includes reviewing and assessing Customer’s current process and policy information to ensure the best fit between Customer’s business requirements and the UKG Subscription Service(s). |
| Build | This phase includes configuring Customer’s Subscription Service(s), migrating applicable data from legacy system(s), building integrations to/from third-party systems, and unit testing to ensure each iteration delivers a fully configured component of the system. |
| Test | This phase includes Customer’s User Acceptance Testing (UAT) and parallel testing for the applicable UKG Subscription Service(s). |
| Go Live | This phase includes UKG assisting Customer with the first live processing, the rollout of the Subscription Service(s) and transition to UKG support. |

2. Subscription Services in Scope

The following Subscription Services are in scope and will be configured in accordance with the Launch methodology and assumptions described in this document.

| Subscription Service | Go Live Phase |
|--|---------------|
| UKG Pro Pay and People Center | Phase 1 |
| UKG Pro People Assist | Phase 1 |
| UKG Pro Talent Acquisition (Recruiting and Onboarding) | Phase 1 |
| UKG Pro Compensation | Phase 1 |
| UKG Pro Document Manager | Phase 1 |

3. Launch Parameters

The following parameters support UKG’s Launch methodology and provide an additional set of considerations as it applies to the Project, the Subscription Service(s), and Professional Services described in this document.

| Launch Item | Parameters |
|-------------------------------|---|
| Project Launch and Completion | <ul style="list-style-type: none"> UKG will support one (1) Launch Go Live for the Subscription Service(s) in the Order. The typical Phase 1 Launch duration for Customers whose purchase includes UKG Pro Pay and People Center and/or UKG Pro Workforce Management is ten (10) months from project kick-off Launch services for each phase end when the scope of services are completed or expire twelve (12) months after phase kick-off, whichever comes first. Includes up to 100 hours of Workforce Management Consulting |
| Launch Pricing | <ul style="list-style-type: none"> Fixed Fee Launch pricing for the scope of services described herein is based on typical Launch duration identified in this SOW and assumes Customer will have established standardized HR, pay, and/or time policies/practices for employees included within the Order. Launch services will be delivered as one continuous project. If any necessary Customer information, data, materials, access, cooperation and/or personnel is incomplete or delayed, UKG reserves the right to place the project on hold, reassign resources, and amend the quoted pricing accordingly. |

| Launch Item | Parameters |
|----------------------------------|---|
| | <ul style="list-style-type: none"> Material scope changes impacting project resource requirements and/or Launch duration, including interfaces not specified in this SOW, will require a separate Service Request. |
| Work Hours | <ul style="list-style-type: none"> UKG will perform work during standard business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m. in the Customer's primary time zone. Work outside of the standard business hours must be mutually agreed upon in advance and requested with enough notice to ensure resource availability. |
| Customer Tasks and Communication | <ul style="list-style-type: none"> Customer will complete tasks and training as indicated in the Roles and Responsibilities section of this document and as assigned in the final project plan by mutually agreed upon due dates. UKG will not be responsible for delays caused by Customer's failure to provide adequate resources for the project or complete tasks and training promptly. Customer will not be responsible for delays caused by UKG's inability to provide adequate resources for the project or completion of tasks. The Customer's project manager is the appointed point of contact for Customer on this project. The Customer's project manager will be responsible for all communications and project management among all Customer parties (staff, vendors, consultants) and for the escalation and resolution of any issues for the Customer. |
| Travel and Access | <ul style="list-style-type: none"> UKG will deliver the scope of this project utilizing a blended approach of on and offsite resources. Onsite visits will be mutually agreed upon in advance. Customer will provide UKG resources with access to necessary infrastructure to complete project tasks. Remote access will be granted using industry standard tools (GoToMyPC, PCAnywhere, etc.). Travel expenses are not included and will be invoiced separately as incurred. Customer is responsible for airfare, lodging, and related travel expenses incurred while UKG resources are traveling for Customer's business. All travel and expenses are billed at actual costs incurred. UKG resources will book travel through UKG's preferred travel management company. |

4. Roles, Responsibilities, and Deliverables

A successful Launch assumes Customer participation throughout each phase of the project. Roles and responsibilities for both UKG and the Customer are described below along with primary Launch deliverables and acceptance criteria.

| Launch Phase | UKG | Customer | Deliverables |
|--------------|---|---|--|
| Welcome | | | |
| | <ul style="list-style-type: none"> Review Statement of Work (SOW), contract documents and resource assignments with Customer Facilitate and participate in the kick-off meeting Assist in defining Customer resources and training plan as part of the project plan Provide Customer access to the Subscription Service(s) as contracted in the Order | <ul style="list-style-type: none"> Validate Statement of Work (SOW), contract documents and resource assignments Share project goals/success criteria with UKG project team Participate in the kick-off meeting Ensure key project resources attend recommended training course(s) throughout implementation | <ul style="list-style-type: none"> Statement of Work (SOW) and contract documents reviewed and align with those received with the Order Resource assignments, training plan, and initial project plan delivered and align with project goals/success criteria shared with UKG project team\ Access to the UKG Subscription Service(s) obtained as contracted in the Order |
| Requirements | | | |
| | <ul style="list-style-type: none"> Guide Customer in gathering business requirements for Net New Subscription Services Conduct workshops to define testing strategy Lead and participate in the documentation of project assumptions, risks, and configuration needs based on completed requirements and UKG recommended configurations Create project scope document | <ul style="list-style-type: none"> Gather policy/procedure documentation and business use cases to complete data collection process for Net New Subscription Services Describe expected solution, business process(es), and business rules for all employee groups in scope Facilitate timely review, feedback, and signoff on all project documentation as required to meet project deadlines | <ul style="list-style-type: none"> Updated project plan delivered detailing activities and primary milestones of the project Data collection process complete Testing strategy workshop(s) delivered Project scope document delivered |

| Launch Phase | UKG | Customer | Deliverables |
|----------------|---|---|---|
| | detailing the results of the requirements phase and provide Customer with a detailed project plan <ul style="list-style-type: none"> Review requirements, and documentation with Customer’s technical team. | <ul style="list-style-type: none"> Participate in the documentation of project assumptions, risks, and configuration needs Provide technical system diagrams, requirements, and documentation. This will include the work of Customer’s Master Architect. | |
| Build | | | |
| | <ul style="list-style-type: none"> Complete mutually agreed upon UKG configuration tasks and complete unit testing to validate configuration Share data mapping process and field specifications with Customer Configure interfaces as defined in this document Supply technical support for UKG network infrastructure | <ul style="list-style-type: none"> Complete mutually agreed upon Customer configuration tasks and complete unit testing to validate configuration Provide data translations and field mapping defaults for all required fields Supply technical support for system integration/data conversion, system networking and any Customer hardware Review configuration and agree to proceed to Test phase Work closely with UKG on functional design and deliverables. | <ul style="list-style-type: none"> Unit testing completed and configuration validated for Subscription Service(s) Data mapping process and field specifications shared supporting the provisioning of data necessary for required fields Interfaces are configured and align with those defined in the SOW |
| Test | | | |
| | <ul style="list-style-type: none"> Assist Customer with interface, system, functional, and conversion (if applicable) User Acceptance testing (UAT) per the defined testing strategy Resolve Customer-reported defects | <ul style="list-style-type: none"> Perform interface, system, functional, and conversion (if applicable) User Acceptance testing (UAT) per the defined testing strategy Report and retest identified defects | <ul style="list-style-type: none"> User Acceptance testing (UAT) completed Key users and end users training Customer’s authorization to proceed to Go Live received |
| Go Live | | | |
| | <ul style="list-style-type: none"> Provide production support and post-live support for transition to UKG’s Support Services team | <ul style="list-style-type: none"> Execute manager and end-user training Validate Subscription Service(s) and mutually agree to proceed with Go Live | <ul style="list-style-type: none"> First live date has been achieved |

5. Project Team Composition

UKG will provide experienced resources and subject matter experts (SMEs) specializing in specific areas of the Launch associated with the Subscription Service(s) purchased. Customer will also provide resources and subject matter experts (SMEs) to support implementation of the Subscription Service(s) purchased or as otherwise mutually agreed to in the project plan. All UKG and Customer resources agree to follow the defined project methodology and timeline, and complete tasks by agreed upon due date.

UKG may use trained and approved consulting services resources (“Certified Partners”) to assist in the performance of the Launch or consulting services under the Order. Customer hereby authorizes access by UKG, its affiliates, and Certified Partners to the Customer information necessary to perform such Professional Services which may include access to Customer’s Confidential Information and Customer Data.

Service Level Targets for implementation teams (UKG & CoR):

Response time:

- Within 24 hours (excluding weekends and holidays) – acknowledge receipt of issue/request.
- Within 1-2 business day provide answer to questions or timeline for work completion.
- Within 1-2 business day provide notification of delays in deliverables w/valid reason

Meeting cancellation policy:

- Notification 24 hours or more before the meeting (barring emergencies)

| UKG Resource | Key Responsibilities |
|---|--|
| Service Manager | <ul style="list-style-type: none"> Act as UKG project sponsor responsible to gain commitment for all project resources |
| Project Manager | <ul style="list-style-type: none"> Serve as primary point of contact responsible for achieving project objectives by coordinating with all project resources on the timely completion of project tasks Develop and manage project schedule. Communicate overall project status and provide project reporting. Serve as initial point of escalation for all project related issues. Identify and develop project risk mitigation plan and coordinate activities needed for resolution. Maintain issue/action (RAID) log Schedule and facilitate recurring meetings with all UKG consultants and Redmond core team Provide confirmed agendas for working sessions to ensure correct resources from UKG and CoR are present, at minimum 48 hours prior to meeting |
| Integration Consultant | <ul style="list-style-type: none"> Create and deliver all in-scope integrations Provide best practices and advise on technical integration solutions. Work together with Customer and 3rd-party vendors (if applicable) to determine requirements for file automation; initiates and manages the setup of data exchange services |
| User Adoption Consultant | <ul style="list-style-type: none"> Serve as primary point of contact to advise designated Customer resources responsible to support the delivery of change management |
| Subscription Service Consultant(s) | <ul style="list-style-type: none"> Act as advisor and primary point of contact for Subscription Service(s) purchased under this agreement and associated service requests Complete the configuration life cycle per the Launch methodology for Subscription Service(s) in scope |
| Data Conversion Consultant | <ul style="list-style-type: none"> Responsible for successful conversion of source data provided by Customer |
| HR/Payroll Consultant | <ul style="list-style-type: none"> Primary point of contact for HR and payroll subscription services configuration life cycle per the Launch methodology |
| Talent/Compensation Consultant | <ul style="list-style-type: none"> Primary point of contact for talent and compensation subscription services configuration life cycle per the Launch methodology |
| Document Manager and People Assist Consultant | <ul style="list-style-type: none"> Primary point of contact for document manager and People Assist subscription services configuration life cycle per the Launch methodology |
| Workforce Management Consultant | <ul style="list-style-type: none"> Primary point of contact for workforce management subscription services configuration life cycle per the Launch methodology Work closely with Customer on re-configurations of building blocks to better align with Pro People Center and Pro Payroll. Advise and recommend changes to WFM which currently is configured to operate with legacy HR/Payroll application. |

| Customer Resource | Key Responsibilities |
|--|--|
| Executive Sponsor | <ul style="list-style-type: none"> Act as Customer project sponsor responsible to gain commitment for all project resources Provide executive-level support to the project team Ensure the needs of the project team are well represented and met by the steering committee |
| Project Manager / Lead | <ul style="list-style-type: none"> Serve as primary point of contact responsible for achieving project objectives by coordinating with Customer project resources on the timely completion of project tasks Communicate overall project status and provide project reporting to Customer steering committee if applicable Identify and manage project risks and serve as Customer's initial point of escalation for all project related issues and coordinate activities needed for resolution Channel the team's activities toward Subscription Service(s) configuration and executing the project Maintain issue/action (RAID) log Schedule and facilitate recurring meetings with all UKG consultants and Redmond core team |
| Education and Change Management Resource | <ul style="list-style-type: none"> Act as Customer's primary resource and designated decision maker for end user training and change management |
| System Administrator | <ul style="list-style-type: none"> Serve as Customer's primary resource(s) for Subscription Service(s) configuration and on-going system support and knowledge If unable to make decision as the designated decision maker, work within timeline to get decision from necessary resource |
| Technical Resource | <ul style="list-style-type: none"> Serve as Customer's primary resource(s) for technical issues related to integrations, network, Subscription Service(s) security, and data conversion when applicable If unable to make decision as the designated decision maker, work within timeline to get decision from necessary resource |

| Customer Resource | Key Responsibilities |
|--|--|
| Payroll Subject Matter Expert | <ul style="list-style-type: none"> Customer’s primary payroll representative and designated decision maker If unable to make decision as the designated decision maker, work within timeline to get decision from necessary resource |
| HR/Talent Acquisition Subject Matter Expert | <ul style="list-style-type: none"> Customer’s primary talent acquisition representative and designated decision maker If unable to make decision as the designated decision maker, work within timeline to get decision from necessary resource |
| Document and Case Management Subject Matter Expert | <ul style="list-style-type: none"> Customer’s primary document and case management representative and designated decision maker |
| Other Subject Matter Experts | <ul style="list-style-type: none"> Provide subject matter expertise pertaining to the Customer’s current business processes and policies for functional areas associated with in scope Subscription Service(s) Act as a primary resource and decision maker regarding Subscription Service(s) configuration Support Customer’s User Acceptance Testing (UAT) effort during the Testing phase per the Launch methodology and supplemental testing services, if purchased |
| Workforce Management Subject Matter Expert | <ul style="list-style-type: none"> Customer’s primary workforce management representative and designated decision maker |

6. Service Assumptions

The following assumptions were used to formulate the Order and this SOW. Changes to these assumptions may require a separate Service Request resulting in additional costs and delayed timelines.

Training and User Adoption Services

| Service | Assumptions |
|-----------------------|---|
| Training | <p>UKG will:</p> <ul style="list-style-type: none"> Provide a product learning plan to prepare your project team during the launch via the UKG Community. Specific courses are required during each phase of the launch to minimize the amount of time between training delivery date and real-life system usage. Provide access to learning resources like instructor led courses, job aids and videos for end users, superusers and administrators. Provide ongoing, post-live access to formal and informal learning for administrators and superusers to keep up to date with releases, quarter/year end and best practices. |
| User Adoption-Empower | <p>UKG will:</p> <ul style="list-style-type: none"> Conduct a communications and user training planning workshop Conduct a train-the-trainer consulting workshop Provide a role-based user matrix Provide access to the preparing for change dashboard Provide adaptable communications and user training plans Provide train the trainer materials including manager course presentation (.ppt) and participant guide (.doc), standard hands-on practice exercises with the most common manager tasks, employee job aids (.html) |

Testing Services

| Service | Assumptions |
|---------------------------------------|---|
| User Acceptance Testing (UAT) Support | <p>UKG will:</p> <ul style="list-style-type: none"> Provide an overview of the UAT process, including testing tools and the approach to be used for issue management Supply stock baseline test cases to validate system functionality and provide general guidance to aid Customer in writing and executing test cases specific to their business Offer consultation and provide issue support during the testing phase Secure final confirmation from Customer to validate system readiness prior to Go Live <p>Note:</p> <ul style="list-style-type: none"> Customer has declined the option to purchase supplemental testing services offered by UKG and/or their certified partners and is fully prepared to support the UAT phase of the project with internal resources. Doing so may impact the timeline of this project. If any necessary Customer testing is incomplete or delayed, UKG reserves the right to place the project on hold, reassign resources, and |

| Service | Assumptions |
|---------|---------------------------------------|
| | amend the quoted pricing accordingly. |

UKG Pro HR/Payroll Subscription Services

| Service | Assumptions |
|-------------------------------|--|
| UKG Pro Pay and People Center | <p>UKG will:</p> <ul style="list-style-type: none"> Support and enable Customer to configure and administer the Subscription Service(s) through a combination of remote working sessions and Customer assignments <ul style="list-style-type: none"> Working sessions are typically one to two (1-2) hours each and will be scheduled considering project timeline and Customer availability. Total sessions vary based upon specific Subscription Service(s) purchased, Customer complexity, and engagement. Monitor configuration and testing activity completion to determine when Subscription Service(s) are ready for production use Provide thirty (30) days of production support prior to transitioning Customer to UKG Support <p>Customer will:</p> <ul style="list-style-type: none"> Participate in working sessions and complete assigned configuration and testing activities <p>UKG will provide the following Pro Pay and People Center data conversion services (a successful conversion balances with the provided source data):</p> <ul style="list-style-type: none"> Provide one (1) production and two (2) non-production environments Review Customer-provided source data to ensure suitability for production processing in UKG approved conversion table formats. The data converted must map to existing UKG Pro Pay and People Center tables. Convert data from up to two (2) source system(s) (additional sources may be used for conversion; however additional fees may apply) Convert employee Masterfile/people data up to (2) times and all other history (e.g. job history and check detail) one (1) time Convert payroll opening balances up to two (2) times <p>Customer will:</p> <ul style="list-style-type: none"> Provide source data suitable for production processing in UKG approved conversion table formats. The data converted must map to existing UKG Pro Pay and People Center tables. <p>UKG will provide the following Pro Pay and People Center integration services prior to live:</p> <ul style="list-style-type: none"> Create up to fifteen (15) flat-file interfaces from the following list. Each integration is assumed to have one (1) file layout. Integrations in this section are delivered via encrypted flat file via secure FTP site and processed as a scheduled event: <ul style="list-style-type: none"> Banking Export(s) State New Hire Export(s) General Ledger Export Employee Benefit Providers (bi-directional, if needed, for setup of new benefits or communication of benefit changes to benefit providers): medical, dental, vision, health spending account, flexible spending account, disability (LTD/STD), COBRA, deferred compensation plan (i.e., 401k/RRSP-CAN) Customer will work with UKG on determining the best integration solution; there are multiple ways to integrate, and customer needs to evaluate all options before agreement on the proposed integration solution. Customer will work with the UKG consultants on data mapping, file layouts, data validations, and application business logic as required. <p>Within the 15 allotted flat file interfaces, UKG could include the following:</p> <ul style="list-style-type: none"> Washington Department of Retirement Systems (DRS): integration export to DRS system for enrollment, retirement contributions and reporting NeoGov New Hire Integration: integration to import new hire information to HR/Payroll Workterra: Benefits Management system |

| Service | Assumptions |
|--|--|
| | <ul style="list-style-type: none"> Employee integration: export employee demographic file & terminations Payroll integration: import election adds/changes/terms ACA integration: export hours worked/PTO used from Payroll D365 integration: data export to City database Concur integration: export employee demographic file Vector Solutions integration: export employee demographic file <p>Customer will:</p> <ul style="list-style-type: none"> Provide source data suitable for production processing in UKG approved conversion table formats. The data converted must map to existing UKG Pro Pay and People Center tables. |
| UKG Pro People Assist | <p>UKG will configure the following Customer-defined functionality:</p> <ul style="list-style-type: none"> Five (5) categories Fifteen (15) forms and associated workflows (three-step maximum) Five (5) process templates containing up to ten (10) tasks each <p>Customer will:</p> <ul style="list-style-type: none"> Create knowledge base articles in its Subscription Service platform Customer system admins will design and develop any additional forms, workflows, and templates required by the business teams. |
| UKG Pro Document Manager | <p>UKG will configure the following Customer-defined functionality:</p> <ul style="list-style-type: none"> Employee folder structure (document types, metadata, and retention policies) Role matrix (roles, permissions, and user groups) Historical and on-going migration of onboarding and employee documents from UKG Pro People Center with standard mapping One (1) standard signature and two (2) document templates for the Smart Document Generation module <p>Customer will:</p> <ul style="list-style-type: none"> Create knowledge base articles in its Subscription Service platform |
| <p>UKG Pro Talent Acquisition*</p> <p>UKG Pro Compensation</p> | <p>UKG will:</p> <ul style="list-style-type: none"> Support and enable Customer to configure and administer the Subscription Service(s) through a combination of remote working sessions and Customer assignments <ul style="list-style-type: none"> Working sessions are typically one to two (1-2) hours each and will be scheduled considering project timeline and Customer availability. Total sessions vary based upon specific Subscription Service(s) purchased, Customer complexity, and engagement. Monitor configuration and testing activity completion to determine when Subscription Service(s) are ready for production use Provide thirty (30) days of production support prior to transitioning Customer to UKG Support <p>Customer will:</p> <ul style="list-style-type: none"> As a prerequisite, be live on UKG Pro People Center and actively maintaining both organization structure and employee data Participate in working sessions and complete assigned configuration and testing activities <p>Note: Data conversion services are not included and are quoted via Service Request if required. Customer should let their UKG project manager know if interested in obtaining these services.</p> <p>*Data conversion services for UKG Pro Talent Acquisition must be completed prior to Go Live.</p> |

7. Service Requests

Requests for changes to this SOW, additional scope, or activities outside of this planned project scope must be submitted to the UKG project manager in writing or in the form of an electronic Service Request.

The following excluded items are considered out of scope and will require a Service Request:

- Material changes in the scope or effort
- Material changes in the number or type of deliverables to meet the defined scope or effort
- Changes to the project resource requirements

- Changes to the Launch duration

UKG will assess the time needed to implement the Service Request, its impact on the project's delivery, and will quote the Service Request based on current rates. UKG will perform the requested work once the Service Request has been completed and signed by the Customer. UKG will not be responsible for troubleshooting Subscription Service(s), interfaces or hardware not provided by UKG.

Data Processing Agreement

This Data Processing Agreement (“DPA”) is by and between (i) the UKG entity, as the Processor of Customer Personal Data, set forth in the Order or Statement of Work that references the UKG Master Services Agreement, or any other currently effective agreement, (the “Agreement”), (“UKG”), and (ii) the person or entity who is named on such Order or Statement of Work on behalf of itself and Customer Affiliates, as the Controller of Customer Personal Data, (“Customer”) and sets forth the terms and conditions applicable to UKG’s processing activities under the Agreement. Customer and UKG are referred to individually as a “Party” and collectively as the “Parties”.

WHEREAS, in the course of providing the Services to Customer pursuant to the Agreement, UKG may Process Customer Personal Data on behalf of Customer, and the Parties agree to comply with the following provisions with respect to the Processing of Customer Personal Data.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the respective receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. General

- 1.1 The above and foregoing recitals are true and correct and incorporated herein by reference.
- 1.2 This DPA consists of the terms and conditions set forth in this DPA and the following Schedules, which are attached hereto and incorporated herein by reference:
- 1.2.1 Schedule 1: Details of the Processing
- 1.2.2 Schedule 2: Technical and Organizational Security Measures
- 1.2.3 Schedule 3: Additional Applicable Privacy Provisions

2. Definitions

2.1 In this DPA, capitalized terms will have the meanings set out below. Capitalized terms not otherwise defined below will have the meaning given to them in the Agreement.

“**Affiliates**” means, as to UKG, those entities that are directly or indirectly controlled by UKG Inc.; and as to Customer, those Customer entities that directly or indirectly control, are controlled by, or are under common control with Customer. “Control” (in this context) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and operating policies of the entity in respect of which the determination is being made through the ownership of the majority of its voting or equity securities, contract, or otherwise.

“**Applicable Law(s)**” means any applicable provisions of all laws, codes, legislative acts, regulations, ordinances, rules of court, and court orders which govern the Party’s respective business operations. UKG shall comply with all Applicable Laws applicable to UKG in its role as a Data Processor Processing Personal Data. For the avoidance of doubt, UKG is not responsible for complying with Applicable Laws applicable to Customer or Customer’s industry. Customer shall comply with all Applicable Laws to Customer as a Data Controller.

“**Cross-Border Transfer Mechanism**” means applicable legally valid mechanisms required for the transfer of Customer Personal Data from a Controller or a Processor in a given jurisdiction to another Processor or Subprocessor operating in a separate jurisdiction where Applicable Laws require a legal mechanism for cross-border transfer. Such mechanisms include, by way of example and without limitation, the Standard Contractual Clauses.

“**Core Subscription Services**” means UKG Pro, UKG Pro Workforce Management, UKG Ready, and HRSD (including People Assist & UKG Pro Document Manager) offerings identified in the Order.

“**Countries with Adequate Protection**” means the following applicable third countries, territories, or specified sectors within a third country: (1) for data processed subject to the EU GDPR: the EEA, or [a country or territory that is the subject of an adequacy decision by the Commission under Article 45\(1\) of the EU GDPR](#); (2) for data processed subject to the UK GDPR: the UK or a country or territory that is the subject of the adequacy regulations under Article 45(1) of the UK GDPR and Section 17A of the Data Protection Act 2018; and/or (3) for data processed subject to the Swiss FDPA: Switzerland, or a country or territory that (i) is included in the list of the states whose legislation ensures an adequate level of protection as published by the Swiss Federal Data Protection and Information Commissioner, or (ii) is the subject of an adequacy decision by the Swiss Federal Council under the Swiss FDPA.

“**Customer Personal Data**” means any Personal Data Processed by UKG on behalf of Customer pursuant to or in connection with the Agreement.

“**GDPR**” means EU General Data Protection Regulation 2016/679.

"Pseudonymized Data" means Data that has gone through Pseudonymization.

"Restricted Transfer" means a transfer of Customer Personal Data from Customer to a UKG Processor, or a transfer of such data between UKG Processors, where such transfer would be prohibited by Applicable Laws (or by the terms of data transfer agreements put in place to address the data transfer restrictions of Applicable Laws) in the absence of a Cross-Border Transfer Mechanism.

"Services" means Core Services and any other UKG Products and Services.

"Standard Contractual Clauses" or **"SCCs"** means any type or module of standard contractual clauses approved by any relevant authority such as the European Commission in Decision (EU) 2021/914 on standard contractual clauses for the transfer of personal data to third countries, the British Data Protection Authority, the Swiss Data Protection Authority or the Singapore Data Protection Authority, including those executed between UKG Affiliates as UKG Processors. The completed EU SCCs (Processor-to-Processor) and (Controller-to-Processor) are available on ukg.com, and are deemed incorporated in this DPA, in accordance with Section 11 below.

"Subprocessor" means any person (including any third party and any UKG Affiliate) appointed by or on behalf of UKG to Process Customer Personal Data on behalf of Customer in connection with the Agreement, a list of which is available on ukg.com, and which is incorporated herein by reference.

"UKG Processor" means UKG or a UKG Subprocessor.

"UKG Other Products & Services" means Professional Services and UKG products and services other than Core Subscription Services, which are subject to the specific Supplement for UKG Other Products and Services available on ukg.com.

The terms, **"Commission"**, **"Controller"**, **"Data Subject"**, **"Member State"**, **"Personal Data"**, **"Personal Data Breach"**, **"Personal Information"**, **"Processing"**, **"Processor"**, **"Pseudonymization"** and **"Supervisory Authority"**, will have the same meaning as in the GDPR, or the equivalent meaning as set forth in Applicable Laws, and **"Processing"** shall be interpreted to include the following as applicable **"Process"**, **"Processes"** and **"Processed"**.

Where applicable, the terms, **"Service Provider"**, **"Share"** and **"Sell"** will have the same meaning as in the California Consumer Privacy Act (**"CCPA"**).

3. Processing of Customer Personal Data

3.1 UKG will:

3.1.1 comply with all Applicable Laws in the Processing of Customer Personal Data; and

3.1.2 not Process Customer Personal Data other than for the purpose, and in accordance with, the relevant Customer's instructions as documented in the Agreement and this DPA, unless Processing is required by the Applicable Laws to which the relevant UKG Processor is subject, in which case UKG to the extent permitted by the Applicable Laws, will inform Customer of that legal requirement before the Processing of that Customer Personal Data.

3.2 Customer hereby:

3.2.1 instructs UKG (and authorizes UKG to instruct each Subprocessor) to: (a) Process Customer Personal Data; and (b) in particular, transfer Customer Personal Data to any country or territory subject to the provisions of this DPA, in each case as reasonably necessary for the execution of the Agreement.

3.2.2 warrants and represents that it is and will at all relevant times remain duly and effectively authorized to give the instructions set out in Section 3.2.1 on behalf of each relevant Customer Affiliate; and

3.2.3 warrants and represents that it has all necessary rights in relation to the Customer Personal Data and/or has collected all necessary consents from Data Subjects to Process Customer Personal Data to the extent required by Applicable Law.

3.3 Schedule 1 to this DPA sets out certain information regarding UKG's Processing of Customer Personal Data as required by Article 28(3) of the GDPR (and equivalent requirements of other Applicable Laws).

4. UKG Personnel

UKG will take steps to ensure that access to Customer Personal Data is limited to those individuals who: (a) need to know or access the relevant Customer Personal Data as necessary for the purposes of providing the Services under the Agreement or to comply with Applicable Laws in the context of that individual's duties to UKG; and (b) are subject to written confidentiality undertakings or professional or statutory obligations of confidentiality.

5. Security

5.1 Taking into account the state of the art, the costs of implementation and the nature, scope, context, and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, UKG will in relation to the Customer Personal Data implement appropriate technical and organizational measures to ensure a level of security appropriate to that risk as set forth in Schedule 2 to this DPA.

5.2 In assessing the appropriate level of security, UKG will take into account the risks that are presented by Processing, in particular from a Personal Data Breach.

6. Subprocessing

6.1 Customer generally authorizes UKG to appoint Subprocessors in accordance with this Section 6, including without limitation those Subprocessors provided [herein](#) and any new Subprocessors. Subprocessors used for UKG Other Products and Services may be listed under each applicable Statement of Work or Order Form or in an addendum to this DPA or other form of communication.

6.2 UKG will provide Customer with a mechanism to obtain notification of the appointment of any new Subprocessor, including material details of the Processing to be undertaken by the Subprocessor at least thirty (30) days before said Subprocessor carries out Processing activities on Customer Personal Data on behalf of Customer. Customer may object, on reasonable data protection grounds, to any new Subprocessor by providing notice of an objection by email to privacy@ukg.com to UKG within ten (10) days of Customer's receipt of notification of the addition of the new Subprocessor by UKG. In the event UKG, in its sole discretion, is unable to forego the utilization of a new Subprocessor that has been objected to for the Processing of Customer Personal Data or is otherwise unable to reasonably address the Customer's objection within thirty (30) days of UKG's receipt of such objection from Customer, the Customer may terminate the impacted services upon written notice to UKG. This termination right is Customer's sole and exclusive remedy if Customer objects to any new Subprocessor, and is not a termination for cause. UKG will cease providing the impacted services thirty (30) days following the notice of termination.

6.3 With respect to each Subprocessor, UKG will:

6.3.1 verify that the arrangement between UKG and the Subprocessor is governed by a written contract including terms which offer at least equivalent level of protection for Customer Personal Data as those set out in this DPA and meet the requirements of article 28(3) of the GDPR; and

6.3.2 if that arrangement involves a Restricted Transfer, confirm that the Standard Contractual Clauses, or other legally valid Cross-Border Transfer Mechanism, are at all relevant times incorporated into the relevant agreement(s) between UKG and the Subprocessor.

7. Data Subject Rights

7.1 Taking into account the nature of the Processing, UKG will assist Customer by implementing commercially reasonable technical and organizational measures for the fulfilment of the Customer's obligations, as reasonably understood by Customer, to respond to requests to exercise Data Subject rights under the Applicable Laws.

7.2 If UKG receives a request from a Data Subject under any Applicable Law in respect of Customer Personal Data ("Data Subject Request"), UKG will:

7.2.1 promptly redirect the Data Subject to its Controller; and

7.2.2 ensure that UKG does not respond to that Data Subject Request except on the documented instructions of Customer or as required by Applicable Laws to which UKG is subject, in which case UKG, to the extent permitted by the Applicable Laws, shall inform Customer of that legal requirement before UKG responds to the Data Subject request.

8. Personal Data Breach

8.1 UKG will notify Customer without undue delay and in accordance with Applicable Laws upon UKG or any Subprocessor becoming aware of a Personal Data Breach affecting Customer Personal Data, providing Customer with sufficient information to allow Customer to meet its obligations to report or inform Data Subjects of the Personal Data Breach under the Applicable Laws.

8.2 In the event of a Personal Data Breach, the Parties will reasonably cooperate with each other, and UKG shall take commercially reasonable steps to keep Customer informed as to the investigation, mitigation, and remediation of any such Personal Data Breach.

8.3 Except as may be required by Applicable Laws, UKG will not notify Customer's affected Data Subjects about a Personal Data Breach without Customer's prior written consent.

9. Deletion or return of Customer Personal Data

9.1 Subject to Sections 9.2 and 9.3, following the latter of either (i) termination or expiration of the Agreement or (ii) cessation of the Processing of Customer Personal Data, (the "Cessation Date"), UKG will, in accordance with the terms of the Agreement, promptly return or delete Customer Personal Data that can be reasonably identified and extracted in accordance with the requirements of the relevant Applicable Laws.

9.2 Notwithstanding Section 9.1 above, each UKG Processor may retain Customer Personal Data to the extent and for such period as required by Applicable Laws, provided that UKG will ensure the confidentiality of all such Customer Personal Data and will ensure that such Customer Personal Data is only Processed as necessary for the purpose(s) specified in the Applicable Laws requiring its storage.

9.3 Upon receipt of written request from Customer, UKG will provide written certification to Customer that it has complied with this Section 9.

10. Audit rights

UKG shall demonstrate appropriate technical and organizational measures to Customer throughout the term. Customer may exercise such audit right either personally or by appointing a third party, so long as said third party is acceptable to UKG and bound to confidentiality and non-disclosure obligations at least as stringent as Customer's obligations with respect to UKG Confidential Information as set forth in the Agreement. Customer is responsible and liable for any and all acts or omissions of any such third party. Customer may exercise such audit right on an annual basis with reasonable notice. Any such audits shall be limited to a robust customer due diligence package consisting of details on UKG' information security/risk practices, examination of the results of the annual AICPA SSAE 18 SOC 1 and SOC 2 Type II audits conducted by an independent third party, executive summaries of the annual penetration test results or verification of such testing through the SOC 2 report for Core Subscription Services, and reasonable access to knowledgeable personnel to discuss the controls in place, including a meeting at UKG corporate headquarters. In the event Customer requests support or information beyond the content described above, then, upon customer's audit request, the Parties will mutually agree on the terms of the audit plan, which shall include details regarding the scope, duration, fees, and scheduling of the audit. In no event shall Customer or its designees be permitted to access UKG systems, network servers, scan summaries or activities logs.

11. Restricted Transfers and Cross-Border Transfer

11.1 Customer is fully aware and acknowledges that UKG operates as a global company with locations across the world. In order for UKG to provide customers with service level continuity and to optimize both organization and management of the quality of its products and services, UKG reserves the right to have Customer Personal Data processed by other UKG Affiliates or by Subprocessors and that may be located in a different region than where the original Processing took place, which Customer accepts.

11.2 In connection with Restricted Transfers, UKG will only operate cross-border transfer of Customer Personal Data either to Countries with Adequate Protection or based on a Cross-Border Transfer Mechanism.

11.3 In connection with Customers operating in countries where no Restricted Transfers are occurring, no transfer mechanism shall be applicable.

12. Additional Assurances

12.1 UKG shall maintain the following additional safeguards with respect to Customer Personal Data that is transferred pursuant to the Standard Contractual Clauses:

12.1.1 UKG agrees to notify Customer of any request from law enforcement authority or other governmental authority with competent authority and jurisdiction over UKG for disclosure of Customer Personal Data processed under this DPA ("Disclosure Request") to the extent permitted by applicable law. UKG shall not respond to Disclosure Requests without notifying Customer and receiving written authorization from Customer to respond to such Disclosure Request, except as required under Applicable Laws or order of court or governmental authority with competent authority and jurisdiction over same;

12.1.2 In the event UKG receives a Disclosure Request for disclosure of Customer Personal Data processed under this DPA and Data Processor is not legally permitted to notify Customer of the Disclosure Request, UKG agrees to take reasonable legal actions against the disclosure of the Customer Personal Data and to refrain from disclosure of the Customer Personal Data to the respective authorities until a court of competent jurisdiction orders UKG to disclose such Customer Personal Data. In such event, UKG agrees to provide the minimum amount of information required when responding to the Disclosure Request, based on UKG's reasonable interpretation of the Disclosure Request; and

12.1.3 UKG can make available to Customer a [Transfer Risk and Impact Statement](#) to assist Customer in carrying out its own transfer impact assessment related to Customer's use of the Services.

13. General Terms

13.1 Governing Law. Without prejudice to clauses 17 (Governing Law) and 18 (Choice of Forum and Jurisdiction) of the Standard Contractual Clauses:

13.1.1 the Parties to this DPA hereby submit to the choice of jurisdiction stipulated in the Agreement with respect to any disputes or claims howsoever arising under this DPA, including disputes regarding its existence, validity or termination or the consequences of its nullity; and

13.1.2 this DPA and all non-contractual or other obligations arising out of or in connection with it are governed by the laws of the country or territory stipulated for this purpose in the Agreement.

13.2 DPA Priority. Nothing in this DPA reduces UKG's obligations under the Agreement in relation to the protection of Customer Personal Data or permits UKG to Process (or permit the Processing of) Customer Personal Data in a manner which is prohibited by the Agreement. With regard to the subject matter of this DPA, in the event of inconsistencies between the provisions of this DPA and the Agreement, the provisions of this DPA will prevail.

13.3 Claims. Any claims brought under this DPA shall be subject to the terms and conditions of the Agreement, including but not limited to, the exclusions and limitations set forth in the Agreement.

13.4 Severability. Should any provision of this DPA be invalid or unenforceable, then the remainder of this DPA will remain valid and in force. The invalid or unenforceable provision will be either (i) amended as necessary to ensure its validity and enforceability, while preserving the Parties' intentions as closely as possible or, if this is not possible, (ii) construed in a manner as if the invalid or unenforceable part had never been contained there.

13.5 This DPA supersedes all prior and contemporaneous representations, negotiations, and communications between the Parties relating to processing Customer Personal Data, including without limitation, any terms that may be imposed upon UKG by means of any "click-through", forms, applications, or any other terms and conditions which are presented to UKG in the course of UKG's engagement with Customer.

Schedule 1: Details of Processing of Customer Personal Data

This Schedule 1 includes certain details of the Processing of Customer Personal Data as required by Article 28(3) GDPR.

Subject matter and duration of the Processing of Customer Personal Data

The subject matter and duration of the Processing of the Customer Personal Data are set out in the Agreement and this DPA.

The nature and purpose of the Processing of Customer Personal Data

Provision of the Services are set out in the Agreement and this DPA, where UKG acts as a data processor, and for business operations, as an independent controller.

UKG will use and otherwise process Customer Data only as described and subject to the limitations provided below (a) to provide Customer the Services in accordance with Customer's documented instructions and (b) for business operations incident to providing the Services to Customer.

Processing to Provide Customer the Services

For purposes of this DPA, "to provide" a Service consists of:

- Delivering functional capabilities as licensed, configured, and used by Customer and its users;
- Troubleshooting (preventing, detecting, and repairing problems); and
- Keeping Services up to date and operational, and enhancing user productivity, reliability, efficacy, quality, and security.

When providing Services, UKG will not use or otherwise process Customer Data or Personal Data for: (a) user profiling, (b) advertising or similar business purposes, or (c) sell or share Personal Data.

Processing for Business Operations Incident to Providing the Services to Customer

For purposes of this DPA, "business operations" means the processing operations authorized by Customer in this section.

Customer authorizes UKG:

- to create aggregated statistical, non-personal data from data containing Pseudonymized identifiers (such as usage logs containing unique, Pseudonymized identifiers);
- to calculate statistics related to Customer Data; and
- to de-identify Customer Data to enhance and create new functionalities.

in each case limited to to providing the Services, such as billing and account management; internal reporting and business modeling, and product strategy; and enhancing Customer's experience.

When processing for these incident business operations, UKG will apply principles of data minimization, confidentiality and will not use or otherwise process Customer Data or Personal Data for: (a) user profiling, (b) advertising or similar commercial purposes, (c) any other purpose, other than for the purposes set out in this section or (d) Sell or Share Personal Data.

The types of Customer Personal Data to be Processed

All Customer Personal Data required by UKG to correctly provide the Services to Customer pursuant to the Agreement which may include, without limitation: employee first and last name, employee ID number, department code, badge number, job title, absence information, identification and contact information of Customer data subjects, employment and education details of Customer data subjects, other information that Customer may collect in order to pay and manage its workforce.

The categories of Data Subject to whom the Customer Personal Data relates

Customer's employees, contractors, and job applicants.

Special categories of Customer Personal Data to be Processed

None unless otherwise specified or unless special categories of personal data including without limitation biometric data collection is enabled by Customer on given UKG offerings.

The obligations and rights of Customer

The obligations and rights of Customer are set out in the Agreement and this DPA.

Privacy related contact:

UKG: privacy@ukg.com

Customer: As specified in this DPA, in the Order Form or in the Statement of Work.

Schedule 2: Technical and Organizational Measures

The following Technical and Organizational Measures are applicable to UKG Core Subscription Services. The specific [Supplement for UKG Other Products and Services](#) to this DPA is applicable to any UKG Other Products & Services.

1. **ISAE3402 /SSAE 18 (SOC 2) Audit:** UKG shall ensure compliance with ISAE3402/SSAE 18 AICPA Trust Principles for Security, Confidentiality, and Availability (and, where in scope, Privacy and Processing Integrity), and will undergo an audit each year for the purposes of examining the relevant controls with respect to the Services. Such audits shall be carried out by an independent, certified third party and the resulting reports shall be provided to Customer upon request. UKG shall ensure the data center carries out its own SOC 2 audits and provide such reports to Customer upon request.
2. **ISO 27000 Series Audits:** UKG shall ensure compliance with ISO 27001, 27017, and 27018, where in scope for the UKG Services. UKG shall also ensure the datacenter used to provide the Services will continue to have its IT security management certified according to ISO 27001 or comparable industry standard security framework. The audits shall be carried out by an independent, certified third party, and upon request, UKG shall provide the certificates to Customer.
3. **Entity Controls:** Consistent with UKG's obligation to maintain its compliance programs as described above, UKG shall continuously carry out the following security measures:
 - a) **Security Policy:** UKG shall maintain an information security policy that is reviewed annually by UKG and published and communicated to all UKG employees. UKG shall maintain a dedicated security and compliance function to maintain and monitor security controls across UKG.
 - b) **Employee Onboarding:** All UKG personnel shall be subject to a comprehensive background check and agree to accept UKG's Code of Conduct upon hire.
 - c) **Employee Termination:** UKG shall terminate all credentials and access to the Services of a UKG employee in the event of termination of his or her employment within a reasonably timely manner.
 - d) **Access Controls by UKG Personnel:** Access to all UKG owned or licensed network components, servers, databases, computers, and software programs by UKG personnel shall be protected by an authentication procedure that requires giving at least a unique username and complex password. UKG shall implement technical controls to enforce a password policy consisting of a minimum number of characters and complexity, including requirements of alpha, numeric, upper case, lower case and/or special characters. Lockout periods shall be in effect for inactivity and unsuccessful password attempts. Passwords shall expire after a fixed amount of time.
 - e) **Security Awareness Training:** UKG employees shall participate in security awareness and privacy training, upon hire and annually thereafter.
 - f) **Change Management:** UKG shall employ a change management process based on industry accepted standards for change management in configurations, software, and hardware.
4. **Application and Network Controls:**
 - a) **Privileged Access by UKG Personnel:** Privileged access to UKG owned or licensed network components, servers, databases, computers, and software programs by UKG personnel that are used in the provision of the Services shall be secured by means of a two-factor authentication and shall be defined by UKG in such a manner as to ensure that the access authorizations are granted only to the extent necessary to perform the assigned role. Any access to UKG's systems used in the provision of the Services shall be monitored.
 - b) **Infrastructure of the Data Center:** UKG and/or its sub-processor(s) shall monitor the infrastructure in order to identify any security vulnerabilities.
 - c) **Anti-Virus and Malware Scanning:** UKG uses commercially available malicious code detection software, including virus detection and malware detectors, on UKG systems. Anti-virus definition files shall be updated regularly, on a scheduled basis, following the availability of such updates by the software provider.
 - d) **Secure Coding Practices:** UKG developers shall be trained on secure development. Applications should be written in a secure manner to implement industry practices, such as input validation, session management, SQL injection, and cross site scripting mitigation. These practices shall be tested as part of the annual penetration testing described below.
 - e) **Patch Management:** UKG shall review all patches, updates, and upgrades of operating systems, middleware, or applications to all relevant components of the Services after they have been released by the manufacturer and tested by UKG. UKG shall manage the patching process prudently to assure that critical patches are applied in a timely manner consistent with the associated risk.
 - f) **Segregation of Customer Data:** UKG shall provide appropriate security controls and segmentation methods to protect and isolate Customer Data from other tenants.

- g) Encrypted Data Transfers: Customer Data input into the Services shall be secured using an industry standard protocol, such as Transport Layer Security (TLS).
 - h) Encrypted Data Storage: UKG shall encrypt Customer Data using industry standard technology, such as AES-256 encryption standard for data at rest.
 - i) Firewalls: Connections to the Services networks, shall be protected with industry standard firewalls. UKG shall update its firewall software regularly, on a scheduled basis, following the availability of updates by the software provider.
 - j) Intrusion Detection: UKG shall implement and maintain an intrusion detection monitoring process at the network and/or host level to protect the Services and detect unwanted or hostile network traffic. UKG shall update its intrusion detection software regularly, on a scheduled basis, following the availability of updates by the software provider or a heuristic analysis shall be used.
 - k) Systems Hardening and Secure Configuration: UKG shall follow industry standards for platform hardening and secure configuration. UKG shall remove or disable unnecessary utilities from operating system configurations and restrict access rights to least privilege.
 - l) Penetration Testing: UKG shall contract, as part of its security program and on at least an annual basis, with an independent third party to conduct a network and application penetration test. The penetration test will include, but is not limited to, the potential for unauthorized internet access, compromise of roles, and escalation of privileges for the Services. Upon request, UKG will provide an executive summary of said penetration test including the scope and methodology of the test and confirmation that critical and high-risk findings have been remediated or provide an independent third-party audit report attesting to such testing and remediation. Penetration testing includes the web application vulnerabilities defined by the Open Web Application Security Project (OWASP) Top 10 and those listed in the SANS 25 (as applicable) or its successor current at the time of the test.
 - m) Vulnerability Management: UKG shall implement commercially reasonable processes designed to protect Customer Data from system vulnerabilities. UKG shall perform scanning of the infrastructure using an industry recognized automated scanning tool designed to detect security flaws and security vulnerabilities within the operating systems. UKG shall assess scan results and remediate relevant security vulnerabilities within a reasonable amount of time based on the risk to the Services.
 - n) Audit Logging: UKG shall log UKG personnel's access to the Services to maintain an audit trail that includes, but is not limited to, web server logs, system logs, and network event logs.
5. Physical Access Control: UKG shall ensure that its data center sub-processor uses industry standard technology to ensure that only the appropriately authorized staff have access to those systems of UKG that are used to provide the Services. This shall include at least the following measures: visitor sign-ins, role-based access controls, limited access to the server rooms and to the alarm systems which report any unauthorized access.
6. Security Monitoring: UKG may monitor and analyze the use of its Subscription Services, which may record information concerning security controls and compliant use of the application, the events that occur within the application, aggregated usage, performance data, and access locations. The Subscription Services will collect usage statistics, telemetry, and other data from Customer, such as mobile number, email address, IP address, and other unique verification identifier, for the purposes of enabling multifactor authentication; benchmarking, modelling, and training; providing, operating, maintaining, customizing, and improving the Subscription Services and its security, including by developing new or different functionalities for such purposes.
7. Incident Response and Notification:
- a) UKG shall maintain security incident management policies and procedures, including security incident escalation procedures. In the event UKG confirms unauthorized access or acquisition, disclosure or use of Customer's Personal Data has occurred, UKG agrees to notify Customer, in accordance with the terms of the Agreement or per Applicable Laws.
 - b) UKG shall (i) investigate such information security incident and perform a root cause analysis; (ii) remediate the effects of such information security incident; and (iii) provide Customer with assurances that such information security incident is not likely to recur.
8. Disaster Recovery: UKG shall maintain a Disaster Recovery plan and present verification of this plan (via the SOC 2 reporting) at the request of Customer. UKG shall test this plan once a year and verify that the planned measures are effective, reviewed by management and updated as necessary.
9. Business Continuity: UKG shall maintain a plan for returning to operation in the event of a disaster and present a summary of this plan at the request of Customer. Upon UKG's declaration of disaster, UKG shall implement said plan to return the Services to operation. UKG shall annually test and review its business continuity plan and update as necessary.

Schedule 3: Additional Applicable Privacy Provisions

The following provisions will apply if and to the extent applicable to the Processing of Customer Personal Data by UKG.

1. U.S. Privacy Laws

“U.S. Privacy Laws” have the same meaning as in Applicable Laws and regulations concerning the privacy and security of information reasonably identifying or linked to an individual, including, without limitation, the California Consumer Privacy Act, Cal. Civ. Code § 1798.100 et seq. or its successor the California Privacy Rights Act, Cal. Civ. Code § 1798.100 et seq., and their accompanying regulations as promulgated by the California Attorney General or California Privacy Protection Agency, as then applicable (collectively the “CPRA”); the Colorado Privacy Act, Colo. Rev. Stat. § 6-1-1309 et seq. (the “CPA”) the Connecticut Data Privacy Act, Public Act No. 22-15 (the “CTDPA”); the Utah Consumer Privacy Act, Utah Code § 13-61-101 et seq. (the “UCPA ”); and the Virginia Consumer Data Protection Act, Virginia Code § 59.1-571 et seq. (the “VCDPA”).

Obligations. To the extent UKG is a Service Provider or Processor and receives Personal Information from Customer and processes Personal Information on behalf of Customer in connection with UKG’s provision of the Services to Customer, UKG in its role as a Service Provider or Processor, will not: (i) Sell or Share such Personal Information; (ii) shall not retain, use, or disclose such Personal Information for any purpose other than performing the Services or Business Purpose under the Agreement or as otherwise permitted by the U.S. Privacy Laws; (iii) retain, use, or disclose the Personal Information for a commercial purpose other than providing the Services unless otherwise permitted under the Agreement; or (iv) retain, use, or disclose such Personal Information outside of the direct business relationship between Customer and Service Provider unless otherwise permitted under the Agreement; (v) combine the Personal Information that the Service Provider receives from, or on behalf of, the Business with personal information that it receives from, or on behalf of, another person or persons, or collects from its own interaction with the consumer, provided that the Service Provider may combine personal information to perform any Business Purpose. UKG, in its role as a Service Provider or Processor, agrees to comply with the US Privacy Laws as applicable to Service Provider in its provision of the Services to Customer under the Agreement. For clarity, UKG shall notify Customer if it makes a determination that it can no longer meet its obligations under the CPRA and Customer may take reasonable and appropriate steps to stop and remediate the unauthorized Processing of Personal Information.

Consumer Requests. To the extent applicable, and subject to the nature of the Processing and the information available to UKG, UKG will reasonably assist Customer with the fulfillment of Customer’s obligation to respond to consumer requests for exercising the data subject’s rights as set out under the U.S. Privacy Laws.

2. United Kingdom (“UK”) International Data Transfer Addendum to the EU Commission Standard Contractual Clauses

The UK International Data Transfer Addendum to the EU SCCs is available on [ukg.com](https://www.ukg.com), and is deemed incorporated in this DPA, in accordance with Section 11 of the DPA.

In connection with transfers of Customer Personal Data to which UK GDPR applies, UKG will only operate cross-border transfer of Customer Personal Data either to Countries with Adequate Protection or based on a Cross-Border Transfer Mechanism.

If the Processing of Customer Personal Data involves any transfers to a country that is not a Country with Adequate Protection, then:

If UKG’s billing address is in an Adequate Country, the applicable UK IDTA (Processor-to-Processor) will apply with respect to all Restricted Transfers that are subject to the UK GDPR from UKG to Subprocessors and UKG Affiliates;

If UKG’s billing address is not in a Country with Adequate Country, applicable UK IDTA (Controller to Processor) will apply with respect to Restricted Transfers between UKG and Customer.

3. Switzerland

Where Applicable Laws of Switzerland requires sufficient safeguards for the adequate protection of Personal Data transferred to a third country, the EU SCCs shall apply. In case of a transfer from Switzerland subject to the Applicable laws of Switzerland, the terms below will have the following substituted meanings for the purposes of the EU Clauses: (i) “GDPR” means the FADP and the Revised FADP. (ii) “European Union”, “Union” or “Member States” means Switzerland, provided that the term “member state” must not be interpreted in such a way as to exclude data subjects in Switzerland from the possibility of suing for their rights in their place of habitual residence, provided it is in Switzerland in accordance with Clause 18 c. (iii) “Supervisory Authority” means the FDPIC. The EU SCCs shall also protect the data of legal entities until the entry into force of the Revised FADP

In connection with transfers of Customer Personal Data to which FADP applies, UKG will only operate cross-border transfer of Customer Personal Data either to Countries with Adequate Protection or based on a Cross-Border Transfer Mechanism.

If the Processing of Customer Personal Data involves any transfers to a country that is not a Country with Adequate Protection, then:

- If UKG's billing address is in an Adequate Country, the applicable EU SCCs (Processor-to-Processor) will apply with respect to all Restricted Transfers that are subject to the GDPR from UKG to Subprocessors and UKG Affiliates;
- If UKG's billing address is not in a Country with Adequate Country, applicable EU SCCs (Controller to Processor) will apply with respect to Restricted Transfers between UKG and Customer.

4. APEC / Australia

"APEC" means the Asia Pacific Economic Cooperation, a regional economic forum established in 1989 to leverage the growing interdependence of the Asia-Pacific. See www.apec.org for more information.

"APEC Member Economy" means the 21 members of APEC: Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong-China, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Chinese Taipei, Thailand, United States, and Vietnam.

UKG shall not transfer Personal Data outside of the jurisdiction where the Personal Data is obtained unless permitted under Applicable Laws. Where UKG Processes Personal Data from an APEC Member Economy on behalf of Customer, UKG shall perform such Processing in a manner consistent with the APEC Cross Border Privacy Rules Systems requirements ("CBPRs") (see www.cbprs.org) to the extent the requirements are applicable to UKG's Processing of the Personal Data. If UKG is unable to provide the same level of protection as required by the CBPRs, UKG shall promptly notify Customer and cease Processing. In such event, Customer may terminate the Agreement with respect only to those Products and/or Services for which UKG is unable to provide the same level of protection as required by the CBPRs by written notice within 30 days.

Any reference to Personal Data Breach is deemed to include Notifiable Data Breaches under the Australian Privacy Act 1988.

5. Argentina

Argentine Model Clauses: means the Model Agreement of International Transfer of Personal Data for the case of Provision of Services (Contrato modelo de transferencia internacional de datos personales con motivo de prestación de servicios) (reference: EX-2016-00311578- -APN-DNPDP#MJ- Anexo II) approved by the Dirección Nacional de Protección de Datos Personales on 2 November 2016 ("Argentinian Clauses").

In connection with transfers of Customer Personal Data to which Argentinian laws applies, UKG will only operate cross-border transfer of Customer Personal Data either to Countries with Adequate Protection, or based on the Argentinian Clauses, which are deemed incorporated herein by reference. For the avoidance of doubts, any information required under the Argentinian Clauses are deemed provided under the Cross Border Mechanisms incorporated herein by reference.

6. China

Should Customer choose to use UKG Services in China, Customer acknowledges that:

- UKG cannot guarantee the availability of UKG Services in China;
- Access to UKG Services solution from China is not guaranteed, and therefore some provisions in the Agreement that governs the provision of UKG's Services may not apply; and
- In the event that parties engage in cross-border transfers of data outside of China and the Chinese Standard Contract for Export of Personal Information ("Chinese Standard Contractual Clauses" or "Chinese SCCs") is required by applicable Chinese laws to such cross-border transfer, the parties (or their applicable affiliates) agree to execute such separate Chinese SCCs to govern the cross-border transfers of data.

7. Brazil

The Parties shall handle Customer Personal Data in accordance with the Lei Geral de Proteção de Dados ("LGPD") and only for the purposes that are compatible with those described in the Main Agreement.

UKG shall notify Customer in writing of (a) a confirmed Personal Data Breach, or (b) any notification, complaint, consultation or request made by the Brazilian National Data Protection Authority due to the processing of Customer Personal Data.

UKG shall, in accordance with the terms of Article 18 of the LGPD, provide Customer with reasonable assistance when necessary to respond to a complaint, consultation or request from a data subject regarding the processing of Customer Personal Data (including, without limitation, any request for access, rectification, deletion, portability or restriction of processing of Customer Personal Data).

UKG shall only transfer Customer Personal Data to another jurisdiction in accordance with the terms of the LGPD, and UKG shall offer guarantees and compliance aligned with the regime of data protection provided in the LGPD for any transfer of Personal Data outside of Brazil.



ORDER FORM

Quote#: Q-281218
Expires: 15 Sep, 2024
Sales Executive: Alison Mercier
Effective Date: Effective as of the date of last signature of this Order

Order Type: Amendment
Date: 16 Aug, 2024

Customer Legal Name:
CITY OF REDMOND

Ship To: CITY OF REDMOND
15670 NE 85TH STREET #3SFN
REDMOND, WA 98052-3580 USA

Customer Legal Address:
15670 NE 85TH STREET #3SFN, REDMOND, WA 98052-3580
USA

Bill To: CITY OF REDMOND
15670 NE 85TH STREET #3SFN
REDMOND, WA 98052-3580 USA

Bill To Contact:

Ship To Contact:

Ship to Phone:
Ship to Mobile:
Contact: Courtney Miller
Email: cmiller@redmond.gov

Currency: USD
Customer PO Number:
Solution ID: 6115682
Term: Co-Term
Uplift Percent: 4 %

Shipping Terms: Shipping Point
Ship Method: FedEx Ground
Freight Term: Prepay & Add
Renewal Term: 12 months
Payment Terms: Net 30 Days

Billing Start Date: Upon Signature of Order Form
Data Center Location: USA

Subscription Services

Billing Frequency: Monthly in Arrears

| Subscription Services | Quantity | PEPM | Monthly Price |
|---------------------------------|----------|----------|-----------------|
| UKG DIMENSIONS PAYROLL SERVICES | 0 | USD 1.75 | USD 0.00 |
| Total Price | | | USD 0.00 |

Quote Summary

| Item | Total Price |
|--|-------------|
| Total Monthly SaaS and Equipment Rental Fees | USD 0.00 |

Order Notes:

This Order is subject to the terms and conditions of that certain Workforce Dimensions Agreement between Kronos Incorporated, a UKG company and Customer dated 08/29/2019, and the UKG Payroll Services Addendum dated 12/16/2022 (the "Agreement").

By signing this Order, Customer is agreeing to decrease its UKG DIMENSIONS PAYROLL SERVICES from 900 to 0.

IN WITNESS WHEREOF, the parties have caused this Order to be executed by their authorized representatives and shall be effective as of the date of the last signature below.

| CITY OF REDMOND | | Kronos SaaShr, Inc. | |
|--|---|---------------------|-------|
| Signature: |  <small>Signed by: 5D9FC672714C4E4...</small> | Signature: | _____ |
| Name: | Kelley Cochran (Mayor Designee) | Name: | _____ |
| Title: | Finance Director | Title: | _____ |
| Date: | 9/13/2024 | Date: | _____ |
| <p>The monthly price on this Order has been rounded to two decimal places for display purposes. As many as eight decimal places may be present in the actual price. Due to the rounding calculations, the actual price may not display as expected when displayed on your Order. Nonetheless, the actual price on your invoice is the true and binding total for this Order for purposes of amounts owed for the term.</p> | | | |

UKG is aligning our product brand and announcing that the UKG Dimensions® and UKG Pro® solutions will be one product suite under the name UKG Pro. Click here to learn more and view examples of current to future names

<https://www.ukg.com/one-suite#WhatproductnamesarechangingunderUKGDimensions>



Memorandum

Date: 3/10/2026

File No. CM 26-143

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|---------|----------------|--------------|
| Finance | Kelley Cochran | 425-556-2748 |
|---------|----------------|--------------|

DEPARTMENT STAFF:

| | | |
|---------|----------------|----------------------------|
| Finance | Haritha Narra | Deputy Finance Director |
| Finance | Hailey Zurcher | Financial Planning Manager |

TITLE:

Adoption of an Ordinance for the 2025-2026 Budget Adjustment #5

OVERVIEW STATEMENT:

An Ordinance amending Ordinance Nos. 3196, 3215, 3224, 3229, and 3236 by adjusting the City’s 2025-2026 Biennial Budget to recognize new and increased revenue sources, appropriate funds for projects and programs previously approved by Council, and make minor corrections identified throughout the biennium.

- a. Ordinance No. XXXX: An Ordinance of the City Council of the City of Redmond, Washington, Amending Ordinance Nos. 3196, 3215, 3224, 3229, and 3236, by Making Adjustments to the City’s 2025-2026 Biennial Budget, in Exhibit 1.

General Fund (100): \$356,594

a) Office of Public Defense (OPD) Public Defense Improvement Grant - \$13,953

On November 3, 2025 (AM No. 25-160), City Council approved the acceptance of the OPD Public Defense Improvement Grant of \$20,930. \$13,953 will be awarded in 2026, and the remaining funds will be awarded in 2027.

b) King County Fire District 34 Reimbursement - \$124,566

In 2025, the City paid for septic and waste line repairs at Fire Station 13. Expenses for third party repair services have been reimbursed by King County Fire District 34.

c) FEMA Urban Area Security Initiative (UASI) - \$1,422

In 2022, the Fire Department received an equipment grant through FEMA’s Urban Area Security Initiative (UASI). This adjustment recognizes the cash value of the equipment, received in 2025.

d) King County Basic Life Support Reimbursements - \$216,653

King County reimburses the City of Redmond for Basic Life Support (BLS) work. The allocations are provided to the City after the budget process is complete, with the final allocation letter presented in December. This adjustment will align the City’s BLS expenditure and revenue budgets with the allocations provided by King

County.

General Government Maintenance Fund (099) - \$425,000

e) Old Firehouse Teen Center Building Demolition

During a study session on January 27, 2026, City Council was presented with the project information sheet for the Old Firehouse Teen Center Building Demolition project. The total budget for this project is \$425,000, which will be funded with available Real Estate Excise Tax and General Fund funding in the General Government Maintenance Fund (099). This adjustment adds the project budget to the Capital Investment Program.

Advanced Life Support (ALS) Fund (122): \$699,312

f) King County Advanced Life Support & Mobile Integrated Healthcare Reimbursements - \$699,312

King County reimburses the City of Redmond for Advanced Life Support (ALS) and Mobile Integrated Healthcare (MIH) work. The allocations are provided to the City after the budget process is complete, with the final allocation letter presented in December. This adjustment will align the City’s ALS and MIH expenditure and revenue budgets with the allocations provided by King County.

Information Technology Fund (520) - \$275,000

g) CUES GraniteNET Project Funding - \$275,000

In 2025, the CUES GraniteNet Project was added to the Business Technology Investment Program to implement AI-enabled analysis of wastewater and stormwater pipe inspections. The total budget for this project, including one-time implementation costs and ongoing operational costs, for this biennium is \$275,000. The project will be funded by a transfer from the Wastewater and Stormwater Utility Funds, \$137,500 each.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information**
- Provide Direction**
- Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Fiscal Policies
- **Required:**
RCW 35A.33.120 Funds-Limitations on expenditures-Transfers and adjustments.
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

This budget adjustment is necessary to align city financial records to account for Council decisions and corrections to the

existing budget.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
\$1,330,906

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
N/A

Budget Priority:
N/A

Other budget impacts or additional costs: Yes No N/A
If yes, explain:
N/A

Funding source(s):
N/A

Budget/Funding Constraints:
N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

| Date | Meeting | Requested Action |
|------|--|------------------|
| N/A | Item has not been presented to Council | N/A |

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|------|---------|------------------|
|------|---------|------------------|

Date: 3/10/2026

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 26-143

Type: Committee Memo

| | | |
|-----------|------------------|---------|
| 3/17/2026 | Business Meeting | Approve |
|-----------|------------------|---------|

Time Constraints:

All budget adjustments for the 2025-2026 biennium must be approved no later than December 31, 2026.

ANTICIPATED RESULT IF NOT APPROVED:

The adopted budget would not align city financial records with decisions made and corrections in budgeted funds.

ATTACHMENTS:

Attachment A: Ordinance 2025-2026 Budget Adjustment #5

Attachment B: Teen Center Building Demo Project Information Sheet

Exhibit 1: Summary of 2025-2026 Budget Adjustment #5

NON-CODE

**CITY OF REDMOND
ORDINANCE NO. _____**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, AMENDING ORDINANCE NOS. 3196, 3215, 3224, 3229, AND 3236, BY MAKING ADJUSTMENTS TO THE CITY'S 2025-2026 BIENNIAL BUDGET, IN EXHIBIT 1.

WHEREAS, the Finance Director has identified the need to make certain revisions to the 2025-2026 biennial City budget; and

WHEREAS, the City Council has reviewed the proposed adjustments to the budget and has determined that they should be made.

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

Section 1. Ordinance No. 3196 adopting the 2025-2026 biennial budget, passed by the City Council on November 19, 2024, Ordinance No. 3215 amending the 2025-2026 biennial budget and passed by the City Council on May 20, 2025, Ordinance No. 3224 amending the 2025-2026 biennial budget and passed on July 15, 2025, Ordinance No. 3229 amending the 2025-2026 biennial budget and passed by the City Council on October 7, 2025, and Ordinance No. 3236 amending the 2025-2026 biennial budget and passed by the City Council on November 18, 2025, are hereby amended to recognize the new and increased revenue sources, appropriate funds for projects and programs previously approved by Council, and make minor corrections identified throughout the biennium.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance.

Section 3. Effective date. This ordinance shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

ADOPTED by the Redmond City Council this _____ day of _____, 2026.

CITY OF REDMOND

ANGELA BIRNEY, MAYOR

ATTEST:

CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

REBECCA MUELLER, CITY ATTORNEY

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
SIGNED BY THE MAYOR:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.



CIP Project Information Sheet

Project Name: Old Fire House Teen Center Building Demolition

Project Status: New

Functional Area(s): Facilities

Relevant Plan(s): Facilities Plan

Neighborhood: Downtown

Time Frame: 2025-2026

Budget Priority: Safe and Resilient

Citywide Rank: N/A

Functional Area Priority: Medium

Location: 16510 NE 79th Street

Description:

Demolition and removal of the Old Fire House Teen Center building. The site will be cleared and secured for the upcoming rebuilding of the Teen Center.

Anticipated Outcomes: *Primary:* Safety *Secondary:*

Request: *Primary Reason(s):* New Project

| Proposed Budget: | Prior | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Future | Total |
|------------------|-------|-------|-----------|------|------|------|------|--------|-----------|
| Proposed Budget | | \$444 | \$424,556 | | | | | | \$425,000 |

| Project Phasing: | Prior | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Future | Total |
|----------------------------|-------|--------------|------------------|------|------|------|------|--------|------------------|
| Preliminary Design (0-30%) | | \$444 | \$5,385 | | | | | | \$5,829 |
| Right of Way | | | | | | | | | |
| Design (31-100%) | | | \$44,171 | | | | | | \$44,171 |
| Construction | | | \$360,000 | | | | | | \$360,000 |
| Contingency | | | \$15,000 | | | | | | \$15,000 |
| Total | | \$444 | \$424,556 | | | | | | \$425,000 |

| Estimated M&O Impacts: | Prior | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Future | Total |
|------------------------|-------|------|------|------|------|------|------|--------|-------|
| Cost | | | | | | | | | |

Explanation:

| Proposed Funding Sources: | Prior | 2025-2030 | Future | Total |
|---------------------------|-------|------------------|--------|------------------|
| Real Estate Excise Tax | | \$200,000 | | \$200,000 |
| General Fund | | \$225,000 | | \$225,000 |
| Total | | \$425,000 | | \$425,000 |

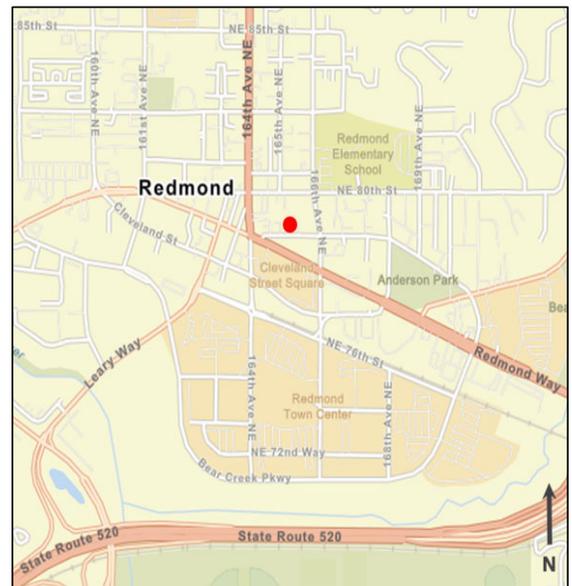


EXHIBIT 1

Summary of 2025-2026 Budget Adjustments

| Fund Number | Fund Name | 2025-2026 Adopted Budget (Ord 3196) | #1 Clean Up Adjustment (Ord 3215) | #2 BFB Reconciliation (Ord 3224) | #3 RCCMV Acquisition (Ord 3229) | #4 Clean-Up Adjustment (Ord 3236) | #5A Granitenet CUES Funding | #5B Office of Public Defense Grant |
|-------------|--|-------------------------------------|-----------------------------------|----------------------------------|---------------------------------|-----------------------------------|-----------------------------|------------------------------------|
| 100 | General Fund | \$ 339,604,752 | \$ 222,038 | \$ - | \$ - | \$ 458,809 | \$ - | \$ 13,953 |
| 011 | Arts Activity | 1,086,292 | - | (3,190) | - | 108,000 | - | - |
| 012 | Parks Maintenance & Operations | 4,083,017 | - | (275,817) | - | - | - | - |
| 013 | Community Events | 1,577,749 | - | (5,498) | - | - | - | - |
| 019 | Human Services Grant Fund | 7,927,425 | - | (648,939) | - | 6,000 | - | - |
| 020 | Fire Equipment Reserve | 9,278,894 | 416,000 | (130,457) | - | - | - | - |
| 021 | Operating Reserve | 9,752,281 | - | (322,402) | - | - | - | - |
| 025 | COVID Recovery Fund | 313,592 | - | 125,912 | - | - | - | - |
| 027 | Capital Replacement Reserve | 5,343,965 | - | 1,494,723 | - | - | - | - |
| 030 | Business Tax | 21,338,326 | - | 3,013,814 | - | - | - | - |
| 031 | Real Property Fund | 1,786,069 | - | (88,305) | - | - | - | - |
| 035 | Fire Levy Fund | 5,591,744 | - | (106,560) | - | - | - | - |
| 036 | Police Levy Fund | 9,004,639 | - | 66,136 | - | - | - | - |
| 037 | Parks Levy Fund | 1,039,474 | - | 22,920 | - | - | - | - |
| 095 | Parks Maintenance Projects | 6,627,176 | - | (144,111) | - | - | - | - |
| 096 | Transportation Maintenance Project | 18,981,028 | - | 6,524,533 | - | - | - | - |
| 099 | General Governmental Maint | 26,498,144 | 1,000,000 | (1,570,896) | - | - | - | - |
| 110 | Recreation Activity | 7,221,324 | 229,500 | 224,086 | - | - | - | - |
| 115 | Development Review | 10,865,715 | - | (806,495) | - | - | - | - |
| 117 | Cable Access Fund | 104,647 | - | (23,812) | - | - | - | - |
| 118 | Operating Grants | 4,411,481 | - | (199,424) | - | - | - | - |
| 122 | Advanced Life Support | 26,173,120 | 888,655 | (2,014,805) | - | - | - | - |
| 124 | Fire Donations Fund | 883,165 | - | 5,957 | - | - | - | - |
| 125 | Real Estate Excise Tax | 40,538,011 | - | 3,368,310 | - | - | - | - |
| 126 | Drug Enforcement | 162,015 | - | (518) | - | - | - | - |
| 131 | Tourism (Hotel/Motel Tax) | 2,700,494 | - | 118,527 | - | - | - | - |
| 140 | Solid Waste Recycling | 4,468,019 | - | 73,654 | - | - | - | - |
| 150 | Transportation Benefit District | 14,191,779 | 200,000 | 486,659 | - | - | - | - |
| 233 | Non-Voted GO Bonds - Parks | 12,033,020 | - | 75,461 | - | - | - | - |
| 315 | Parks Capital Projects | 30,592,925 | - | (143,509) | 10,950,000 | 708,550 | - | - |
| 316 | Transportation Capital Project | 75,770,657 | 1,518,000 | (468,318) | - | - | - | - |
| 319 | General Governmental Capital | 37,332,798 | 72,500 | 3,083,318 | - | 894,796 | - | - |
| 320 | Business Technology Investment Program | - | - | - | - | 10,285,980 | - | - |
| 361 | CFD 2014-1 | 775,537 | - | - | - | - | - | - |
| 362 | CFD 2016-1 | 12,182,863 | - | - | - | - | - | - |
| 401 | Water/Wastewater | 125,835,398 | - | 5,511,740 | - | - | - | - |
| 402 | UPD - Water/Wastewater | 26,150,370 | - | 1,207,218 | - | - | - | - |
| 403 | Water/Wastewater Capital Proj | 39,019,901 | - | 6,087,160 | - | 970,000 | - | - |
| 404 | Wastewater Capital Project | 16,393,572 | - | 87,832 | - | - | - | - |
| 405 | Stormwater Management | 46,647,647 | 338,603 | 1,781,440 | - | - | - | - |
| 406 | Stormwater Management Capital | 67,956,008 | - | 3,007,116 | - | - | - | - |
| 407 | UPD - Capital Projects | 17,742,556 | - | 1,716,953 | - | - | - | - |
| 408 | UPD Wastewater Capital Project | 19,393,717 | - | 1,164,547 | - | - | - | - |
| 501 | Fleet Maintenance | 13,647,662 | - | (188,321) | - | - | - | - |
| 510 | Insurance Claims & Reserves | 9,295,168 | - | 485,723 | - | - | - | - |
| 511 | Medical Self Insurance | 41,504,237 | - | (910,180) | - | - | - | - |
| 512 | Worker's Compensation | 10,505,323 | - | (579,331) | - | - | - | - |
| 520 | Information Technology | 36,399,461 | - | 641,927 | - | (9,573,369) | 275,000 | - |
| | | \$ 1,220,733,158 | \$ 4,885,296 | \$ 31,744,778 | \$ 10,950,000 | \$ 3,858,766 | \$ 275,000 | \$ 13,953 |

Notes:
Ordinance #3196 establishing the 2025-2026 budget was approved by Council on November 19, 2024.

EXHIBIT 1

Summary of 2025-2026 Budget Adjustments

| Fund Number | Fund Name | #5C King County | | | #5G King County | | Revised 2025-2026 Budget |
|-------------|--|--------------------------------|------------------------------|-------------------------------|-----------------------------|-------------------------|--------------------------|
| | | Fire District 34 Reimbursement | #5E Old Firehouse Demolition | #5F FEMA UASI Equipment Grant | Allocations (ALS, BLS, MIH) | | |
| 100 | General Fund | \$ 124,566 | \$ - | \$ 1,422 | \$ 216,653 | \$ 340,642,193 | |
| 011 | Arts Activity | - | - | - | - | 1,191,101 | |
| 012 | Parks Maintenance & Operations | - | - | - | - | 3,807,200 | |
| 013 | Community Events | - | - | - | - | 1,572,251 | |
| 019 | Human Services Grant Fund | - | - | - | - | 7,284,486 | |
| 020 | Fire Equipment Reserve | - | - | - | - | 9,564,437 | |
| 021 | Operating Reserve | - | - | - | - | 9,429,879 | |
| 025 | COVID Recovery Fund | - | - | - | - | 439,504 | |
| 027 | Capital Replacement Reserve | - | - | - | - | 6,838,688 | |
| 030 | Business Tax | - | - | - | - | 24,352,140 | |
| 031 | Real Property Fund | - | - | - | - | 1,697,764 | |
| 035 | Fire Levy Fund | - | - | - | - | 5,485,184 | |
| 036 | Police Levy Fund | - | - | - | - | 9,070,774 | |
| 037 | Parks Levy Fund | - | - | - | - | 1,062,393 | |
| 095 | Parks Maintenance Projects | - | - | - | - | 6,483,065 | |
| 096 | Transportation Maintenance Project | - | - | - | - | 25,505,562 | |
| 099 | General Governmental Maint | - | - | - | - | 25,927,248 | |
| 110 | Recreation Activity | - | - | - | - | 7,674,910 | |
| 115 | Development Review | - | - | - | - | 10,059,220 | |
| 117 | Cable Access Fund | - | - | - | - | 80,835 | |
| 118 | Operating Grants | - | - | - | - | 4,212,057 | |
| 122 | Advanced Life Support | - | - | - | 699,312 | 25,746,283 | |
| 124 | Fire Donations Fund | - | - | - | - | 889,122 | |
| 125 | Real Estate Excise Tax | - | - | - | - | 43,906,321 | |
| 126 | Drug Enforcement | - | - | - | - | 161,498 | |
| 131 | Tourism (Hotel/Motel Tax) | - | - | - | - | 2,819,021 | |
| 140 | Solid Waste Recycling | - | - | - | - | 4,541,673 | |
| 150 | Transportation Benefit District | - | - | - | - | 14,878,438 | |
| 233 | Non-Voted GO Bonds - Parks | - | - | - | - | 12,108,481 | |
| 315 | Parks Capital Projects | - | - | - | - | 42,107,966 | |
| 316 | Transportation Capital Project | - | - | - | - | 76,820,339 | |
| 319 | General Governmental Capital | - | - | - | - | 41,383,412 | |
| 320 | Business Technology Investment Program | - | - | - | - | 10,285,980 | |
| 361 | CFD 2014-1 | - | - | - | - | 775,537 | |
| 362 | CFD 2016-1 | - | - | - | - | 12,182,863 | |
| 401 | Water/Wastewater | - | - | - | - | 131,347,138 | |
| 402 | UPD - Water/Wastewater | - | - | - | - | 27,357,588 | |
| 403 | Water/Wastewater Capital Proj | - | - | - | - | 46,077,060 | |
| 404 | Wastewater Capital Project | - | - | - | - | 16,481,404 | |
| 405 | Stormwater Management | - | - | - | - | 48,767,690 | |
| 406 | Stormwater Management Capital | - | - | - | - | 70,963,124 | |
| 407 | UPD - Capital Projects | - | - | - | - | 19,459,509 | |
| 408 | UPD Wastewater Capital Project | - | - | - | - | 20,558,264 | |
| 501 | Fleet Maintenance | - | - | - | - | 13,459,342 | |
| 510 | Insurance Claims & Reserves | - | - | - | - | 9,780,891 | |
| 511 | Medical Self Insurance | - | - | - | - | 40,594,057 | |
| 512 | Worker's Compensation | - | - | - | - | 9,925,992 | |
| 520 | Information Technology | - | - | - | - | 27,743,019 | |
| | | \$ 124,566 | \$ - | \$ 1,422 | \$ 915,965 | \$ 1,273,502,904 | |

Notes:
Ordinance #3196 establishing the 2025-2026 budget was approved by Council on November 19, 2024.



Memorandum

Date: 3/10/2026

File No. CM 26-125

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|---------|----------------|--------------|
| Finance | Kelley Cochran | 425-556-2748 |
|---------|----------------|--------------|

DEPARTMENT STAFF:

| | | |
|---------|-----------------|------------------------------------|
| Finance | Adam O’Sullivan | Treasury Manager |
| Finance | Blake Ruiz | Senior Financial Analyst - Capital |

TITLE:

Capital Project Bond Reimbursement Resolution

OVERVIEW STATEMENT:

Adopt a resolution authorizing the City to reimburse certain capital investment expenditures from the proceeds of a future sale of bonds. The adoption of the resolution permits the City to comply with IRS regulations but does not obligate the City with regard to the sale or structure of the bonds.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Treasury Regulation Section 1.150-2
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

As directed by the Council during the Capital Investment Program Funding Strategy presentation on February 24, 2026, a

reimbursement resolution is being submitted for consideration on the March 17, 2026, consent agenda.

A reimbursement resolution allows the City to use its own money to pay for project costs upfront and later reimburse itself with tax-exempt bond proceeds, in compliance with Internal Revenue Service (IRS) requirements. Reimbursement resolutions are necessary because capital projects frequently begin before bonds are issued. Specifically, a reimbursement resolution:

- Preserves the ability to use tax-exempt bond proceeds later
- Provides official documentation of intent
- Helps comply with U.S. Treasury regulations (specifically Treasury Regulation §1.150-2)

If the resolution is not adopted in a timely manner, the City may lose the ability to reimburse itself from future tax-exempt bond proceeds.

The City anticipates expenditures associated with the early phases of these projects, including property and/or right-of-way acquisitions and design work, will occur prior to the issuance of the related bonds. In some cases, these early expenditures have already begun to be incurred.

When expenditures are incurred prior to the issuance of related debt, IRS regulations require the City to formally declare its intent to reimburse those expenditures with future bond proceeds. The proposed resolution satisfies this requirement; however, it does not obligate the City to issue bonds. Additionally, the resolution does not determine or limit the principal amount of bonds that may ultimately be issued. Instead, it establishes a maximum estimated reimbursement amount to preserve flexibility and ensure adequate capacity under a range of potential financing scenarios.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

Yes

No

N/A

Budget Offer Number:

N/A

Budget Priority:

Strategic and Responsive

Date: 3/10/2026

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 26-125

Type: Committee Memo

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

| Date | Meeting | Requested Action |
|-----------|---------------|-------------------|
| 2/24/2026 | Study Session | Provide Direction |

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|-----------|------------------|------------------|
| 3/17/2026 | Business Meeting | Approve |

Time Constraints:

Adoption of this resolution now will ensure that expenses can be reimbursed from a future bond issuance. A delay in adopting the resolution will mean that the recent expenses will not be able to be reimbursed from the bond issue.

ANTICIPATED RESULT IF NOT APPROVED:

Expenses paid will not be reimbursable.

ATTACHMENTS:

Attachment A: Reimbursement Resolution

CITY OF REDMOND
RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF REDMOND,
WASHINGTON, DECLARING ITS INTENT THAT CERTAIN
CAPITAL EXPENDITURES TO BE MADE SHALL BE
REIMBURSED FROM THE PROCEEDS OF TAX-EXEMPT
BONDS OR OTHER OBLIGATIONS.

WHEREAS, the City of Redmond, Washington (the "City"), plans to make certain capital improvements to City's Facilities, Parks, and Transportation systems, including but not limited to the following projects:

- Idylwood Park Restroom & Concession
- Teen Center Rebuild
- MOC Redevelopment
- Overlake Property Acquisition
- Fire Station 11 Rebuild
- Idylwood Park Parking Lot Expansion & Frontage
- SE Redmond Neighborhood Park
- Hartman Park Playground Replacement
- ELSP & 187th Ave NE Intersection, Phase 1
- Bel-Red & WLSP Roundabout
- WLSP Shared Use Path (Bel-Red to NE 51st St)
- WLSP Shared Use Path (Bel-Red Roundabout to Idylwood)
- NE 40th St Shared Use Path (148th St to SR520)
- Cycle Track - 161st Ave (RCC to 90th St); and

WHEREAS, the City plans to finance all or part of these projects through the issuance of tax-exempt bonds or other obligations in one or more series in a maximum aggregate principal amount not to exceed \$60,000,000 (the "Bonds").

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND,
WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. For the purpose of complying with the provisions of
the Treasury Regulation Section 1.150-2 with respect to
qualification of reimbursement allocations as expenditures of bond
proceeds, the City Council hereby declares that it intends to make
capital expenditures in furtherance of the Facilities, Parks, and
Transportation projects and reasonably expects to reimburse itself
for those expenditures from proceeds of the Bonds, if and when
issued.

ADOPTED by the Redmond City Council this _____ day of __
_____, 2026.

APPROVED:

ANGELA BIRNEY, MAYOR

ATTEST:

CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO:



Memorandum

Date: 3/10/2026

File No. CM 26-126

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|---------|----------------|--------------|
| Finance | Kelley Cochran | 425-556-2748 |
|---------|----------------|--------------|

DEPARTMENT STAFF:

| | | |
|---------|-----------------|------------------------------------|
| Finance | Adam O’Sullivan | Treasury Manager |
| Finance | Blake Ruiz | Senior Financial Analyst - Capital |

TITLE:

Capital Project Bond Debt Redemption Resolution

OVERVIEW STATEMENT:

Approve redemption resolution as required to redeem Limited Tax General Obligation (LTGO) bond Series 2015 and Series 2016.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Bond Ordinances state that the redemption must be carried out “upon adoption of a resolution of the governing body.”
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

As directed by the Council during the Capital Investment Program Funding Strategy presentation on February 24, 2026, a

redemption resolution is being submitted for consideration on the March 17, 2026, consent agenda.

A redemption resolution authorizes the City to redeem (pay off) outstanding bonds Series 2015 and Series 2016 prior to their stated maturity date, in accordance with the terms set forth in the bond documents. Redemption may be undertaken to achieve debt service savings, restructure outstanding obligations, spend down available resources, or respond to favorable market conditions.

Specifically, a redemption resolution:

- Authorizes the early repayment of designated outstanding bonds
- Approves the use of legally available funds for the redemption
- Directs staff and the City’s financing team to take the actions necessary to complete the redemption in accordance with the bond indenture and applicable law

Adoption of the resolution allows the City to move forward with the redemption process, including providing any required notice to bondholders within the timeframes specified in the bond documents.

The proposed resolution identifies the specific bond series eligible for redemption and establishes parameters for the transaction, including the source of funds and any applicable redemption premium. The resolution does not authorize the issuance of new debt unless separately approved by Council. Rather, it provides the legal authority necessary to retire outstanding obligations in a manner consistent with the City’s debt management policies and financial objectives.

Approval of the redemption resolution positions the City to reduce outstanding debt and/or achieve potential debt service savings, while maintaining compliance with all contractual and statutory requirements.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
N/A

Budget Priority:
N/A

Other budget impacts or additional costs: Yes No N/A

Date: 3/10/2026

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 26-126

Type: Committee Memo

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

| Date | Meeting | Requested Action |
|-------------|----------------|-------------------------|
| 2/24/2026 | Study Session | Provide Direction |

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|-------------|------------------|-------------------------|
| 3/17/2026 | Business Meeting | Provide Direction |

Time Constraints:

The sooner the resolution is adopted, the more savings the City will achieve, and the more transportation impact fees will be spent.

ANTICIPATED RESULT IF NOT APPROVED:

The City will continue to make the scheduled debt service payments.

ATTACHMENTS:

Attachment A: Redemption Resolution

**CITY OF REDMOND
RESOLUTION NO. _____**

A RESOLUTION OF THE CITY COUNCIL OF CITY OF REDMOND, WASHINGTON, CALLING CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS FOR REDEMPTION PRIOR TO MATURITY; AND APPROVING OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Redmond, Washington (the "City"), has issued and has outstanding its Limited Tax General Obligation Refunding Bonds, 2015 (the "2015 Bonds") and its Limited Tax General Obligation and Refunding Bonds, 2016 (the "2016 Bonds" and together with the 2015 Bonds, the "Outstanding Bonds"); and

WHEREAS, the Outstanding Bonds are subject to redemption at the option of the City on any business day on or after December 1, 2025, in whole or in part, at a price equal to the principal amount of such Outstanding Bonds called for redemption, plus accrued interest, if any, to the date fixed for redemption; and

WHEREAS, the City Council deems it in the best interest of the City to use available funds to redeem, prior to final maturity, the Outstanding Bonds as provided herein; and

WHEREAS, the City Council wishes to delegate authority to the Finance Director and the Financial Services Manager (each, a "Designated Representative") to carry out the redemptions authorized by this resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Definitions. Capitalized terms not otherwise defined herein, including in the recitals, which are incorporated herein by this reference.

Section 2. Redemption Plan. The Designated Representatives are each hereby authorized to determine the call date, to provide notice of redemption, and to transfer sums sufficient to pay (from lawfully available City funds), and to engage such consultants and pay associated fees as necessary to carry out the redemption of the Outstanding Bonds as provided in this resolution. Notice of redemption shall be provided in accordance with the ordinances authorizing the issuance of the Outstanding Bonds, as applicable, in substantially the form attached hereto as Exhibit A, with such revisions as determined to be necessary by a Designated Representative to carry out the intent of this resolution.

Section 3. Severability. If any one or more of the provisions provided in this resolution on the part of the City to be performed shall be declared by any court of competent jurisdiction to be contrary to law, then such provisions shall be null and void and shall be deemed separable from the remaining

provisions, and shall in no way affect the validity of the other provisions of this resolution.

Section 4. General Authorization. The Designated Representatives, members of the City Council, and each of the other appropriate officers of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution.

Section 5. Prior Acts. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 6. Effective Date. This resolution shall take effect immediately upon its adoption.

ADOPTED by the Redmond City Council this _____ day of _____
_____, 2026.

APPROVED:

ANGELA BIRNEY, MAYOR

ATTEST:

CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO:

EXHIBIT A
CONDITIONAL NOTICE OF REDEMPTION*

City of Redmond, Washington
Limited Tax General Obligation Refunding Bonds, 2015
Limited Tax General Obligation and Refunding Bonds, 2016

NOTICE IS HEREBY GIVEN that City of Redmond, Washington (the "Issuer") has called for redemption on _____, 2026 (the "Redemption Date") its outstanding above-captioned bonds (the "Bonds"). The Bonds to be refunded will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to the Redemption Date. Interest on the Bonds to be refunded or portions thereof which are redeemed will cease to accrue on the Redemption Date. The following Bonds are being redeemed:

City of Redmond, Washington
Limited Tax General Obligation Refunding Bonds, 2015

| Maturity Date (December 1) | Maturity Amount | Interest Rate | Yield | Price | CUSIP No. |
|-------------------------------|-----------------|---------------|-------|---------|-----------|
| 2026 | \$ 2,240,000 | 3.00% | 2.05% | 108.504 | 757674MZ6 |
| 2027 | 2,310,000 | 3.00 | 2.20 | 107.107 | 757674NA0 |
| 2028 | 2,380,000 | 3.00 | 2.33 | 105.914 | 757674NB8 |

City of Redmond, Washington
Limited Tax General Obligation and Refunding Bonds, 2016

| Maturity Date (December 1) | Maturity Amount | Interest Rate | Yield | Price | CUSIP No. |
|-------------------------------|-----------------|---------------|-------|---------|-----------|
| 2026 | \$ 290,000 | 4.00% | 2.05% | 117.328 | 757674NT9 |
| 2027 | 300,000 | 5.00 | 2.16 | 125.099 | 757674NU6 |
| 2028 | 315,000 | 5.00 | 2.26 | 124.096 | 757674NV4 |
| 2029 | 335,000 | 5.00 | 2.34 | 123.300 | 757674NW2 |
| 2030 | 350,000 | 5.00 | 2.38 | 122.904 | 757674NX0 |
| 2031 | 365,000 | 5.00 | 2.45 | 122.215 | 757674NY8 |
| 2032 | 385,000 | 5.00 | 2.50 | 121.726 | 757674NZ5 |
| 2033 | 405,000 | 5.00 | 2.55 | 121.239 | 757674PA8 |
| 2034 | 425,000 | 5.00 | 2.60 | 120.754 | 757674PB6 |
| 2035 | 445,000 | 5.00 | 2.65 | 120.272 | 757674PC4 |

The City retains the right to rescind this conditional notice of redemption and the related optional redemption of either series of Bonds at any time prior to the Redemption Date as the City deems appropriate. If this conditional notice of redemption is rescinded with respect to a series of the Refunded Bonds, such Refunded Bonds shall remain outstanding

U.S. Bank Trust Company, National Association, as Paying Agent
Dated: _____.

Pursuant to the Internal Revenue Code of 1986, as amended, the Paying Agent may be obligated to withhold a portion of the redemption price from any payee who has failed to furnish correct taxpayer identification number (social security or employer identification number) or exemption certificate. Please submit a completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

* Official notice of this redemption must be provided to the registered owner of the Bond or Bonds, by first class mail not less than 20 days nor more than 60 days prior to the Redemption Date. As long as the Bonds are held in book-entry form, redemption notices with respect to the Bonds will be given in accordance with procedures established by DTC.



Memorandum

Date: 3/10/2026

File No. CM 26-157

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|---------|----------------|--------------|
| Finance | Kelley Cochran | 425-556-2748 |
|---------|----------------|--------------|

DEPARTMENT STAFF:

| | | |
|---------|----------------|----------------------------|
| Finance | Haritha Narra | Deputy Finance Director |
| Finance | Hailey Zurcher | Financial Planning Manager |

TITLE:

2027-2028 Budget Process Update

OVERVIEW STATEMENT:

An overview of the 2027-2028 budget process and an update on the Long-Range Financial Strategy (LRFS) will be provided.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
N/A
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

1. An overview of the 2027-2028 budget process will be provided including the development of budget plans, presentation of information to Council, Public Hearing schedules, and the planned agendas for review and

deliberation of the preliminary budget.

- 2. The City of Redmond Long-Range Financial Strategy (LRFS) is the financial decision-making framework used to align resources with the community’s long-term service priorities. It outlines guiding principles, philosophies, and financial strategies to support the work; defines the City’s service commitments; and helps guide decisions that balance the community’s needs, expectations, and level of services. The LRFS is undergoing a refresh to modernize the document, reflect the latest strategic and functional plans of the City, and improve alignment with the City’s budget.

The latest draft of the LRFS will be shared with Council, and any changes made to the document since the last check-in will be reviewed. The LRFS will be finalized and adopted with 2027-2028 biennial budget in Fall 2026.

- 3. The planned update on the Fiscal Policy has been moved to the April FAC meeting as requested to create capacity for other items at the March meeting.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
Financial Planning staff and executive-level staff from various city departments have had the opportunity to review the draft LRFS and provide feedback.
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

Yes

No

N/A

Budget Offer Number:

N/A

Budget Priority:

Strategic & Responsive

Other budget impacts or additional costs:

Yes

No

N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

| Date | Meeting | Requested Action |
|------------|-----------------|---------------------|
| 11/12/2025 | Special Meeting | Receive Information |

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|-----------|--|-------------------|
| 5/12/2026 | Committee of the Whole - Finance, Administration, and Communications | Provide Direction |

Time Constraints:

Feedback on the LRFS is recommended by Spring 2026 so that staff efforts can be focused on budget development going forward.

ANTICIPATED RESULT IF NOT APPROVED:

The City’s Long-Range Financial Strategy would not be aligned with the City’s latest strategic and functional plan updates.

ATTACHMENTS:

Attachment A: 2027-2028 Budget Process Overview

Attachment B: Long-Range Financial Strategy Presentation

Attachment C: Updated Long-Range Financial Strategy Draft



Budgeting for Outcomes

2027-2028 Budget Process Overview

Budget Process Milestones



Forecast & Budget Process Update

- Outcome Maps Refresh
 - Council Review
 - Community Results Team
- Budget process development
 - Calendar
 - Training
 - Departmental Kick off Meeting
 - Baseline
 - Enhancements & Reductions
- Forecast update
 - General Fund
 - Water/Wastewater
 - Stormwater
 - Other major funds
- Internal rate setting
 - Indirect costs
 - Fleet
 - Medical
 - Worker Comp
- 2026 Estimated Actuals
- Position Budgeting
- Forecast Positions
- City Council
 - Retreat
 - Long-Range Financial Strategy
 - Fiscal Policies



Capital & Business Technology Investments

- Needs identification
 - Department/program meetings
 - Business case submittals
 - Cost determinations
- Forecast update
 - General Fund 5%
 - REET
 - Business License
 - Impact Fees/Connection Charges
 - Grants
- 6-Year program development
 - Project sequencing
 - Staff resources
 - Project funding
 - Governance Committee approval
- City Council Study Sessions
- Community Engagement
 - Public Hearings
 - OneRedmond



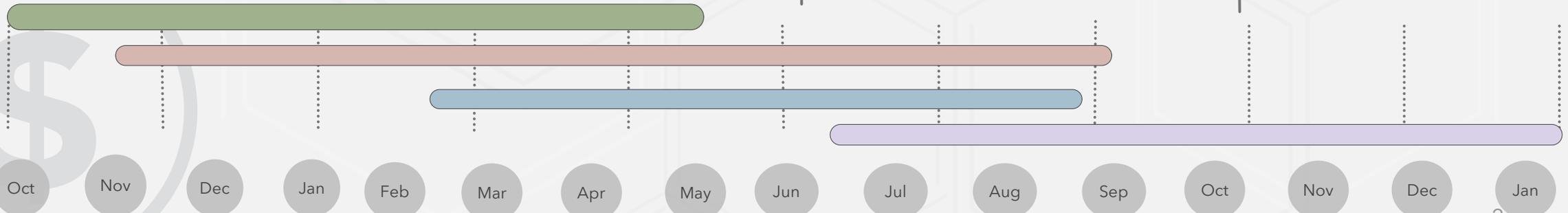
Operating Budgets

- Needs identification
 - Department/program meetings
 - Director's Team meetings & retreats
 - Baseline budget development
 - Budgeting for Equity
 - Service enhancements & reductions
 - Performance measures
- Forecast update
 - General Fund
 - General Fund Sub-Funds
 - Special Revenue Funds
 - Utility Enterprise Funds
 - Internal Service Funds
- Results Team Processes
 - Deputy Director's
 - Community Results Team
 - Welcoming committee
- Budget Balancing
- Budget Questionnaire



Budget Adoption

- Final reconciliations
- Preliminary Budget Document
 - Final budgets
 - Budget financial overview
 - Budget highlights
 - Staffing authorizations
 - Policies
- City Council presentations
 - Forecast
 - Deliberations overview
 - Community engagement
- Communication with union leadership
- Clerk's Office filing
- City staff updated
- Results Teams recognition and thank you
- Preliminary Budget presentation
- City Council Deliberations
- Public Hearings
- Budget Adoption
- Adopted Budget Document
- Budget-in-Brief Document
- Line-item Budget



FAC Committee of the Whole Briefings

| Date | Item (Topic) |
|-------|--|
| 2/10 | Budget Calendar |
| 3/10 | <ul style="list-style-type: none">• Budget Process Overview• Long-Range Financial Strategy |
| 4/14 | <ul style="list-style-type: none">• Community Involvement/Engagement Opportunities• Fiscal Policies |
| 5/12 | Community Results Team Update |
| 10/13 | Budget Deliberation Process & Preparation |



Study Sessions

| Date | Item (Topic) | Department(s) | Requested Council Action |
|------|--|--|--------------------------|
| 1/27 | Outcome Maps Update Review <ul style="list-style-type: none"> • Healthy & Sustainable • Strategic & Responsive | All | Provide direction |
| 2/10 | Outcome Maps Update Review <ul style="list-style-type: none"> • Safe & Resilient • Vibrant & Connected | All | Provide direction |
| 2/24 | Capital Investment Funding Strategy | Finance | Provide direction |
| 3/24 | Departmental Budget Overview | Parks & Recreation | Receive information |
| 4/14 | Departmental Budget Overviews | <ul style="list-style-type: none"> • Executive • Finance • Human Resources • Technology & Information Services | Receive information |
| 4/28 | Departmental Budget Overviews | <ul style="list-style-type: none"> • Fire • Police | Receive information |
| 5/12 | Departmental Budget Overviews | <ul style="list-style-type: none"> • Planning & Community Development • Public Works | Receive information |

Departmental Budget Overviews

- Mission Statement
- Department Responsibilities & Structure
- Staffing Authorization
- Baseline Budget Plans
- One-time Service Enhancement Updates
- Performance Measures & Results
- 2027-2028 Budget Challenges



Study Sessions Continued

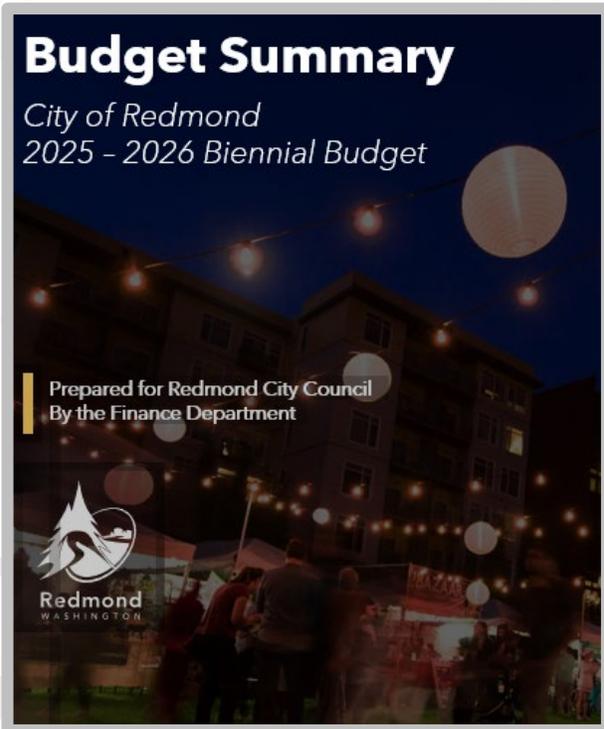
| Date | Item (Topic) | Department(s) | Requested Council Action |
|------|---|--|---|
| 9/8 | 2027-2032 Capital Investment Program (CIP) <ul style="list-style-type: none"> • Revenue forecast • Funding strategy • Capital projects | Finance Parks Planning Public Works | <ul style="list-style-type: none"> • Receive information • Provide preliminary approval |
| 9/22 | 2027-2032 Business Technology Investment Program (BTIP) <ul style="list-style-type: none"> • Funding strategy • Technology projects | Finance TIS | <ul style="list-style-type: none"> • Receive information • Provide preliminary approval |
| 9/22 | 2027-2032 Financial Forecast <ul style="list-style-type: none"> • General Fund • City Utilities (Water, Wastewater, Stormwater) | Finance | <ul style="list-style-type: none"> • Receive information |



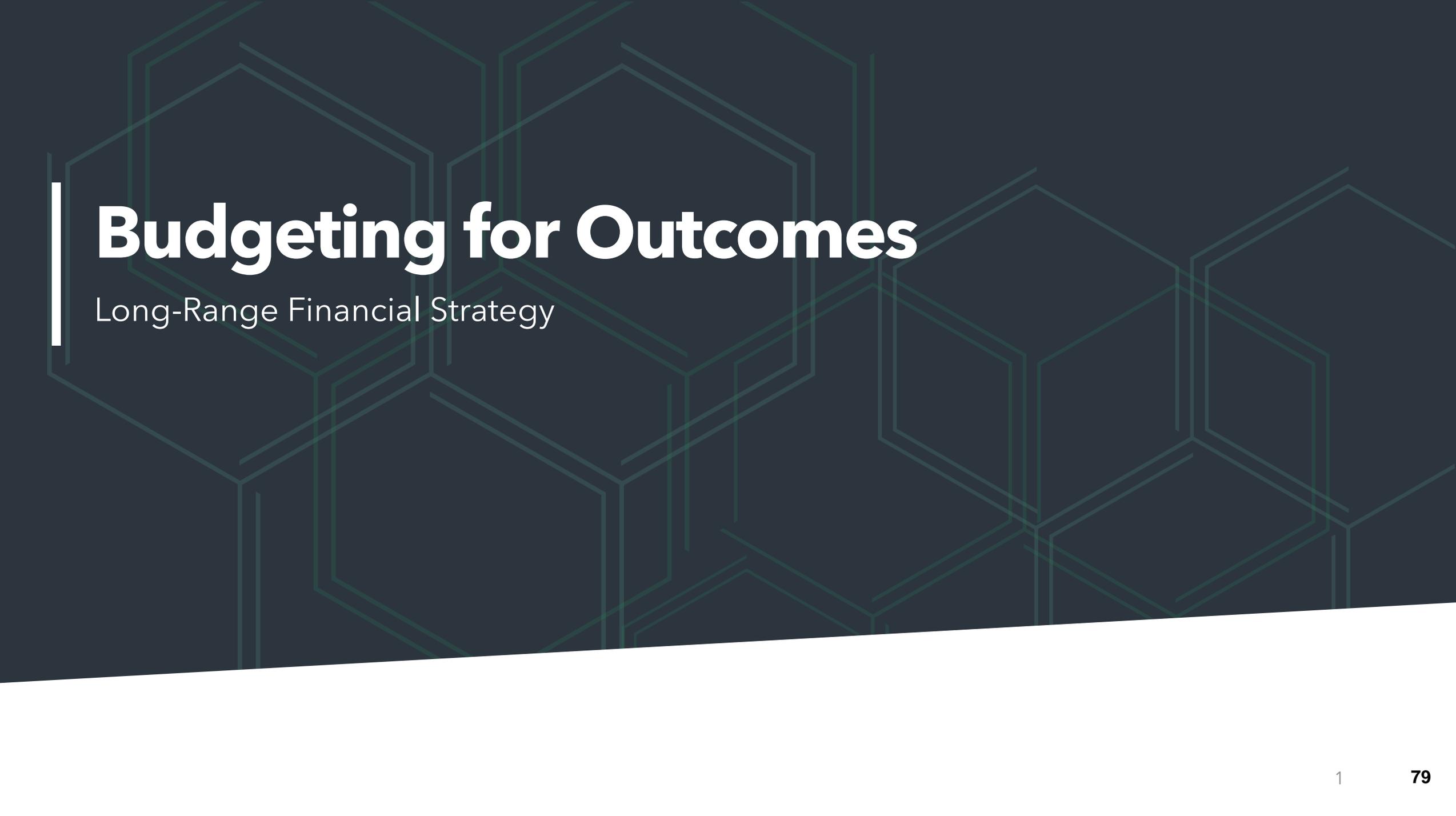
Public Hearings

| Date | Public Hearing Opportunities & Requirements |
|-------|--|
| 9/15 | Public Hearing 1 <ul style="list-style-type: none">• Capital Investment Program (CIP) |
| 10/6 | Public Hearing 2 <ul style="list-style-type: none">• Revenue and taxes• Business Technology Investment Program (BTIP)• RCW 84.55.120 |
| 10/20 | Public Hearing 3 <ul style="list-style-type: none">• Preliminary Budget• RCW 35.34.090 |
| 11/2 | Public Hearing 4 <ul style="list-style-type: none">• Final Budget• RCW 35.34.110 |

Council Budget Review & Deliberations



| Date | Time | Item (Topic) |
|-------------------|---------|--|
| 10/6 | | Preliminary Budget Presented by Mayor Birney |
| 10/22 Thursday | 6:00 pm | <u>Changes/Updates: (30 mins)</u> <ul style="list-style-type: none"> ○ Revenues ○ Capital Investment Program ○ Business Technology Investment Program <u>Service Enhancements & Reductions (1.5 Hours)</u> <ul style="list-style-type: none"> ○ Healthy & Sustainable ○ Safe & Resilient |
| 10/27 | 6:00 pm | <u>Service Enhancements & Reductions (2 Hours)</u> <ul style="list-style-type: none"> ○ Strategic & Responsive ○ Vibrant & Connected |
| 10/29 Thursday | 6:00 pm | Council Deliberations (2 Hours) |
| 11/5 Thursday | | Hold |
| 11/10 | | Budget Adoption (Special Meeting) |



Budgeting for Outcomes

Long-Range Financial Strategy

Long-Range Financial Strategy

The financial decision-making framework used to align resources with the community's long-term service priorities.

- Defines the City's service commitments.
- Provides a strategic, sustainable, and fiscally responsible road map to fulfill them.
- Offers insights into future financial capacity.
- Helps guide decisions that balance community's needs, expectations, and level of services.

Community Informed Plans and Budget



Guiding Principles

| Current | Proposed |
|--|--|
| 1. Resource awareness | 1. Resource awareness |
| 2. Understanding interdependencies | 2. Understanding interdependencies |
| 3. Strategic alignment | 3. Strategic alignment |
| 4. Outcome-based financial planning | 4. Outcome-based financial planning |
| 5. Community-informed service outcomes | 5. Community-informed service outcomes |
| | 6. Commitment to respect, equity, diversity, and inclusion |
| | 7. Environmental stewardship |
| | 8. Sustaining infrastructure investments |
| | 9. Innovation and continuous improvements |
| | 10. Collaboration and partnerships |

Philosophies

| Current | Proposed |
|--|--|
| 1. Balancing the financial burden on community members with the level of service | 1. Balance service levels with financial impacts |
| 2. Being intentional in how the revenues are structured | 2. Intentional City revenue structure |



Financial Strategies

| Current | Proposed |
|---|--|
| 1. Community-based budgeting (8) | 1. Community Investment Plan |
| 2. The Price of Government (1) | 2. Revenue policy framework |
| 3. Revenue philosophy (2) | 3. Long-range financial planning |
| 4. Long-range financial planning (3) | 4. Community-informed citywide planning |
| 5. Budgeting by Priorities (8) | 5. Economic Development Strategic Plan (New) |
| 6. The “value proposition” (performance measurement) (9) | 6. Capital Investment Strategy (CIS) |
| 7. Capital investments (6) | 7. Business Technology Investment Strategy (New) |
| 8. Maintaining prior investments (6, 7) | 8. Community-based budgeting |
| 9. The Capital Facilities Plan as element of Comprehensive Plan (6) | 9. Fiscal resilience and reserve management |
| 10. The Capital Investment Strategy (CIS) (6) | 10. Performance management |
| 11. Capital Investment Program Business Technology Investment Program (6,7) | |

Appendices

| Current | Proposed |
|--------------------|--|
| Fiscal policies | Fiscal policy overview |
| The budget process | Community Investment Rate Calculation |
| | Biennial Budget Process |
| | City operating revenues |
| | City capital investment revenues |
| | Other available revenues |
| | Current rates and fees |
| | History of Redmond revenues |
| | History of the Long-Range Financial Strategy |



Building a Sustainable, Inclusive,
and Resilient Future

LONG-RANGE FINANCIAL STRATEGY

CITY OF REDMOND | 2026

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A Commitment to Community, Sustainability, and Fiscal Stewardship

Since adopting the Long-Range Financial Strategy (LRFS) in 2005, the City of Redmond has fundamentally transformed how it plans, budgets, and governs. What began as a proactive approach to fiscal stability has evolved into a comprehensive, community-centered framework that strengthens accountability, resilience, and inclusivity across city programs.

One of the City Council’s most important responsibilities is to balance the resources available with the value delivered through public services. To do so, the community’s priorities, desired service levels, and expected long-term outcomes must be understood. The financial impacts, opportunities, and options must also be clear to facilitate the goal of community-informed decision making. At the foundation of the LRFS framework are two underlying fiscal philosophies that ensure the City can achieve that goal.

Philosophy 1: Balance service levels with financial impacts

The City is committed to maintaining public trust by ensuring that every dollar invested supports outcomes that matter to the community. This means staying focused on the priorities of residents and businesses to manage resources responsibly and deliver services that reflect the community’s values and needs. The City must also understand what community members are willing to invest in local government services and operate within those boundaries. Over two decades, Redmond has evolved from a department-center model to a community-informed strategy that ensures every public dollar delivers meaningful results aligned with shared priorities and desired outcomes.

Philosophy 2: Intentional City revenue structure

While the City of Redmond maintains full responsibility for funding and delivering its own municipal services, it operates within a broader fiscal environment shaped by overlapping jurisdictions, including King County, the Lake Washington School District, and the State of Washington. Each entity contributes to the overall tax and fee burden experienced by residents and businesses. Recognizing this shared landscape, the City evaluates the cumulative impact of all taxes and fees to ensure that the financial burden on the community remains manageable while sustaining essential services. When appropriate, Redmond collaborates with partner agencies to achieve efficiency, reduce redundancy, and maintain affordability for the community.

At the same time, the City operates under significant state and federal constraints that limit its authority to raise revenues. While user fees – such as utility rates, development charges, and park fees – offer more flexibility than taxes, both funding sources often come with restrictions on how revenues may be used. Despite these limitations, the City Council maintains discretion in balancing service levels and associated costs, aligning revenues with community priorities and long-term financial goals. This intentional approach allows Redmond to manage resources responsibly, adjust to evolving needs, and maintain a fair and sustainable revenue structure.

Building a Strong Financial Foundation

The Long-Range Financial Strategy (LRFS) aligns the City's financial resources with the community's long-term service priorities. It defines the City's financial commitments for city services and provides a strategic, sustainable, and fiscally responsible roadmap to fulfill them. By offering insights into future financial capacity, the LRFS helps guide decisions that balance community needs, expectations, and investments, while proactively addressing financial challenges to ensure long-term resilience and stability.

At its core, the LRFS is guided by principles that promote responsible stewardship, equity, environmental sustainability, and resilience. These principles emphasize resource awareness, strategic alignment with community priorities, and outcome-based planning. They also reinforce the City's dedication to preparing for growth, maintaining safe and efficient infrastructure, protecting the natural environment, and fostering innovation, accountability and equity across all programs and services.

Principle 1: Resource Awareness

- Recognize the limited willingness of community members to bear the cost of governmental services, requiring deliberate choices to maximize value within these limits.

Principle 2: Understanding Interdependencies

- Acknowledge the complex relationship between tax levels, the economic realities of community members, public perceptions, and the quality and scope of community services.

Principle 3: Strategic Alignment

- Ensure organizational resources are aligned to bridge the gap between present conditions and the future vision outlined in the [Community Strategic Plan](#) and [Redmond 2050](#).

Principle 4: Outcome-Based Financial Planning

- Continue transitioning financial planning toward prioritized services and outcomes that support community expectations.

Principle 5: Community-Informed Service Outcomes

- Define service priorities from the perspective of those who receive and rely on them.

Principle 6: Commitment to Respect, Equity, Diversity, and Inclusion

- Embed respect, equity, diversity, and inclusion in financial decision-making to ensure all community members and staff have equitable access to and influence over services, opportunities, and pay.

Principle 7: Environmental Stewardship

- Integrate sustainability principles into financial and operational decisions to protect natural resources, reduce environmental impacts, and promote a resilient community for future generations.

Principle 8: Sustaining Infrastructure Investments

- Maintain and enhance investments in critical infrastructure to ensure safe, reliable, and efficient services that support community well-being and long-term growth.

Principle 9: Innovation and Continuous Improvement

- Encourage creative problem-solving, technology adoption, and performance measurement to improve service delivery and financial efficiency over time.

Principle 10: Collaboration and Partnerships

- Foster strong relationships with regional partners, community organizations, and other stakeholders to leverage resources and align strategies for shared success.

Purpose and Approach

The Long-Range Financial Strategy serves as the City's fiscal framework for responsible governance and long-term community stewardship. Its purpose is to ensure that every public dollar collected is used effectively and transparently to deliver outcomes that reflect community priorities as captured in the comprehensive plan which reflects the community vision. The LRFS holds the City accountable by integrating financial planning with community input, aligning resource decisions with both near-and long-term goals, and ensuring that service commitments are equitable, sustainable, and resilient.

Cities inherently operate under a degree of financial tension-balancing the cost of government services with the community's willingness and ability to pay for them. The LRFS helps to manage this tension by providing a structured approach to evaluating trade-offs between service value and financial burden. It ensures that decisions are made with a long-term perspective, assessing future financial capacity, and promoting stability. By doing so, the LRFS enables the City to navigate fiscal challenges while maintaining focus on delivering meaningful results that matter to the community today and into the future.

The ability to balance service levels across city services by adjusting the corresponding taxes and fees is a fundamental approach. The City operates under significant constraints when increasing revenues. Despite these constraints, the City Council has significant discretion when it comes to aligning revenue levels with service levels. From a community perspective, the distinction between taxes, fees, and other charges often isn't clear. Whether it's property tax, utility rates, or permit charges, they all contribute to the total financial burden on the community for the provision of services

The LRFS is not a stand-alone financial document; it is a living framework that aligns Redmond's fiscal strategy with its broader community vision. It connects directly to the [Community Strategic Plan](#) and [Redmond 2050](#), which together articulate the City's long-term aspirations for growth, sustainability,

and inclusivity. Through these integrated planning efforts - and through ongoing engagement in citywide planning efforts, annual community survey and the biennial budget process - the LRFS ensures that the City's financial decisions are guided by community-informed priorities and values.



Financial Strategies

The Long-Range Financial Strategy provides a cohesive framework for how the City of Redmond plans, prioritizes, and sustains the financial resources that support community wellbeing today and into the future. Building upon the guiding principles, the LRFS outlines a set of interconnected strategies designed to maintain fiscal health, ensure service quality, and align public investment with community priorities.

These strategies serve as the foundation for long-term decisions-making, helping the City anticipate future challenges, adapt to changing economic and social conditions, and ensure that every public dollar contributes to meaningful, measurable results. Each strategy is informed by community input and reinforced through ongoing collaboration between the City Leadership, Council, staff, community members, and regional partners. Together, they create an intentional and forward-looking approach to financial management - one that reflects the City's commitment to fiscal responsibility, operation excellence, and community trust.

[Strategy 1: Community Investment Plan](#)

- Defines the City’s overarching fiscal philosophy and the foundation for all other strategies. Establishes the target Community Investment Rate and articulates the core value proposition of maximizing community benefit per dollar.

Strategy 2: Revenue Policy Framework

- Outlines principles for maintaining fair, equitable, and stable revenue sources while recognizing the cumulative financial burden on residents and businesses. Guides decisions on taxation, fees, and external funding to ensure accountability, affordability and fiscal balance.

Strategy 3: Long-Range Financial Planning

- Provides a structured, six-year view of revenues, expenditures, and fund balances. Informs near-term budget decisions through long-term forecasting and scenario analysis to ensure financial resilience and adaptability.

Strategy 4: Community-Informed Citywide Planning

- Connects Redmond’s financial strategy to a broader policy framework that ensures financial decisions are community-driven and aligned with shared values and goals. Ensures that fiscal priorities and resource allocation are grounded in community engagement.

Strategy 5: Economic Development Strategic Plan

- Promotes a healthy, diverse, and resilient local economy that strengthens the City’s fiscal base. Focuses on supporting local businesses, attracting investment, and maintaining a balance between growth, livability, and affordability.

Strategy 6: Capital Investment Strategy (CIS)

- Guides long-term investments in infrastructure, facilities, and transportation systems. Prioritizes safety, efficiency, sustainability, and alignment with community and economic development goals.

Strategy 7: Business Technology Investment Plan (BTIP)

- Supports the City’s modernization and digital transformation goals. Invest in technology systems that enhance service delivery, improve operational efficiency, and strengthen data-driven decision-making.

Strategy 8: Community-Based Budgeting

- Connects community input directly to resource allocation through the biennial budget process. Balances near-term service delivery with long-term financial implications, ensuring transparency and responsiveness to community priorities.

Strategy 9: Fiscal Resilience and Reserve Management

- Establishes policies and targets for reserve levels to ensure fiscal stability and maintain the City's AAA credit rating. Provides the capacity to respond effectively to economic downturns, emergencies, or unexpected financial pressures.

Strategy 10: Performance Management

- Links financial performance with community results to ensure public resources are used effectively and strategically and deliver the outcomes they promise. Reinforces transparency, continuous improvement, community trust, and closing the loop between investments, results, and accountability.
-

Strategy 1: Community Investment Plan

Historically known as the “Price of Government”, Redmond’s long-standing financial philosophy that helps answer a key question: What portion of the community’s income supports city government?

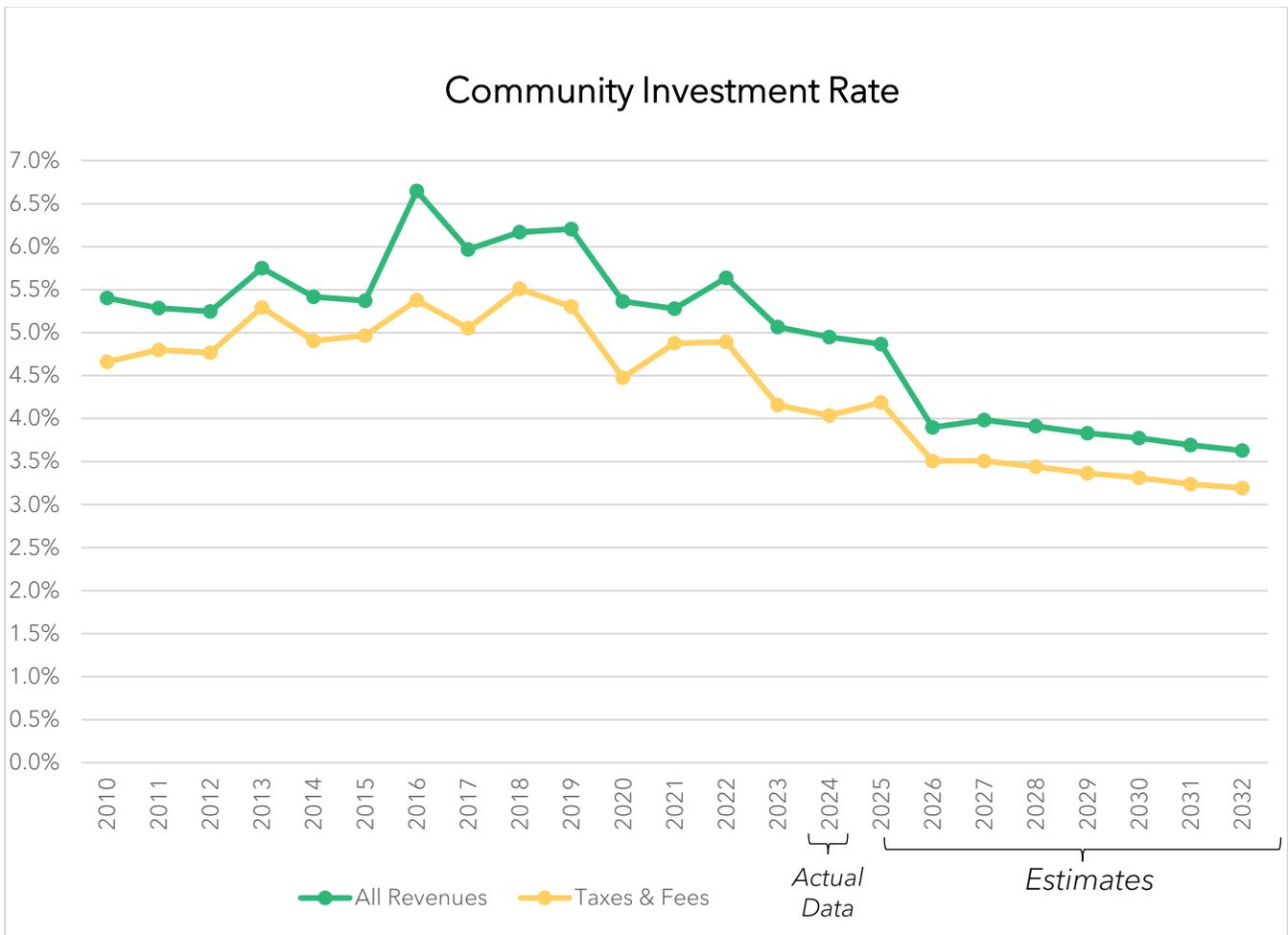
Today, that foundational concept is refreshed and reframed as the Community Investment Plan, signaling a shift in emphasis from the cost of government to the value delivered to the community for that cost. The Community Investment Plan serves as a framework to connect revenue levels, community affordability, and long-term financial planning.

While the underlying calculation remains the same, the guiding metric has been renamed from the Price of Government to the Community Investment Rate (CIR). This updated term reflects not just what the community pays, but what it invests - in safety, mobility, sustainability, and recreation. It is calculated by comparing the City’s total ongoing annual revenues to the total personal income¹ of the community - expressed as a percentage. The metric represents the portion of community income dedicated to public services, defining both the ceiling on revenues and the purpose for their use.

City Council has set the target threshold for the CIR between 5.2% and 5.5% of community income, based on historical analysis. Calculating the metric back to 1997, Redmond has consistently found the Community Investment Rate to fall between 5% and 6% of community income.

By projecting the future CIR, the City can anticipate how growth, economic shifts, or disruptions may affect both community burden and the City’s revenue base. This forward-looking approach helps maintain stability, keeping the cost of city services within a predictable range for the community, while ensuring the City has the resources to provide reliable and financially sustainable services.

¹ See Appendix B for how the Community Investment Rate is determined



The short-term forecast for 2025–2026 projects the CIR to remain just above 5% before declining to approximately 4.5% by the end of 2026. Within this, taxes and fees are expected to fall to around 3.8%–4.0% of community income. This shift reflects the gradual phase-out of one-time revenues including federal pandemic relief and elevated development activities, combined with steady growth in overall community income.

Looking further ahead, projections through 2032 show a gradual downward trend in both total city revenues and Community Investment Rate. By the end of the decade, the CIR is expected to stabilize around 4% by 2032. The decline points to a structural imbalance: while revenues are expected to grow, they are not keeping pace with overall economic growth in the community. As a result, the relative community investment in city services is projected to reduce over time.

To address this challenge, the City must maintain a strong focus on long-range financial planning, scenario modeling, and strong alignment of resources to preserve financial sustainability and community trust. Sustaining this balance will also require strategic attention to the City’s revenue capacity. As fiscal constraints tighten, maintaining high-quality services and infrastructure will depend on both efficiency gains and targeted revenue growth.

Rather than relying on any single funding source, the City will continue to pursue a diversified and intentional approach to revenues by optimizing existing rates and fees, leveraging state and federal

grants, and exploring new tools authorized under Washington State law. These options will be evaluated through the Long-Range Financial Strategy (LRFS) to ensure that any future revenue growth aligns with guiding principles of affordability, equity, and sustainability.

Strategy 2: Revenue Policy Framework

The City Council has developed a revenue policy framework which is foundational for establishing policies intrinsic to budget deliberations. The framework encompasses a desire to build financial resiliency that will allow the City to adapt and grow through chronic financial stress and look at the triple bottom line of economic, social, and environmental impacts when making decisions.

To ensure long-term financial sustainability, the City must assess and maintain fair, equitable, and stable sources of revenue within the parameters of State law. Emphasis must be placed on identifying stable and progressive revenues sources that align with the goal of the Community Investment Plan. Issues of volatility must be reflected in the decision-making process, and core services must be primarily funded by stable revenue sources to minimize disruption during economic downturns.

When considering any tax or rate assessments or increases, the City must acknowledge the total cost impact on community members. Additionally, broader tax and utility rate obligations imposed by all taxing jurisdictions should be considered, recognizing that Redmond has little control of these assessments. A full view of the total obligation helps ensure that revenue increases are equitable and do not place undue financial pressure on the community.

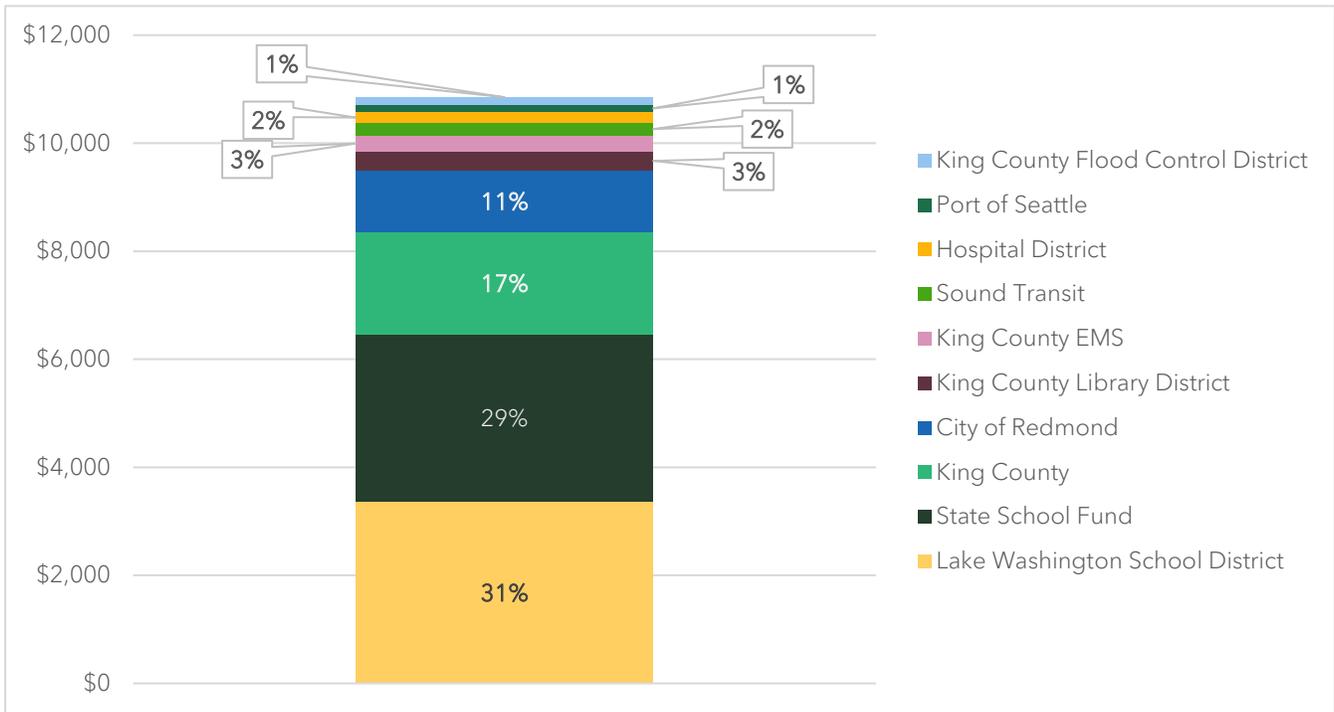
Redmond must establish a clear, community-informed value proposition that balances the benefits of living and doing business in Redmond with the associated costs. Excessive increases in taxes, rates, and fees may risk driving businesses and residents elsewhere, potentially reducing overall revenue and economic activity. Therefore, any increase in the cost assessed on the community should be carefully evaluated to avoid unintended consequences

When new taxing authority is made available by the Legislature, the City carefully evaluates such opportunities considering current and long-term fiscal needs and the potential tax burden. To maintain public trust and demonstrate accountability, tax increases that exceed historical norms should include Redmond taxpayers in deliberation. This approach ensures community members can engage in decisions about service levels and the taxes needed to fund them. This is particularly important when proposed increases approach the CIR limit established in the Community Investment Plan.

Finally, the City should pursue regional approaches to capital funding by leveraging local dollars with external funding opportunities from other governments and organizations. Strategic partnerships and grant funding can enhance the impact of local investments and achieve a higher value for the dollars invested.

This illustration portrays the property tax burden on a typical Redmond residence for the 2025 tax year.

Median Annual Property Tax



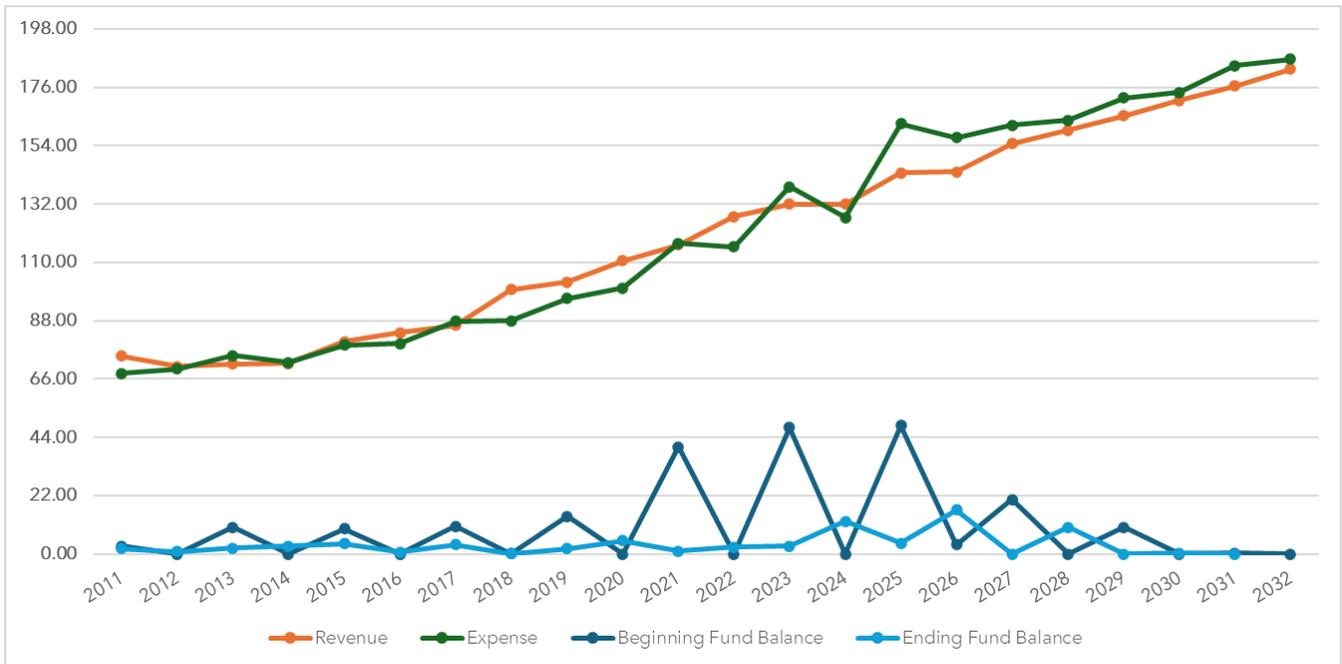
The median property tax burden on a typical Redmond residence in 2025 is \$10,851, or \$7.85 per \$1,000 of assessed value. Of this, the City of Redmond receives 11%, or \$1,154 of the typical tax bill.

TABLE 1 - FULL TAX REVENUE DISTRIBUTION

| Agency | \$ Amount of Tax Bill | % of Tax Bill |
|---------------------------------|-----------------------|---------------|
| Lake Washington School District | \$3,359 | 31% |
| State School Fund | \$3,107 | 29% |
| King County | \$1,883 | 17% |
| City of Redmond | \$1,154 | 11% |
| King County Library District | \$339 | 3% |
| King County EMS | \$306 | 3% |
| Sound Transit | \$227 | 2% |
| Hospital District | \$199 | 2% |
| Port of Seattle | \$141 | 1% |
| King County Flood District | \$135 | 1% |
| | \$10,851 | 100% |

Strategy 3: Long-Range Financial Planning

For nearly two decades, the City of Redmond has actively developed and refined a long-range financial plan. The plan serves as a critical tool for demonstrating the relationship between projected revenues, anticipated expenditures, and the financial impact on the community. The most recent version of the plan is included in the City’s 2025-2026 adopted budget.



Central to the plan is the framework built around what are known as the “five essential numbers,” projected over a six-year period that is aligned with Redmond’s biennial budget cycle. These five essential numbers provide a comprehensive view of the City’s fiscal health:

1. Beginning Fund Balance
2. Revenues
3. Expenditure
4. Net Difference
5. Ending Fund Balance

The long-range financial plan also illustrates a common principle known as “the crossing lines,” which recognizes that, over time, the incremental costs of providing services to the community often exceed the anticipated incremental revenues. Each biennium, the City is tasked with closing these budget gaps to maintain a balanced and sustainable budget.

The long-term financial health of the City is supported by a clear and consistent focus on key financial goals that are incorporated into all financial planning:

- To provide a financial base sufficient to sustain municipal services that maintain the social well-being and physical conditions of the City.
- To be able to withstand local and regional economic trauma, to adjust to changes in the service requirements, and to respond to other changes as they affect the community.
- To maintain an excellent credit rating in the financial community and assure taxpayers that Redmond city government is maintained in a sound fiscal condition.
- To consider and provide for the needs of future generations in the Redmond community.
- To create a workplace where all employees feel valued and are compensated fairly and equitably for their contributions.

As the City of Redmond looks ahead to ensure continued financial health and sustainability, it is essential that strategic goals are aligned with a robust, transparent, and forward-looking financial management approach. A cornerstone of the Long-Range Financial Strategy is the emphasis on routine, meaningful financial reporting that supports timely decision-making and operational accountability.

Routine financial reporting remains a critical tool in driving informed decision making, maintaining fiscal discipline, and fostering trust across stakeholders. To support this need, Redmond publishes its financial results each month on its website (www.redmond.gov/267/Financial-Reports), presents quarterly reports, and brings relevant information to the City Council as necessary. In addition, the City's financial condition is reflected in the City's [Annual Comprehensive Financial Report \(ACFR\)](#), also available on the website.

Strategy 4: Community-Informed Citywide Planning

Community input is foundational to the City's Long-Range Financial Strategy. Through robust engagement efforts, the City gathers input from residents, businesses, and stakeholders to help shape policies, priorities, and investments that reflect shared community values. This input is gathered and formalized through planning efforts such as the examples listed below. Together, these plans represent a broad, integrated vision for Redmond's future - grounded in community priorities and supported by clear goals and measurable outcomes.

- [Community Strategic Plan \(CSP\)](#)
- [Comprehensive Plan \(Redmond 2050\)](#)
- [Environmental Sustainability Action Plan \(ESAP\)](#)
- [Housing Action Plan](#)
- [Transportation Master Plan](#)
- City Department Functional Plans
- Other program and issue-specific strategies

To ensure inclusive and meaningful engagement, the City follows its adopted Community Engagement Guidelines, which emphasize equity, transparency, accessibility, and ongoing dialogue. These guidelines help ensure that all voices – especially those historically underrepresented – are considered in shaping the City’s direction. The input informs both the planning efforts, and the financial framework and choices required to implement it, ensuring that investments in citywide programs and infrastructure align with what matters most to the community.

The CSP and the Comprehensive Plan (Redmond 2050) serve as the City of Redmond’s primary planning documents, shaping both the community’s long-term vision and the City’s approach to delivery services and investments that reflect community priorities. Together, these plans define what the community values most and establish the framework for how those values are translated into actionable policies, programs, and projects.

Community Strategic Plan (CSP)

In 2019, the City developed the CSP to expand the planning framework and reinforce the deep commitment to inclusive, meaningful public involvement. The City utilizes the CSP to serve as a roadmap to guide future improvements and as a work plan. It is updated annually to incorporate evolving needs, refreshed community feedback, and updates on measurable progress. This approach ensures that the City’s vision remains connected to what matters most to the community.

The CSP outlines key initiatives developed in partnership with the community as follows, in alphabetical order:

TABLE 2 – CSP KEY INITIATIVES: COMMUNITY VISION & OBJECTIVES

| CSP Initiative | Community Vision | Objective(s) |
|---|---|---|
| Respect, Equity, Diversity, Equity, and Inclusion (R.E.D.I.) | A Redmond in which all residents can fully and effectively access city services, influence city policy and direction, and feel a sense of belonging and safety. | Establish and support strategic practices that increase our City’s ability to provide excellent services, encourage cross-cultural interactions, and strengthen our relationship with our diverse communities. |
| Environmental Sustainability | A Redmond that creates a healthy, sustainable environment for all generations and conserves our natural resources, affords a high quality of life, and draws from scientific evidence-based data. | Achieve carbon neutrality in city operations by 2030 and citywide by 2050 and enhance the health and resilience of Redmond’s natural resources as outlined in the Environmental Sustainability Action Plan and Council’s 2020 Climate Emergency Declaration . |
| Housing Choices | A Redmond that values, provides, and promotes livability and a variety of housing choices for all. | Increase the overall supply, variety, and affordability of housing to achieve desired livability and equity outcomes in Redmond as outlined in the Housing Action Plan . |
| Infrastructure | A Redmond that is connected, multi-modal, smart, green, and has high value for long-term infrastructure investments that support the future needs of Redmond. | Invest in infrastructure preservation and replacement across the City to maintain the current level of service and the reliability of capital assets and provide timely and cost-effective replacement. |

| | | |
|----------------------|---|---|
| | | Continue investments in key opportunity projects that support economic and community vitality. |
| | | Create a solid platform of internal technology systems that support city business more efficiently and provide improved customer experiences. |
| Public Safety | Protect all members of the community through preparedness, prevention, emergency response, mitigation, and recovery in an inclusive, equitable, compassionate, and timely manner. | <p>Better the health of our community by continuing to create a proactive plan to connect at-risk community members to resources that reduce call volume and continue to emphasize alternatives to incarceration.</p> <p>Implementation and enforcement of municipal fire and building codes to sustain prudent growth that protects the natural characteristic of the communities within Redmond.</p> <p>Ongoing investigation of community-driven safety concerns such as traffic volumes, high accident locations, bike lanes, crosswalks, and sidewalks to improve safety for pedestrians, bicyclists, and motorists.</p> |

Comprehensive Plan (Redmond 2050)

The City’s work is not done in isolation. As defined by the State of Washington’s Growth Management Act (GMA)², cities are urban service providers responsible for planning for future population and job growth. Under GMA, core cities in King County, including Redmond, are expected to absorb 40% of the region’s increased population growth by 2050.

Of Redmond’s growth, 73% is slated to occur in the Downtown, Overlake, and Marymoor centers, with 78% of new jobs expected in these areas as well. The anticipated growth is part of a vision for diverse and complete neighborhoods and centers that are hubs of residential, commercial, and cultural activity. Through capital investments and thoughtful planning, the City is working to maintain the livability of neighborhoods while also supporting the growth in the urban centers that is projected to occur. The City’s Comprehensive Plan (Redmond 2050) was updated and adopted by Council in 2024 to ensure the predicted growth is well planned for.

Looking ahead to 2050, Redmond community members foresee their community as one that is complete, offering a wide range of services, opportunities, and amenities. The community has successfully woven the small town feel of older, established neighborhoods with the energy and vitality of Redmond’s centers. The result is a place where people are friendly, often meet with others

² Chapter 36.70A RCW

they know, and feel comfortable and connected. It's a place where diversity and innovation are embraced, and collaborative action is taken to achieve community objectives. It's a place that is home to people from diverse backgrounds, which contributes to the richness of the City's culture.

The vision as described in Redmond 2050 states that Redmond's centers are hubs of residential, commercial, and cultural activity and that neighborhoods are more diverse and more complete. Downtown, Overlake, and Marymoor Village provide unique and desirable locations to support community life in Redmond. Light rail connects these centers, and they continue to grow with transit-oriented development.

- **Downtown**

Downtown is Redmond's civic heart. It remains an outstanding place to work, shop, live, and recreate and is a destination for many in Redmond and the region. A diversity of businesses, cultural organizations, residents, and visitors contribute to Downtown's vibrancy.

- **Overlake**

With the arrival of light rail and intentional planning for growth, Overlake has transformed into a regional hub for high technology research and development and intercultural experiences. Growth in jobs and residential population has come with critical urban amenities like parks, schools, cultural and civic spaces, and an urban tree canopy. New businesses have enriched Overlake while treasured local businesses have remained in the community using creative anti-displacement strategies.

- **Marymoor Village**

Marymoor Village is continuing to develop into a transit-oriented community with focus on inclusion. For example, public spaces have been developed to be comfortable for a neurodiverse community. New multifamily developments include units that exceed accessibility standards. Elements such as public art honor the special connection that local tribes have with Bear Creek, Lake Sammamish, and the lands surrounding them. Community members enjoy excellent access to Marymoor Park and to a light rail system connecting them to the region.

- **Neighborhoods**

Redmond's neighborhoods include an array of housing types and serve a variety of household types and sizes. Housing in Redmond's neighborhoods has diversified, with the majority of neighborhood infill development being multiplexes, townhomes, cottages, and other middle housing types. This has created ownership opportunities at a lower price point and allowed community members to stay in the City as their housing needs change over time. Neighborhoods are also more complete, with small-scale commercial uses serving local needs. Some of these uses have become neighborhood hangouts, complementing other neighborhood amenities like parks and schools. Community members enjoy meeting-up with each other in these complete neighborhoods, providing a sense of connection.

Strategy 5: Economic Development Strategic Plan

A healthy, resilient economy provides the revenue base necessary to fund public services, infrastructure, and strategic investments that enhance the quality of life in Redmond. The City's first [Economic Development Strategic Plan](#) was adopted by City Council in 2024 to support a diverse and growing economy that contributes to long-term fiscal sustainability.

As Redmond continues to grow, the Economic Development Strategy focuses on fostering innovation, supporting local businesses, attracting strategic industries, and maintaining a balanced mix of commercial, residential, and employment opportunities. These efforts will help expand the City's tax base while also influencing demand for services, transportation infrastructure, and workforce housing.

The foundational strategies were developed to help maintain and strengthen the economic environment and will evolve over time.

- **Regional Collaboration & Partnership:** Work with regional partners to align efforts, and leverage strengths and economies of scale in achieving aligned outcomes.
- **Communication & Storytelling:** Leverage citywide business engagement for relationship building and storytelling. Amplify a compelling narrative, including the economic impact and benefit for Redmond's economic development program through strategic communications.
- **Equitable Economic Mobility:** Support and engage in city efforts that foster equitable economic security and mobility.
- **Land Use:** Track and support the preservation and growth of needed business spaces in Redmond with particular attention to retail, manufacturing, and research and development spaces linked to key clusters in Redmond.
- **Transportation:** Encourage multimodal transportation infrastructure improvements that support employee travel and foster business development and expansion, and support business districts.
- **Housing:** Monitor and support policies that contribute to housing affordability and supply for workers at all skills and income levels to increase the workforce both living and working in Redmond.
- **Livability:** Support investment in quality-of-life amenities to attract and retain businesses and a diverse workforce.
- **Sustainability:** Embed the City's sustainability goals within economic development business outreach and programming.

The strategy is closely aligned with the City's land use planning and infrastructure investment priorities, as outlined in the [Redmond 2050](#), [Transportation Master Plan](#), and [Housing Action Plan](#). It also reflects input gathered through community engagement and is guided by the CSP. By

coordinating economic development with capital planning, the City can make targeted investments that support sustainable growth, enhance community prosperity, and reduce long-term financial risks.

In addition, the City is committed to ensuring that the benefits of economic growth are shared equitably across the community. This includes supporting inclusive entrepreneurship, advancing workforce development initiatives, and promoting equitable access to economic opportunities for all residents. Through this strategic approach, economic development becomes not only a tool for revenue growth but also a lever for achieving broader community outcomes.

Strategy 6: The Capital Investment Strategy (CIS)

Among the most significant decisions the City makes are those related to public infrastructure investments. While the City delivers a wide range of services and programs, it also owns and operates essential infrastructure that supports daily life – such as parks and recreation centers, transportation systems (roads, sidewalks, trails and bikeways), utilities (water, wastewater and stormwater systems), technology infrastructure, and other critical facilities. These assets require not only careful planning and construction but also ongoing maintenance and eventual replacement to preserve their value, safety, and effectiveness over time.

The City's infrastructure investments, called for in [Redmond 2050](#), reinforce livability in the urban centers of Downtown and Overlake, as the primary growth areas while preserving and enhancing residential neighborhoods. In 2050, Redmond's infrastructure and services will meet the needs of a growing population and promote a safe, equitable, and sustainable community. Proper planning will also protect and enhance the City's natural environment and resources, with its parks becoming known regionally for attractive and well-maintained facilities.

Within the context of the Comprehensive Plan are a series of functional area plans which provide technical assessments and projections for specific service areas. The plans analyze existing conditions, forecast future growth and infrastructure demand, identify service level targets, and estimate the financial resources required to meet those needs. Once reviewed and adopted by City Council, they become essential tools for guiding the City's capital improvement planning and Long-Range Financial Strategy, so the City remains responsive to community needs while maintaining fiscal sustainability.

In 2015, it was determined that the City's adopted Vision Blueprint: Redmond's Capital Investment Strategy (CIS) could provide the alignment needed for the Capital Investment Program (CIP) and the budget process. The CIS looks at near-term investments that cover the same six-year timeframe as the City's CIP and provides a mid and long-term outlook into Redmond's capital needs to advance the City vision.

The goal of the CIS is to provide a framework that aligns the City's capital investments with Redmond's 2050 and spans four investment types including: preservation and maintenance; resolution of existing deficiencies; keeping up with growth; and enhancing community character. To establish a method for project prioritization, thematic strategies that focus on the key desired outcomes of capital investments are used and they are as follows:

- Invest in infrastructure preservation and replacement
- Ensure reliable and resilient facilities and infrastructure
- Invest in centers and high-density areas
- Invest in neighborhoods
- Invest in the natural environment
- Invest in economic and community vitality through collaboration
- Integrate diversity/equity/inclusion and environmental sustainability

Underlying the CIS process are the following principles:

- Develop and implement a six-year CIP that results from proactive project prioritization and alignment of delivery commitments with our funding and resource capacity.
- Provide good stewardship of existing city infrastructure to ensure that these assets are well-maintained and reliable.
- Use functional plans and Redmond’s CIS as the primary source of planned capital investments.
- Continue to strategically leverage funds and capital investment opportunities working in partnership with other agencies and the private sector when consistent with the capital investment priorities of the City.
- Develop innovative strategies to fund infrastructure and strategically use all available resources.
- Maintain an impact fee system to ensure that growth pays a proportionate share of the cost of capital facilities related to new development.

The near-term investments identified in the CIS are used to develop the City’s 6-year (CIP) that is adopted with the biennial budget.

Strategy 7: Business Technology Investment Strategy

The City established a Business Technology Investment Program (BTIP) in 2020 to identify technology projects that represent a short and mid-term plan for technology implementations to fully support the City’s strategic goals.

Due to the rapid rate of technological advancements, BTIP projects scheduled in the near-term are planned to a greater level of granularity than projects scheduled to begin in four to six years. The BTIP supports objectives as defined in the City of Redmond CIP to:

- Provide a solid platform of internal systems that support and directly align with city business.
- Modernize key business applications and external facing systems to achieve operational efficiency.
- Improve and adhere to up-to-date cybersecurity standards.
- Partner with the Public Works and Planning departments to drive a Smart City strategy.
- Implement a standard approach to program, project, and portfolio management methodologies throughout the City.
- Improve customer and employee experience through user-friendly, accessible, and efficient digital tools.
- Enable interdepartmental collaboration through shared platforms and standardized processes.

Over the long term, the BTIP will evolve from a near-term project portfolio into a strategic framework that guides how the City invests in, manages, and sustains its digital infrastructure. The long-term vision focuses on integrating technology planning with the City's broader capital and financial strategies, ensuring that technology remains a foundational enabler of Redmond's 2050 vision.

Key elements of the long-term vision include:

- Align BTIP with the CIS to plan technology investments.
- Advance Smart City initiatives that use data, automation, and sensors to improve efficiency and community outcomes.
- Use technology to support environmental sustainability and efficient resource management.
- Foster innovation and flexibility so the City can quickly adapt to new technologies and community needs.
- Strengthen data security, privacy, and resilience to protect City systems and maintain public trust in digital services.

Strategy 8: Community-Based Budgeting

The community-based budgeting approach used by the City ensures that the input provided by the community through engagement in citywide planning initiatives is used to help establish programs, set service levels and allocate public resources to meet community needs. The funded programs and services should be of value to the community and align with the community's desired outcomes. Redmond is a diverse community that may not always agree on the appropriate services to be provided. Therefore, the City strives to find the right mix of services that address most of the community's interests.

Redmond's budget process is grounded in the following strategic goals:

- Align resources with community priorities and desired outcomes
- Engage the community in a transparent, inclusive budget process
- Measure progress toward defined outcomes
- Get the best value for each tax dollar
- Build regional cooperation and partnerships
- Foster a welcoming culture of superior customer service
- Enhance and facilitate accountability, continuous learning, innovation, and process improvements across all programs
- Proactively protect and maintain city resources and assets
- Ensure regulatory, legal, and policy compliance
- Ensure pay equity across all departments
- Support long-term financial sustainability and alignment with Redmond 2050

Redmond's community-based budget process emphasizes value by focusing not only on how much is being spent, but also what is being delivered. The process promotes a citywide perspective in budget development, encouraging the City to look beyond individual departments, programs, and services to consider the needs of the whole community. It challenges staff to view the budget from a community perspective, fostering a broader understanding of the impact of financial decisions. The

increased level of financial awareness helps ensure community resources are used thoughtfully, responsibly, and in alignment with shared priorities.

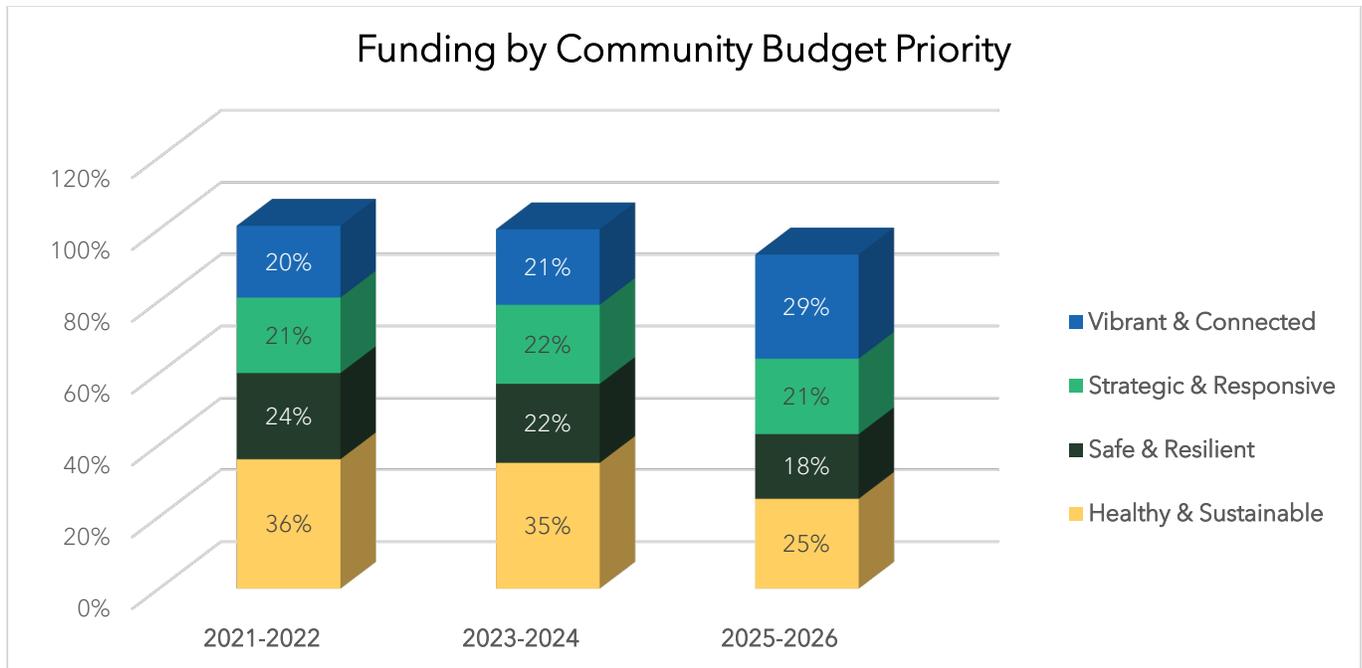
Community input is essential to understanding the budget priorities and outcomes expected from the City. The City works to facilitate strong feedback from the community in a variety of forms as the basis for its spending choices. Each biennial budget cycle, the priorities and desired outcomes are validated. The input received from the community is one tool that the City uses to adapt to evolving needs. The current community budget priorities and desired outcomes are provided in the table below.

TABLE 3 - CURRENT COMMUNITY BUDGET PRIORITIES

| Budget Priority | Healthy and Sustainable | Safe and Resilient | Strategic and Responsive | Vibrant and Connected |
|------------------------|---|---|--|--|
| Community Value | We value a healthy environment that supports an active community | We value a thriving community where all people feel safe | We value a city that is welcoming, service oriented and fiscally responsible | We value a well-planned and supported community that provides a sense of place |
| Outcomes | Environmental preservation responsibly balanced with growth | Effective emergency prevention strategies | Fiscally responsible organization | A transportation system that supports multi-modal movement of people and goods |
| | Climate actions goals achieved through green practices and policies | Well-executed emergency responses | Welcoming, innovating and continuous learning culture | City services and programs that enhance quality of life and community prosperity |
| | Place and program that support an active and involved community | Comprehensive investigations that provide appropriate resolutions | Leadership that aligns community needs with strategic planning and City operations | City services and future growth facilitated by high-quality public infrastructure and facilities |

The Community Results Team (CRT) represents an additional key tool used in the community-based budgeting framework. The team was established to deepen community engagement in the City's budget process and provide the City with additional input on important budget decisions. The CRT provides a bridge between city decision-makers and the broader community, ensuring that budget decisions are grounded in both data and shared community values.

Team members are selected through an equitable process to review budget plans and provide feedback on the alignment with community values and long-term goals. The CRT assignment evolves from one budget cycle to the next and the budget plans reviewed varies depending on the highest priority challenges or needs. Over time, the CRT has become a cornerstone of community engagement, ensuring that fiscal decisions are informed by community perspectives and community members have a meaningful role in determining how public funds are allocated. The teams input assists in validating that the right level of investment is made toward each of the communities four budget priorities.



At the conclusion of each budget cycle, the City assesses the budget process with input from all participants in the process. The feedback is used to identify opportunities for improvement and guide future refinements. The process is intentionally designed to evolve in response to community needs and to promote more effective engagements, transparency, and results.

Strategy 9: Fiscal Resilience and Reserve Management

Maintaining strong financial reserves is a pillar of the City of Redmond’s long-term fiscal sustainability. Adequate reserves allow the City to withstand economic downturns, natural disasters, or unforeseen revenue disruptions while continuing to provide essential services without interruption. They also ensure Redmond can respond strategically to emerging opportunities or challenges – such as capital investments, emergencies, or policy shifts – without compromising financial stability.

Redmond’s reserve management practices are guided by deliberately conservative fiscal policies that align with best practices established by the Government Finance Officers Association (GFOA)³. These policies are reviewed and updated each budget cycle to ensure they remain relevant and responsive to changing conditions. In recent years, the City has prudently increased its reserve targets to reflect evolving economic risks, service expectations, and long-term needs.

The strength of Redmond’s reserves directly contributes to the City’s AAA bond rating, the highest rating awarded by credit agencies. This distinction reflects the City’s proven record of fiscal discipline, predictable financial management, and forward-looking planning. Having a AAA rating provides significant financial benefits - reducing borrowing costs for capital projects, increasing investor confidence, and preserving flexibility to fund major infrastructure or community investments when needed.

The prudent financial objectives, as listed below, ensure that Redmond remains well-positioned to deliver stable, high-quality services through all economic cycles while safeguarding the community’s long-term financial well-being.

Strategic Reserve Management Objectives:

- **Ensure Long-Term Fiscal Resilience**
 - Maintain reserve levels that support Redmond’s AAA bond rating.
 - Align reserves with long-range financial planning assumptions.
- **Support Operational Stability**
 - Use reserves to buffer short-term economic fluctuations without compromising core service delivery.
 - Limit structural reliance of reserves to one-time, strategic uses only.
- **Promote Transparency and Accountability**
 - Set clear policies and thresholds for reserve targets and replenishments.
 - Report reserve balances and usage plans as part of the budget process.

Strategy 10: Performance Management

Since adopting the Long-Range Financial Strategy, the City of Redmond has made significant progress in strengthening and modernizing its performance management practices. Departments no longer operate in isolation; instead, the City now evaluates results using community-centered metrics tied to citywide programs. A Performance Indicator Dashboard is used to communicate progress through the budget process.

³ Appropriate Level of Unrestricted Fund Balance in the General Fund - Best Practice, approved by GFOA’s Executive Board: September 2015

However, performance management is not limited to the budget process. While budget and financial planning define resource parameters, performance measurement must operate independently from the budget process to assess the true impact and value of city services. This separation ensures that service value is measured based on outcomes, not just funding levels – enabling continuous learning, accountability, and strategic improvement.

Across the organization, performance data increasingly informs decision-making, supports analytical tools and development of strategic dashboards, and drives routine performance reviews cycles. This reflects a growing cultural shift toward adaptive governance, where decisions are guided by evidence, not just tradition or availability of funds. Redmond systematically analyzes performance data to evaluate service value and adjusts when necessary. Performance measures are used to demonstrate how programs are advancing community-informed outcomes, and all assessments are framed through a triple bottom line lens – balancing social, environmental, and economic impacts – ensuring a holistic alignment with community values.

The City continues to refine this framework by:

- Aligning measures with strategic goals
- Embedding respect, equity, diversity, and inclusion in assessment criteria
- Improving transparency and public accountability through data

Building on efforts to enhance financial reporting, the City is developing a comprehensive Performance Report. The new tool will go beyond budget tracking to include key performance metrics and progress updates, enabling a deeper understanding of how resources are being used in alignment with community priorities. The report will support continuous improvement by linking budget performance to program outcomes and long-term objectives.

The successful implementation of Microsoft Dynamics 365 (D365) has been pivotal in transforming the City's financial infrastructure. With D365, the City has modernized its core financial system, improved data collection and accuracy, and streamlined key processes such as budgeting, procurement, and reporting. The platform's integrated architecture enables more timely and reliable financial data, positioning the City for greater agility and transparency.

Most significantly, D365 lays the foundation for the development of a future Financial Dashboard – a dynamic, real-time reporting interface that will provide up-to-date financial performance indicators coupled with program performance data. Together, these initiatives represent a continued strategic shift toward more data-driven, transparent, and performance oriented financial planning. As the build out of these tools and capabilities continues, focus will remain on ensuring financial stewardship that supports both operational excellence and long-term organizational sustainability.

As Redmond looks ahead, its evolving performance management approach – distinct from but aligned with budgeting – will remain essential to ensuring the City delivers meaningful, measurable results that matter to the community.

Appendices

[Appendix A: Fiscal Policies](#)

[Appendix B: Community Investment Rate Calculation](#)

[Appendix C: Biennial Budget Process](#)

[Appendix D: City Operating Revenues](#)

[Appendix E: City Capital Investment Revenues](#)

[Appendix F: Other Available Revenues](#)

[Appendix G: Current Rates/Fees](#)

[Appendix H: History of the Long-Range Financial Strategy](#)

Appendix A: Fiscal policies

As described above, the adoption of fiscal policies is a best practice recommended by the GFOA. The GFOA recommends that the policies include the following topics:

1. **General fund reserves.** Policies governing the number of resources to be held in reserve and conditions under which reserves can be used.
2. **Reserves in other funds.** Policies for other funds (especially enterprise funds) that serve a similar purpose to general fund reserve policies.
3. **Grants.** Policies that deal with the administration and grants process.
4. **Debt.** Policies that govern the use of government debt, including permissible debt instruments, conditions under which debt may be used, allowable levels of debt, and compliance with continuing disclosure requirements.
5. **Investment.** Policies that provide guidance on the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program.
6. **Accounting and financial reporting.** Policies that establish and guide the use of an audit committee, endorse key accounting principles, and that ensure external audits are properly performed.
7. **Risk management and internal controls.** Policies that address traditional views of risk management and internal controls as well as more modern concepts of enterprise risk management.
8. **Procurement.** Policies that are most essential for adoption by the governing board to encourage efficient, effective, and fair public procurement.
9. **Long-term financial planning.** A policy that commits the organization to taking a long-term approach to financial health.
10. **Structurally balanced budget.** Policies that offer a distinction between satisfying the statutory definition and achieving a true structurally balanced budget.
11. **Capital.** Policies that cover the lifecycle of capital assets, including capital improvement planning, capital budgeting, project management, and asset maintenance.
12. **Revenues.** Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenditure obligations.
13. **Expenditures.** Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.
14. **Operating budget.** Policies that describe the essential features of the budget development process as well as principles that guide budgetary decision making.

The City will review its fiscal policies during each biennial budget cycle. This review will start with a staff review, followed by a review by the designated City Council Committee (currently the Finance, Administration and Communications [FAC] Committee of the Whole) and, if changes are proposed by the FAC Committee of the Whole, the full City Council.

Appendix B: Community Investment Rate Calculation

The community investment rate is the total city resources divided by community income.

Explanation of Key Calculations

- Taxes account for approximately 40% of total city revenues. This includes not only property tax and sales taxes but also real estate excise tax, special lodging tax, admission tax, utility tax, gambling tax, and leasehold tax.
- Permits and Licenses generate revenue from regulatory activities.
 - Permits apply mainly to development activities, covering plan reviews, inspections, and related services, while licenses apply to business operations and other locally regulated activities.
- User Charges are the fees paid directly by individuals or businesses that benefit from specific city services. They reflect the cost of providing utilities (water, wastewater, and stormwater), recreation programs, development services, and other fee-based activities.
- Intergovernmental Revenues consist of capital grants and payments received from other governments for services provided or shared responsibilities.
- The Community Investment Rate is calculated by dividing total city revenues by community income.
 - Community income is estimated by multiplying Redmond population by per-capita income. (Per-Capita Income data is sourced from the American Community Survey, conducted by the U.S Census Bureau)
- Forecasts for future years are based on a combination of:
 - Washington State Economic and Revenue Forecast Council
 - United State Census Bureau
 - United State of Labor Statistics
 - City’s long-range financial forecast
 - Other city internal financial forecasts

TABLE 4 - THE 2024 COMMUNITY INVESTMENT RATE CALCULATION

| Calculation Components | 2024 |
|---|------------------------|
| Total City Revenue | \$297,988,165 |
| (less) Capital Contributions and Debt Proceeds | \$(14,544,713) |
| Subtotal | \$283,443,451 |
| Redmond Community Income | |
| Per Capita Income (CPI-W Increase) | \$74,998 |
| Population (1% Increase) | 80,280 |
| Total Community Income | \$6,020,816,372 |
| Community Investment Rate (Total City Revenue) | 4.95% |
| Community Investment Rate (Total City Revenue Less Capital Contributions and Debt Proceeds) | 4.71% |

Appendix C: Biennial Budget Process

The City of Redmond follows a community-based budgeting process that encompasses not only day-to-day city operations, but also capital and technology investments. This approach ensures that all financial resources are directed toward services, programs, and projects that reflect with community priorities.

Primary elements of the budget process, presented in general chronological order, form the foundation of Redmond's budget development process:

1. **Budget Calendar Development and Approval**
 - The Mayor proposes a budget development calendar for Council review and approval no later than the first regular City Council business meeting in April of each budget year.
2. **Initial Community Input**
 - A statistically valid community survey is conducted to gather feedback and service priorities.
 - The [Community Strategic Plan](#) is reviewed to understand resource needs.
 - Capital Investment Projects are prioritized by community-informed criteria.
 - Budgeting for Equity input is used to inform strategies for the budget process.
 - Additional input may be collected through neighborhood meetings, focus groups, online Feedback, and other outreach efforts.
3. **Planning Retreats and Policy Guidance**
 - Administrative and/or City Council budget planning retreats define budget process priorities and policy direction.
 - City Council provides input on resource allocation and areas of emphasis.
 - Budget training, instructions, and parameters are communicated to staff.
4. **Formation of Staff and Community Results Teams**
 - Results Teams are appointed to provide guidance and develop recommendations around community priorities.
5. **Departmental Budget Presentations**
 - Department directors present an overview of their department functions, baseline budget services, performance metrics, and budget challenges.
6. **Review of Capital Investment and Business Technology Investment Programs (CIP/BTIP)**
 - Capital and technology investment plans are updated and presented to City Council.
 - A public hearing is held to gather feedback on the CIP and BTIP.
7. **Development of Budget Plans**
 - **Baseline Budget Plans** include existing programs at current service levels.
 - **Service Enhancement Plans** propose new ongoing or one-time programs, projects or expanded services.
 - **Service Reduction Plans** propose ongoing program or service reductions.

8. Revenue Forecast Presentation

- A current revenue forecast is developed and presented
- A public hearing on revenue forecast. ([RCW 84.55.120](#))

9. Preliminary Budget Finalization

- The Mayor and Directors Team incorporate Results Team input to finalize the Preliminary Budget.

10. Preliminary Budget Presentation

- City Council conducts study sessions to review and recommend changes.
- A public hearing on the Preliminary Budget is held ([RCW 35A.34.090](#)).
- Council input is tracked in a working matrix for transparency and documentation.

11. City Council Final Study Session(s)

- Final review and discussion sessions are conducted.
- A public hearing on the final biennial budget is held ([RCW 35A.34.110](#)).

12. Budget Adoption

- City Council formally adopts the Biennial Budget.
- All public and Council comments are documented in the Budget Adoption Packet.

13. Budget Implementation

- Upon adoption, departments begin execution of the budget in alignment with Council direction and community input.

Appendix D: City Operating Revenues

(Alphabetical Order)

Business License Fee - Generated from commercial businesses operating within the City to ensure compliance with local regulations as authorized under RCW 35A.82.020 and RCW 35.90.

- Under RMC 5.04.080, the annual license fee is calculated by multiplying employee hours (or full-time equivalent units) by the current rate.
- Each license includes a base fee used for general city operations and a transportation surcharge restricted to planning, construction, operation and maintenance of transportation improvements that benefit the business community and for transportation demand management programs.
- Rates are adjusted annually for inflation and approved by City Council through the budget process.

Development User Fees - Generated from activities associated with property development as authorized under RCW 82.02.020.

- Calculated on cost-of-service principles and adjusted annually for inflation.
- Earmarked for specific development services.
- Updated every 5 years through cost-of-service study.
- Fees approved by City Council upon completion of cost-of-service study or through the budget process.

Grants - Funds awarded to the City by federal, state, regional, or private entities to support specific projects, programs, or initiatives in alignment with grantor requirements and City priorities as authorized under RCW 35.21.120 and RCW 35A.11.010.

- Awarded through competitive for formula-based application processes administered by agencies such as the Department of Transportation, Washington State Recreation and Conservation Office, Department of Ecology, and others.
- Restricted in accordance with terms, conditions, and scope defined in the grant agreement.
- Accepted by Council as part of the budget process or when awarded.

Intergovernmental Revenues - Taxes collected by Washington State and distributed to cities based on formulas set in law.

- Include the Motor Vehicle Fuel Tax, Criminal Justice Special Programs allocation, Liquor Excise Tax, and Cannabis Excise Tax.
- Each source carries specific state or program restrictions for how they are spent.
- Most distributions are determined by population or state formulas beyond the City's control.

King County Emergency Medical Services (EMS) - Reimbursements from King County generated from a 6-year property tax levy.

- Levy distributions to each city are calculated annually and reimbursed upon expenditure, but levy amount must be approved by voters every 6 years.
- Restricted to Advanced Life Support (ALS) or paramedic programs, Mobile Integrated Healthcare (MIH), partial funding to Basic Life Support (BLS, or first responders), and other programs that support the functions and direct services of Medic One and EMS systems.

King County EMS Transport Fees - Collected from health insurance providers to recover the costs of providing Basic Life Support (BLS) transport services as authorized under RMC 3.88.

- Calculated on cost-of-service principles and adjusted annually for inflation.
- Restricted to EMS-related purposes.
- Updated every 5 years through cost-of-service study.

King County Fire District 34 - Collected to recover the costs of providing fire services to authorized per contract with King County Fire District 34.

- Contract amount updated annually by calculating the district's allocation of Redmond Fire Department's budgeted expenditures and updating credits provided for the EMS Levy, EMS Transport Fees and Ground Emergency Medical Transportation (GEMT) revenues.
- Restricted to the services provided.
- Contract must be approved by King County Fire District 34 Board of Commissioners annually.

Other Revenue - Diverse category of smaller revenue sources from city operations, including internal charges and external fees.

- Includes franchise fees, court fines, investment income, rentals, and internal service charges.
- Usage varies from restricted to unrestricted, depending on the source, contract, or policy.
- Supports general city operations or internal cost recovery.

Parks and Recreation User Fees - Collected from individuals or groups who use city-managed parks, recreation facilities, and participate in city-run programs or events as authorized under RCW 35.21.020

- Calculated on cost-of-services principles; adjusted annually for inflation.
- Restricted for use within the parks and recreation system.
- Updated every five years through cost-of-service study.
- Fees approved by City Council upon completion of cost-of-service study or through the budget process.

Property Tax - Levied on assessed property value as authorized under RCW 84.55.

- City Council Authority
 - Capped annual growth (1% + new construction/annexations).
 - Used for general city operations.
 - Approved annually by City Council.
- Voted
 - Includes parks and public safety levy lid lifts.
 - Restricted to parks maintenance and public safety staffing.
 - Requires voter approval.

Sales & Use Taxes - Consumption based tax collected on retail sales and leases within the City as authorized under RCW 82.08 (sales tax) and RCW 82.12 (use tax).

- The City collects a share of the total sales tax rate, which in 2025 is part of a 10.30% combined rate.
- Most revenue comes from the basic 0.5% and optional 0.5% city-imposed sales taxes, the City retains 0.85% and 0.15% is distributed to King County.
- Used for general city operations.
- City imposes an additional 0.1% Transportation Benefit District sales tax used to fund street maintenance and transportation improvements in the Capital Investment Program. RCW 36.73.
- City receives an affordable housing sales tax credit of 0.0073% used to fund capital investments related to affordable housing. RCW 82.14.540.
- King County levies a 0.1% criminal justice sales tax, a portion of which is shared with the City.
- The additional sales taxes are restricted.

Solid Waste Collection Compensation - Generated from an administration fee charged to the City's Solid Waste hauler to offset the cost of program administration as authorized under RCW 35.21.120.

- The collection compensation rate is calculated based on a percentage of gross revenues earned by the hauler and updated annually for inflation.
- Used to administer the Solid Waste program.
- Rate is approved by City Council through contract approval.

Special Lodging Tax - Imposed on short-term stays at hotels, motels, and similar accommodations, as authorized under RCW 67.28.

- The current tax rate is 1%.
- The revenue is dedicated to tourism promotion and the development or operation of tourism-related facilities.
- Guided by the Lodging Tax Advisory Committee (LTAC).

Utility Rates - Fee paid by utility customers to fund infrastructure, operations, and maintenance of water, wastewater, and stormwater systems as authorized under RCW 35A.80.010.

- Fully restricted to supporting the needs of the City's utility systems.
- Calculated on cost-of services principles; adjusted for inflation through the rate setting process.
- The City conducts regular utility rate studies in conjunction with the biennial budget process to evaluate system performance, funding needs, and rate equity.

Utility Taxes - Imposed on utility service providers to generate revenue that supports general municipal services as authorized under RCW 82.16.020.

- Includes electric, gas, cable, telecommunications, and city-operated utilities (water, wastewater, stormwater).
- Taxes are calculated as a percentage of gross utility revenues and remitted by the utility providers.
- Under state law, utility taxes for electric, gas, cable, garbage collection, and telecommunications are capped at 6%.

Appendix E: City Capital Investment Revenues

(Alphabetical Order)

Business License Transportation Surcharge - Tax collected to fund transportation investment that benefit the business community as authorized under RCM 5.04.080.

- Collected through the Business License Fee rather than treated as a separate levy.
- Restricted to planning, construction, operation and maintenance of transportation improvements that benefit the business community and for transportation demand management programs.

Capital Facility Charges (CFCs) - One-time charges on new development designed to ensure that growth contributes equitably toward the infrastructure required to serve it as authorized under RCW 35.92.025.

- Redmond imposes capital facility charges for water, wastewater, and stormwater utilities.
- Each governed by its own methodology.
- Restricted to capital purposes and cannot be used for operations or maintenance.
- Calculated based on the value of utility system assets, planned capital investments, and available capacity within each utility system.

Community Facilities District - Special purpose district formed to provide financing options for community facility infrastructure improvements due to growth as authorized under RCW 36.145.

- Community Facilities District 2016-01 established in partnership with the Microsoft Corporation to fund multimodal, intersection, and signal expenses.
- Governed by a board of three members of City Council and two representatives nominated by the Microsoft Corporation.
- Funding provided by Microsoft is contingent on the City completing agreed upon projects.

Depreciation Transfers - Utility rate funded transfers intended to fund depreciation of capitalized assets and future asset replacement and major repairs.

- Transfers are funded for City water, wastewater, stormwater, and Novelty Hill water and wastewater utilities.
- Calculated based on the capitalizable assets recognized in each utility each year, minus long-term debt principal payments, if applicable.
- The intent of this transfer is to allow the Capital Utility funds to plan and pay for infrastructure and asset replacement and repair.

General Fund – 5% Transfer - A transfer from the General Fund to provide consistent support for the City's Capital Investment Program.

- An annual transfer of five percent of discretionary general fund revenues is directed towards the General Government CIP funds.
- Used for Parks, Transportation, or General Government/Facilities projects.

General Fund – Pavement Management Transfer - A transfer from the General Fund to provide consistent support for the pavement management program.

- An annual transfer of \$300,000 of discretionary general fund revenues.
- Restricted for pavement management projects.

Impact Fees - One-time charges on new development designed to ensure that growth contributes equitably toward the public facilities and infrastructure needed to serve it as authorized under RCW 82.02.

- Redmond imposes impact fees for fire, parks, and transportation.
- Each governed by its own methodology and spending restrictions.
- May be used only for system improvements identified in the City's Capital Facilities Plan (CFP) and cannot fund operations and maintenance.
- Fee levels are established based on the cost of new or expanded facilities required by development, adjusted for existing capacity, prior developer contributions, and other available funding sources.

Keller Farm Wetland Bank - Generated from sales of credits for compensatory mitigation of unavoidable impacts to wetlands associated with new developments.

- Sales brokered through Habitat Bank via consulting services agreement.
- Revenue includes 20% of the gross revenue received from each credit Habitat Bank sells until the City is fully reimbursed the \$2,520,000 purchase price it paid for the Keller Farm property.
- Subsequently, the City will receive 10% of the gross revenue from each credit sale for the remaining term of the agreement (2028), or until all credits are sold, whichever occurs sooner.
- Funds are to be used for Stormwater CIP projects.
- Credit sales and rates will be managed by Habitat Bank via the Certified Wetland Mitigation Bank.
- Fees approved by City Council through the contract agreement with Habitat Bank.

King County Parks Levy - Generated from a King County Property Tax levy to support local parks and trails.

- The King County Parks Levy is a 6-year, voter-approved property tax which has been in effect since 2008.
- Starting 2026, the levy rate will be \$0.2329 per \$1,000 of assessed value, with annual increases for inflation thereafter.
- The levy funds are to be used for Parks capital investment projects.

Motor Vehicle Excise Tax (MVET) - Distributed to cities by the State of Washington based on population as authorized under RCW 46.68.090.

- Allocated 32% to the Transportation Capital Investment Program (CIP).

Municipal Debt - Financial tool used to finance major capital investments that provide long-term community benefit as authorized under (RCW 39.36).

- Redmond utilizes a mix of Limited Tax General Obligation (LTGO) bonds, Utility Revenue bonds, and lease-purchase financing when appropriate.
- Debt issuance is carefully evaluated to ensure affordability, necessity, and alignment with long-term financial and capital plans, with repayment structured to match the useful life of the financed asset.

Real Estate Excise Tax - State-authorized tax on the sale of real property as authorized under RCW 82.45 and RCW 82.46.

- Revenues shared between the state and local governments.
- City collects REET 1 and REET 2, both of which are restricted for specific capital purposes under RCW 82.46.
- The City cannot adjust REET rates but may choose whether to impose them.

Sales Tax - Affordable Housing Tax Credit - Remitted to the City by King County as established by House Bill 1406 and authorized under RCW 82.14.540.

- Receive a credit of 0.0073% against the state sales tax to support affordable housing initiatives.
- Used for investments in affordable housing.

Sales Tax - Sales Tax on Construction - Represents the portion of sales tax revenue generated from construction-related goods and services used within the City.

- Revenues fluctuate with the pace of local development and the City considers them as one-time.
- Transferred from the General Fund to the capital funds during the budget process.
- The City does not have authority to impose its own construction sales tax beyond what is authorized by the State of Washington, and opportunities to adopt new local sales taxes are limited.

Sales Tax - Transportation Benefit District (TBD) - Additional Council approved sales tax dedicated to funding transportation improvements as authorized under RCW 36.73.

- Sales tax rate is a 0.1%.
- Supports wide range of capital transportation purposes pavement management, pedestrian and bicycle infrastructure, traffic safety improvements, and transportation demand management projects.
- City is authorized to levy the tax for up to 10 years, or longer if pledged for debt repayment, after which it may be renewed indefinitely with voter approval.

Appendix F: Other Available Revenues

Business & Occupation Tax - Gross Receipts Tax

Taxes on businesses, which are typically levied as a percentage of the businesses' gross receipts, less some deductions. This is an unrestricted funding source and can be used for any lawful governmental purpose. The City currently collects a business license fee and surcharge in lieu of the Business & Occupation tax. The City can impose a B&O tax at any rate up to .02% without voter approval and can go above the statutory limit with voter approval. Business & Occupation tax can be riskier than the fee and surcharge as these taxes are subject to initiative/referendum, whether a jurisdiction has adopted those powers.

Property Tax - Affordable Housing Levy

Voted property tax levies are generally described in appendix D. The affordable housing levy is a voted property tax levy. This revenue can be used to finance affordable housing for very low-income households, home ownership, owner-occupied home repair, and foreclosure prevention programs. The City may levy up to \$0.50 per \$1,000 of assessed valuation. A state of emergency declaration around affordable housing is required to levy this tax. The levy may be imposed each year up to 10 consecutive years and requires voter approval.

Appendix G: Current Rates/Fees

TABLE 5 - CURRENT RATES/FEEES

| Revenue Source | Current Rate | Authority Limit | Indexed? | Decision Maker | Volatility Rating |
|--|----------------------|------------------|----------|----------------|-------------------|
| Property Tax | \$0.83/\$1,000 of AV | 1% year | No | City Council | Low |
| "Multi-Year Bump" Levy Lid Lift (can exceed 1% limitation for up to 6 consecutive years) | 0 | \$3.10 / \$1,000 | Yes | Voters | Low |
| "Single Year Bump" Levy Lid Lift (can exceed 1% limitation in first year of levy only) | 0 | \$3.10 / \$1,000 | No | Voters | Low |
| Utility Tax (Electric, Gas, Telephone, Cable) ⁴ | 6% | 6% | No | City Council | Medium |
| Utility Tax (City Utilities) ⁵ | 1% | None | No | City Council | Low |
| Sales Tax | 1% | 1% | No | City Council | High |
| Restricted Local Sales Tax | 0.1% | 0.1%-0.3% | No | Voters | High |
| Gross Receipts (B&O) | 0% | 0.2% | Yes | City Council | Medium |
| Business License Fee ⁶ | \$66.00 | None | Yes | City Council | Medium |
| Business Transportation Tax ⁷ | \$87.00 | None | Yes | City Council | Medium |
| Development Review Fees | Full Cost Recovery | None | Yes | City Council | High |
| Recreation Fees | Direct Cost Recovery | None | Yes | City Council | Medium |

⁴ See table 6

⁵ See table 6

⁶ See table 7

⁷ See table 8

TABLE 6 - HISTORY OF UTILITY TAX RATE CHANGES OVER THE PAST TWENTY YEARS

| When | Purpose | Service | Rate |
|------------------|---|----------------------|-----------------|
| 2025 (ord. 3195) | General Government Public Safety Purposes | Stormwater | 1% |
| 2025 (ord. 3195) | General Government Public Safety Purposes | Wastewater | 1% |
| 2025 (ord. 3195) | General Government Public Safety Purposes | Water | 1% |
| 2018 (ord. 2942) | Cable Services | Cable | 6% |
| 2014 (ord. 2769) | Cable Services | Cable | 3% |
| 2014 (ord. 2716) | Fire Suppression Services | Water | 0% |
| 2013 (ord. 2673) | Fire Suppression Services | Water | 8.53% |
| 2010 (ord. 2545) | Fire Suppression Services | Water | 9.23% |
| 2006 (ord. 2281) | General Government Purposes | Elec. Tele. Nat. Gas | 6.0% (was 5.8%) |
| 2004 (ord. 2239) | General Government Purposes | Elec. Tele. Nat. Gas | 5.8% (was 5.5%) |
| 1996 (ord. 1923) | General Government Purposes | Elec. Tele. Nat. Gas | 5.5% (was 4.5%) |
| 1995 (ord. 1867) | General Government Purposes | Elec. Tele. Nat. Gas | 4.5% (was 5.5%) |

TABLE 7 - HISTORY OF BUSINESS LICENSE FEE CHANGES OVER THE PAST TEN YEARS

| When | Purpose | Rate |
|------------------|-----------------------------|---------|
| 2026 (forecast) | General Government Purposes | \$69.00 |
| 2025 (ord. 3192) | General Government Purposes | \$66.00 |
| 2024 (ord. 3131) | General Government Purposes | \$60.00 |
| 2023 (ord. 3107) | General Government Purposes | \$56.00 |
| 2022 (ord. 3025) | General Government Purposes | \$52.00 |
| 2021 (ord. 3025) | General Government Purposes | \$51.00 |
| 2019 (ord. 2940) | General Government Purposes | \$50.00 |
| 2018 (ord. 2940) | General Government Purposes | \$49.00 |
| 2017 (ord. 2862) | General Government Purposes | \$48.00 |
| 2016 (ord. 2862) | General Government Purposes | \$45.00 |
| 2015 (ord. 2770) | General Government Purposes | \$42.90 |
| 2013 (ord. 2667) | General Government Purposes | \$35.00 |
| 2004 (ord. 2238) | General Government Purposes | \$28.25 |
| 2000 (ord. 2088) | General Government Purposes | \$12.50 |
| 1998 (ord. 2003) | General Government Purposes | \$10.00 |

TABLE 8

HISTORY OF BUSINESS TRANSPORTATION TAX CHANGES OVER THE PAST TEN YEARS

| When | Purpose | Rate |
|-------------------|--|---------|
| 2026 (forecasted) | Transportation & Transportation Demand Management Programs | \$91.00 |
| 2025 (ord. 3192) | Transportation & Transportation Demand Management Programs | \$87.00 |
| 2024 (ord. 3131) | Transportation & Transportation Demand Management Programs | \$81.00 |
| 2023 (ord. 3107) | Transportation & Transportation Demand Management Programs | \$76.00 |
| 2022 (ord. 3025) | Transportation & Transportation Demand Management Programs | \$70.00 |
| 2021 (ord. 3025) | Transportation & Transportation Demand Management Programs | \$68.00 |
| 2019 (ord. 2940) | Transportation & Transportation Demand Management Programs | \$67.00 |
| 2018 (ord. 2940) | Transportation & Transportation Demand Management Programs | \$66.00 |
| 2015 (ord. 2770) | Transportation & Transportation Demand Management Programs | \$64.00 |
| 2013 (ord. 2667) | Transportation & Transportation Demand Management Programs | \$57.00 |
| 2011 (ord. 2567) | Transportation & Transportation Demand Management Programs | \$56.00 |
| 1996 (ord. 1924) | Transportation & Transportation Demand Management Programs | \$55.00 |

Appendix H: History of the Long-Range Financial Strategy

In 2005, the Redmond City Council was advised that a period of unusual fiscal stress was approaching. In response, the Council aimed to proactively address potential challenges and provide long-term, strategic guidance on financial matters. The result led to the development of the City's first Long-Range Financial Strategy (LRFS) by the Public Administration and Finance Committee.

Initially titled "Navigating the Rapids," it was intended to acknowledge the anticipated financial pressures of steering through turbulent rapids - challenging but temporary. While the immediate concerns were pressing, the Council emphasized the importance of sustainability and resilience in financial decision-making over the long term.

Once adopted, the LRFS became a guiding framework for evaluating policy. As noted in the revenue policy framework strategy, the Council has taken several steps since 2005 to align revenue strategies with community needs - actions that directly reflect the influence of the LRFS on policy decisions made at the time.

To initiate the budget approach in 2008⁸, an independent firm held four focus groups with Redmond residents to determine community priorities. The focus group participants were chosen at random based on gender, age, and location of residence. Following the focus group discussions, the City held a community workshop for all community members to give further input and comment on the focus groups' identified priorities.

Throughout 2019 and 2020, an additional four focus groups consisting of residents and business representatives were assembled by an independent firm to help the City understand evolving community needs and inform an update for improving the budget priorities to reflect how the community currently identifies them.

To communicate progress Redmond maintains a Performance Indicator Dashboard, which tracks progress of each of the community's desired outcomes. Initially developed in 2011 and merged with the Community Indicators Report in 2014, the dashboard was reviewed and updated in 2017 and 2020.

Key Milestones in Redmond Long-Range Financial Strategy:

Foundation and Early Development (2005-2010)

- 2005 - Created the Long-Range Financial Strategy (LRFS)
- 2007 - Proposed a voter-approved property tax levy
- 2008 - Launched initial Budgeting by Priorities (BP) process
- 2008 - First use of long-term financial planning
- 2009 - Established "Price of Government" target
- 2010 - Developed equivalent prioritization process for Capital Investment Plan (CIP)
- 2010 - Conducted Government Finance Officers Association (GFOA) review of financial processes

⁸ See Appendix I for a Key Milestones in Redmond's Long-Range Financial Strategy

Expansion of Innovation and Performance Focus (2011-2014)

- 2011 - Initiated employee innovation program
- 2011 - Implemented Microsoft Dynamics AX 2012
- 2011 - Launched Capital Investment Strategy (CIS)
- 2011 - Embedded performance measures in BP
- 2011 - Validated community budget priorities
- 2012 - Integrated logic models into Budgeting by Priorities
- 2012 - Began performance reporting to City Council at the priority level
- 2012 - Introduced Civic Results Team consisting of Redmond community members
- 2013 - Began quarterly financial performance reports
- 2014 - Applied updated Capital Investment Strategy prioritization process
- 2014 - Established LEAN process improvement framework

Refinements and Strategic Alignment (2016-2020)

- 2016 - Streamlined Staff Results Team process into a single, unified team
- 2016 - Strengthened focus on levels of service and connection to performance linkage
- 2018 - Conducted citywide performance management assessment and identified improvements
- 2018 - Incorporated demonstrated efficiencies into budget decisions
- 2019 - Developed first Community Strategic Plan
- 2019 - Conducted focus groups to inform updated community priorities
- 2020 - Updated community budget priorities, outcome maps, and performance measures
- 2020 - Standardized budget narratives across all programs
- 2020 - Expanded community involvement in the Civic Results Team
- 2020 - Introduced Business Technology Investment Program (BTIP)
- 2020 - Adopted Environmental Sustainability Action Plan (ESAP)
- 2020 - Adopted Climate Action Implementation Plan

Process Improvements and Technological Advancements (2021-2023)

- 2021 - Enhanced CIP reporting, communication, and budgeting
- 2021 - Implemented quarterly CIP reporting
- 2022 - Added public hearing for CIP and BTIP processes
- 2022 - Adopted Vision Zero
- 2022 - Updated Staff Results Team to utilize Deputy Directors Team
- 2022 - Proposed voter levy for Public Safety
- 2022 - Separated service enhancements and reductions from baseline budget plans
- 2023 - Implemented Microsoft Dynamics 365 (D365)
- 2024 - Consolidated service enhancements and reductions into measurable packages
- 2024 - Developed preliminary plan for next steps of service enhancements

Recent Strategic Initiatives (2024-2026)

- 2024 - Implemented Transportation Benefit District (TBD)
- 2024 - Updated the Community Strategic Plan
- 2024 - Introduced Budgeting for Equity lens into budget decision-making
- 2024 - Adopted first Economic Development Plan
- 2024 - Adopted first Tourism Strategic Plan

- 2024 - Initiated departmental and baseline budget overview presentations to Council
- 2024 - Developed new Budget Summary Report
- 2024 - Adopted the Comprehensive Plan Update (Redmond 2050)
- 2025 - Create Budget Performance Report
- 2025 - Update outcome maps and performance measures through Deputy Directors Team
- 2026 - Begin quarterly BTIP reporting
- 2026 - Implement Budget Performance Report
- 2026 - Enhance department budget presentations with performance measure reviews



The City of Redmond assures that no person shall, on the grounds of race, color, national origin, or gender, as provided by Title VI of the Civil Rights Act of 1964 and the Civil Rights Restoration Act of 1987, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity. For more information about Title VI, please visit redmond.gov/TitleVI.

无歧视声明可在本市的网址 redmond.gov/TitleVI 上查阅 | El aviso contra la discriminación está disponible en redmond.gov/TitleVI.



Memorandum

Date: 3/10/2026

File No. CM 26-154

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|-----------|---|--------------|
| Executive | Lisa Maher, Assistant Chief Operating Officer | 425-556-2427 |
|-----------|---|--------------|

DEPARTMENT STAFF:

| | | |
|-----|-----|-----|
| N/A | N/A | N/A |
|-----|-----|-----|

TITLE:

Respect, Equity, Diversity, and Inclusion (REDI) Program Update

OVERVIEW STATEMENT:

Staff will provide Council with an informational update on the hiring process for the Deputy - Equity & Strategic Services position, the internal Welcoming Team, and Budget for Equity.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Community Strategic Plan, REDI Strategic Plan, Redmond 2050
- **Required:**
N/A
- **Council Request:**
Council requested regular updates on the REDI work during previous discussions
- **Other Key Facts:**
N/A

OUTCOMES:

See Attachment A for a summary of program highlights

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
00295

Budget Priority:
Strategic and Responsive

Other budget impacts or additional costs: Yes No N/A

If yes, explain:
N/A

Funding source(s):
General Fund

Budget/Funding Constraints:
N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

| Date | Meeting | Requested Action |
|-----------|--|---------------------|
| 2/10/2026 | Committee of the Whole - Finance, Administration, and Communications | Receive Information |

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|------|---------|------------------|
|------|---------|------------------|

Date: 3/10/2026

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 26-154

Type: Committee Memo

| | | |
|-----------|--|---------------------|
| 4/14/2026 | Committee of the Whole - Finance, Administration, and Communications | Receive Information |
|-----------|--|---------------------|

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

Attachment A: REDI Strategic Plan Implementation Update

Background

This document provides a high-level update of monthly implementation activities for the REDI Strategic Plan. The REDI Plan is a citywide effort to define the goals, objectives, and key results to create a culturally competent organization that celebrates individual differences. The five goals outlined in the REDI Strategic Plan include:

- Transparent and Consistent Leadership
- Respect and Belonging
- Effective Program Support
- Pro-Equity, Anti-Racism Implementation (PEAR)
- Community (Stakeholder) Engagement

Updates

Recruitment Progress for the Deputy Director- Equity & Strategic Services

The Deputy position posted on January 27, closed on February 8, and forty-nine applications were received. Fifteen applications met the criteria for further review, and six applicants were chosen for virtual screening meetings. Of those six, three applicants were moved forward to a four-person panel interview, and then a Q and A meeting with the Directors' Team. At the submission deadline for this agenda item, one applicant has advanced to the next steps of the process. At the March 10 meeting I will provide you with an update on that candidate. As a reminder, this position will now report to the Assistant Chief Operating Officer and will oversee the following divisions of the Executive department: Strategic Services and REDI, Communications, Environmental Sustainability, City Clerk's Office, and Grant Management.

Welcoming Team

The Welcoming Team is analyzing their responsibilities under the REDI Plan, specifically working with COO Files, to produce a template outlining a clear line of sight between REDI Goal #3, Effective Program Support, and how the Welcoming Team, in conjunction with other City staff, can move that goal forward. Their work includes reflection on the objectives, strategies, and tactics for the Team, and the identification of a roadmap and the resources needed.

Budgeting for Equity:

The Welcoming Team is also working together with the Finance Department to outline a systematic approach for the next biennium's Budgeting for Equity programs, services, and projects. This work will be aligned with the REDI goal identified above and will ultimately be presented to the Mayor and Directors Team for potential inclusion in the Preliminary Budget.

Next Steps

Monthly Committee of the Whole Update Next month's update will include an introduction to the new Deputy of Equity & Strategic Services.



Memorandum

Date: 3/10/2026

File No. CM 26-138

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|-------------------------------------|------------------|--------------|
| Technology and Information Services | Michael Marchand | 425-556-2173 |
|-------------------------------------|------------------|--------------|

DEPARTMENT STAFF:

| | | |
|-------------------------------------|-------------|--------------------------------------|
| Technology and Information Services | Carmen Hall | Project Management Office Manager |
|-------------------------------------|-------------|--------------------------------------|

TITLE:

2025-2026 BTIP Project Update

OVERVIEW STATEMENT:

Technology and Information Services (TIS) Project Management Office (PMO) will update the City Council on the current status of the 2025-2026 budget-approved Business Technology Investment Program (BTIP) projects. This update will cover the current status and budget outlook.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information

Provide Direction

Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
N/A
- **Council Request:**
TIS provide periodic updates to the Mayor and Council on work happening within the Department
- **Other Key Facts:**
N/A

OUTCOMES:

N/A

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
N/A

Budget Priority:
N/A

Other budget impacts or additional costs: Yes No N/A

If yes, explain:
N/A

Funding source(s):
N/A

Budget/Funding Constraints:
N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

| Date | Meeting | Requested Action |
|------|--|------------------|
| N/A | Item has not been presented to Council | N/A |

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|-----------|--|---------------------|
| 3/10/2026 | Committee of the Whole - Finance, Administration, and Communications | Receive Information |

Date: 3/10/2026

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 26-138

Type: Committee Memo

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

Attachment A: 2025-2026 BTIP Update



| Project | Department | Status | Budget | Budget Trend |
|--|-----------------|---|-------------|---------------|
| Credit Card Fees | Finance | Complete | \$30,000 | Within Budget |
| Windows 10 Replacement | TIS | Complete | \$65,487 | Within Budget |
| Assetworks Data Management | Public Works | Complete | \$142,149 | Within Budget |
| Community Health Program | Executive | Complete | n/a | Within Budget |
| Smartsheet Upgrades | TIS | Complete | \$277,134 | Within Budget |
| Tourism Data Software/Data Collection/Set-up | Planning | Complete | \$80,000 | Within Budget |
| CIP Management Software | Public Works | Phase 1 Complete Phase 2 In Planning | \$1,071,300 | Within Budget |
| IQGeo Fiber Management | Public Works | In planning | \$210,295 | n/a |
| Lucity Cloud Migration | Public Works | In planning | \$124,427 | n/a |
| Citywide Enterprise Content Mgmt | Executive | In Progress | \$90,000 | Within Budget |
| Council Chamber Audio/Visual (A/V) | Executive | In Progress | \$663,875 | Within Budget |
| CUES Granitenet Update* | Public Works | In Progress | \$275,000 | Within Budget |
| Data Integration and Centralization | Public Works | In Progress | \$208,053 | Within Budget |
| Energov Development Platform Modernization | Planning | In Progress | \$856,546 | Within Budget |
| First Due - Fire Annual Inspection Software* | Fire | In Progress | \$49,000 | Within Budget |
| Forcemetrics | Police | In Progress | \$175,502 | Within Budget |
| Genetic Security System Hardware Replacement | TIS | In Progress | \$598,875 | Within Budget |
| Police Drone Program | Police | In Progress | \$666,752 | Within Budget |
| Station Tones Upgrades: Stations 11, 12* | Fire | In Progress | \$171,000 | Within Budget |
| Utility Tax Collection | Finance | In Progress | \$171,505 | Within Budget |
| Workforce Management Phase 2 | Human Resources | In Progress | \$1,724,697 | Within Budget |
| D365 Phase 2 Implementation | Finance | In Progress | \$2,040,292 | Watch |
| Cashiering System Replacement | Finance | Not started | \$341,891 | n/a |
| Contract Management System | Finance | Not started | \$110,386 | n/a |
| Energov Interactive Voice Response (IVR) | Planning | Not started | \$169,437 | n/a |
| CAD Replacement | Police | Not started | \$85,000 | n/a |

BTIP items added in 2025/2026 are marked with an *



Memorandum

Date: 3/10/2026

File No. CM 26-153

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|-------------------------------------|------------------|--------------|
| Technology and Information Services | Michael Marchand | 425-556-2173 |
|-------------------------------------|------------------|--------------|

DEPARTMENT STAFF:

| | | |
|-------------------------------------|---------------|---------------------------------|
| Technology and Information Services | Melissa Brady | Enterprise Data and GIS Manager |
|-------------------------------------|---------------|---------------------------------|

TITLE:

Data Governance Program - Update

OVERVIEW STATEMENT:

We are providing an update to the Council on our progress in developing a Citywide Data Governance Program.

Over the past year, we have conducted a comprehensive assessment of our current data practices. Since completing the assessment, we have established a Data Governance Council (DGC) and developed foundational operational policies and standards, which are currently in draft and moving through the DGC’s review and approval process.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information** **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
N/A
- **Council Request:**
The Council requested an update on the development progress of the Citywide Data Governance Program.
- **Other Key Facts:**
N/A

OUTCOMES:

Improved Decision-Making: When data is consistent, reliable, and accessible, decision-makers can make faster and

more informed choices.

Operational Efficiency: With clear policies in place, we reduce duplications, errors, and unnecessary delays in workflows.

Compliance & Risk Mitigation: Data governance helps us comply with legal and regulatory requirements, especially around privacy and security, reducing the risk of penalties.

Data-Driven Culture: This program will empower our teams to use data more effectively, fostering a culture of transparency and accountability.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
N/A

Budget Priority:
Strategic and Responsive

Other budget impacts or additional costs: Yes No N/A

If yes, explain:
N/A

Funding source(s):
N/A

Budget/Funding Constraints:
N/A

Additional budget details attached

Date: 3/10/2026

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 26-153

Type: Committee Memo

COUNCIL REVIEW:

Previous Contact(s)

| Date | Meeting | Requested Action |
|-----------|--|---------------------|
| 1/7/2025 | Committee of the Whole - Finance, Administration, and Communications | Receive Information |
| 1/14/2025 | Business Meeting | Approve |

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|------|----------------------------|------------------|
| N/A | None proposed at this time | N/A |

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

N/A



City Contract Routing Form

City Contract #: 10613



Section 1 – Attach Contract Documents

(multiple files can be uploaded)

Is an insurance certificate attached?

Yes

No/Not applicable

Comments: _____

Section 2 – Fill Out Contract Details

Date: 9/10/24 Department: TIS Division: TIS Mail Stop: 3SFN

Project Administrator Name: Courtney Miller Extension: 2171

Project Manager Name (if different than above): _____ Extension: _____

Contract Type: Consulting Services If other, please indicate: _____

Contract Title: UKG Pro Subscription Services & Professional Services

Contractor/Consultant Business Name: UKG Kronos Systems, LLC

Contract Description: UKG Pro product suite - WFM Phase 2 project replacing UKG Dimensions. Subscription Services annual in advance total \$147,900 - will replace existing UKG Dimensions licensing expense that will be terminated at end of 2024. Legal review completed by Emily Romanenko-further legal review not required. Termination of Payroll Services contract connected to Dimensions

Project ID #: 2357 Project Category: _____ Budget/Account #: 520.41103.51880.2357-520-03

Council Approval Date: 3/7/23 Agenda Memo #: 23-024 RFP/IFB/RFQ #: _____

New Contract

Total Amount: \$239,281

Start Date: 9/10/24 End Date: 12/31/25

Renewal Option (Y/N): Y If yes, how many? 12 month renewal term

Amendment/Renewal/Change Order #: _____ Original CC #: _____

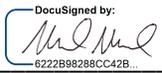
New Start Date: _____ New End Date: _____

Current Contract Amount (including all previous amendments/change orders): _____

Amount of this Amendment/Change Order (proposed increase/decrease): _____

New/Cumulative Contract Amount: _____

Section 3 – Route Contract for Signatures and Approvals

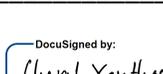
Department Director or Designee:  Date: 9/10/2024 Comments: _____

TIS Director:  Date: 9/10/2024 Comments: _____

City Attorney:  Date: 9/11/2024 Comments: _____

Risk Manager:  Date: 9/11/2024 Comments: _____

Mayor or Designee:  Date: 9/13/2024 Comments: _____

City Clerk's Office:  Date: 9/13/2024 Comments: Electronic Original - in Hummingbird

Purchasing: no signature required – for copy only



ORDER FORM

Quote#: Q-240863
Expires: 30 Sep, 2024
Sales Executive: Alison Mercier
Effective Date: Effective as of the date of last signature of this Order

Order Type: Quote
Date: 28 Aug, 2024

Customer Legal Name:
CITY OF REDMOND

Ship To: CITY OF REDMOND
15670 NE 85TH STREET #3SFN
REDMOND, WA 98052-3580 USA

Customer Legal Address:
15670 NE 85TH STREET #3SFN, REDMOND, WA 98052-3580
USA

Bill To: CITY OF REDMOND
15670 NE 85TH STREET #3SFN
REDMOND, WA 98052-3580 USA

Bill To Contact:

Ship To Contact: Courtney Miller

Ship to Phone: 425-556-2171
Ship to Mobile: 901-412-7222
Contact: Courtney Miller
Email: cmiller@redmond.gov

Currency: USD
Customer PO Number:
Solution ID: 6115682
Initial Term: 60 months
Uplift Percent: 4 %

Shipping Terms: Shipping Point
Ship Method: FedEx Ground
Freight Term: Prepay & Add
Renewal Term: 12 months
Payment Terms: Net 30 Days

Billing Start Date: Upon Signature of Order Form
Data Center Location: USA

Subscription Services

Billing Frequency: Annual in Advance

| Subscription Services | Quantity | PEPM | Monthly Price |
|-------------------------------|----------|-----------|---------------|
| UKG PRO PAY AND PEOPLE CENTER | 850 | USD 14.50 | USD 12,325.00 |
| UKG PRO PAY | 850 | USD 0.00 | USD 0.00 |
| UKG PRO PEOPLE CENTER | 850 | USD 0.00 | USD 0.00 |



| Subscription Services | Quantity | PEPM | Monthly Price |
|---|----------|----------|----------------------|
| UKG PRO PAYMENT SERVICES | 850 | USD 0.00 | USD 0.00 |
| UKG PRO WAGE ATTACHMENT DISBURSEMENT | 850 | USD 0.00 | USD 0.00 |
| UKG PRO TAX FILING SERVICES | 850 | USD 0.00 | USD 0.00 |
| UKG PRO CHECK PRINTING | 850 | USD 0.00 | USD 0.00 |
| UKG PRO BENEFITS ENROLLMENT | 850 | USD 0.00 | USD 0.00 |
| UKG PRO BASIC SSO | 850 | USD 0.00 | USD 0.00 |
| UKG PRO MODEL MY PAY | 850 | USD 0.00 | USD 0.00 |
| UKG PRO DATA EXCHANGE SERVICES | 850 | USD 0.00 | USD 0.00 |
| UKG PRO ACA SERVICES | 850 | USD 0.00 | USD 0.00 |
| UKG PRO COMPENSATION | 850 | USD 0.00 | USD 0.00 |
| UKG PRO TALENT ACQUISITION | 850 | USD 0.00 | USD 0.00 |
| UKG PRO RECRUITING | 850 | USD 0.00 | USD 0.00 |
| UKG PRO ONBOARDING | 850 | USD 0.00 | USD 0.00 |
| UKG PRO LIMITED ACCESS | 1 | USD 0.00 | USD 0.00 |
| UKG PRO HR ONLY/GLOBAL EMPLOYEES | 1 | USD 0.00 | USD 0.00 |
| INCOME AND EMPLOYMENT VERIFICATION FROM EQUIFAX | 1 | USD 0.00 | USD 0.00 |
| UKG PRO PEOPLE ASSIST | 850 | USD 0.00 | USD 0.00 |
| UKG PRO HCM NPRD | 850 | USD 0.00 | USD 0.00 |
| UKG PRO DOCUMENT MANAGER | 850 | USD 0.00 | USD 0.00 |
| Total Price | | | USD 12,325.00 |

Professional Services - Fixed Fee

Billing Frequency: 4 consecutive equal quarterly payments of \$22,845.25 commencing on the Effective Date

| Professional Services - Fixed Fee | Billing Role | Quantity | Unit Price | Total Price |
|-----------------------------------|--------------|----------|---------------|----------------------|
| UKG LAUNCH FIXED FEE | Grouped | 1 | USD 91,381.00 | USD 91,381.00 |
| Total Price | | | | USD 91,381.00 |

Quote Summary

| Item | Total Price |
|--|---------------|
| Total Monthly SaaS and Equipment Rental Fees | USD 12,325.00 |



| Item | Total Price |
|------------------|---------------|
| Total Fixed Fees | USD 91,381.00 |

Order Notes:

Compensated Employees: persons receiving a check, advice of deposit or otherwise compensated by the Customer using the Applications as set forth herein.

The Launch services shall be provided to Customer for only the services as set forth in the UKG Pro Statement of Work for CITY OF REDMOND which is made a part hereof and incorporated by reference as UKG Pro Statement of Work for CITY OF REDMOND. Launch services outside of the scope of the UKG Pro Statement of Work for CITY OF REDMOND shall be quoted to Customer and agreed upon by the Parties in writing.

Limited Access Employees: persons with a status of terminated who have access to the UKG Pro portal.

People Center Employees: persons not receiving a check, advice of deposit or otherwise compensated by the Customer using the Applications as set forth herein.

The monthly subscription amount (number of employees multiplied by the applicable Subscription Fee) may increase or decrease if the number of employees increases or decreases, but in no event shall the monthly Subscription Fee be calculated on less than the Minimum Quantity.

The Statement of Work attached to this order form is incorporated herein by reference.

Customer is migrating from their existing UKG DIMENSIONS HR, UKG DIMENSIONS COMPENSATION, UKG DIMENSIONS PAYROLL, & UKG DIMENSIONS PAYROLL SERVICES to UKG PRO Pay and People Center software as a service offering ("Pro HCM") and shall remain responsible for all fees related to these Applications until Pro HCM Billing Start date commences. The customer is responsible to communicate to UKG to cancel the applications from their contract after the Billing Start date of Pro HCM.

After the Initial Term, the Subscription Fee shall increase per annum by the Uplift amount set forth above.

This Order is subject to and governed by the terms and conditions of the Master Services Agreement dated as of the Effective Date between UKG and Customer (hereafter "Agreement").

UKG will provide the Services in accordance with the Services Descriptions and Statements of Work located at: www.ukg.com/services-descriptions

All Customer Data (as defined in the Agreement) will be secured and protected as set forth in the Technical and Organizational Measures of UKG's Data Processing Addendum. Any personal data provided to UKG through the Subscription Services will be processed in accordance with UKG's Data Processing Addendum located at: www.ukg.com/ukg-unified-dpa

UKG will notify Customer without undue delay (and in any event within seventy-two (72) hours) and in accordance with Applicable Laws upon UKG or any Subprocessor becoming aware of a Personal Data Breach affecting Customer Personal Data, providing Customer with sufficient information to allow Customer to meet its obligations to report or inform Data Subjects of the Personal Data Breach under the Applicable Laws.

If UKG creates technical system log information, aggregated technical usage or traffic data, and/or statistically measured technical usage or traffic data that contains or originated (in whole or part) from Customer Data, then UKG's use of such data shall be strictly limited to the direct purposes of delivering and enhancing the Services and UKG's technical security operations and systems maintenance. UKG is prohibited from using such data that personally identifies an individual for secondary commercial purpose (including but not limited to marketing to such individuals, or disclosing data to third parties for reasons unrelated to the primary purpose for originally collecting the data), nor may UKG solicit consent from the identified individual to do so unless the Agreement defines a means to do so that does not unduly burden individual privacy rights.

IN WITNESS WHEREOF, the parties have caused this Order to be executed by their authorized representatives and shall be effective as of the date of the last signature below.

| CITY OF REDMOND | | UKG Kronos Systems LLC | |
|---|---|------------------------|--|
| Signature: | <u>Signed by:</u> <i>Kelley Cochran (Mayor Designee)</i> 5D9FG672744G4E4... | Signature: | <u>DocuSigned by:</u> <i>Erica Bukowski</i> 93A063ADEBCA41A... |
| Name: | <u>Kelley Cochran (Mayor Designee)</u> | Name: | <u>Erica Bukowski</u> |
| Title: | <u>Finance Director</u> | Title: | <u>Sr. Order Processing Analyst</u> |
| Date: | <u>9/13/2024</u> | Date: | <u>9/10/2024 2:58 PM EDT</u> |
| <p>The monthly price on this Order has been rounded to two decimal places for display purposes. As many as eight decimal places may be present in the actual price. Due to the rounding calculations, the actual price may not display as expected when displayed on your Order. Nonetheless, the actual price on your invoice is the true and binding total for this Order for purposes of amounts owed for the term. If you are tax exempt, please email a copy of your "Tax Exempt Certificate" to TaxExemption@ukg.com along with the quote number otherwise this order is subject to applicable taxes. The actual tax amount to be paid by Customer will be shown on Customer's invoice.</p> | | | |

UKG is aligning our product brand and announcing that the UKG Dimensions® and UKG Pro® solutions will be one product suite under the name UKG Pro. Click here to learn more and view examples of current to future names

<https://www.ukg.com/one-suite#WhatproductnamesarechangingunderUKGDimensions>

Master Services Agreement

This Master Services Agreement (this "**Agreement**") is made between the UKG entity ("**UKG**") and the customer entity signing this Agreement ("**Customer**") and sets forth the terms and conditions governing each Order or Statement of Work, which references this Agreement. CUSTOMER'S USE OF UKG'S SUBSCRIPTION SERVICES AND UKG'S PERFORMANCE OF PROFESSIONAL, TRAINING, AND SUPPORT SERVICES ARE SUBJECT TO AND GOVERNED EXCLUSIVELY BY THIS AGREEMENT AND ANY ADDITIONAL TERMS STATED IN THE ORDER OR STATEMENT OF WORK, INCLUDING ANY ATTACHMENTS THERETO. This Agreement is effective as of the date of the last Party to sign below ("**Effective Date**"). Capitalized terms used but not defined in this Agreement will have the meanings ascribed to them in the applicable Order or SOW.

1. Services

- 1.1 Subscription Services.** The Subscription Services will be identified in the Order. During the Initial Term and all applicable Renewal Terms defined in the Order, UKG will provide the Subscription Services to Customer and Customer may use such Subscription Services solely for its internal business purposes to manage the type and number of its employees (including those of its Affiliates) listed in the Order, subject to and conditioned on compliance with this Agreement, the Documentation, and the Order.
- 1.2 Support Services.** UKG shall maintain a trained and knowledgeable staff capable of providing support for the Subscription Services. UKG will use commercially reasonable diligence to correct reproducible errors when reported to UKG and provide phone, email, or online support 24 hours a day / 7 days a week as set forth in the UKG Support Policy located at <https://www.ukg.com/saas-support-policies-and-services>. UKG will also provide periodic enhancements and modifications to the Subscription Services, including bug fixes, to correct reproducible errors reported to UKG.
- 1.3 Professional Services.** UKG will provide the Professional Services listed in the Order, in accordance with the applicable Statement of Work or Services Description. If Customer requests additional Services that were not previously identified on an Order or Statement of Work, then the Parties may need to execute additional Orders or Statements of Work.
- 1.4 Training Services.** In connection with a Subscription Service, UKG will provide (a) live virtual training facilitated by a knowledgeable instructor and delivered remotely via a published schedule intended for (i) the core team to help key functional and technical users make informed solution design and configuration decisions and to provide fundamental product knowledge, and (ii) an application and system administrator to prepare functional and technical super users to perform their most common tasks in the solution; and (b) self-paced product training. Training services outside the scope of this section shall be provided by UKG as described in the Order.

2. Acknowledgements

- 2.1 Reservation of Rights.** The Subscription Services are provided with a limited right to use and are not sold, and UKG reserves and retains all rights not expressly granted in this Agreement. UKG has and shall maintain sole and exclusive ownership of all rights, title, and interests in the Services and Documentation, and all modifications and enhancements thereof (including ownership of all trade secrets, copyrights, trademarks, brands, and other intellectual property rights pertaining thereto). There will be no "work for hire" created as part of the Services or any deliverables owned by Customer, and all works, customizations, models, and developments created by UKG shall be considered a part of the Services.
- 2.2 Use Restrictions.** Except as expressly provided in this Agreement, no other use of the Subscription Services is permitted. Customer may not, and may not cause or permit others to: (a) reverse engineer, disassemble, adapt, translate, or decompile the Subscription Services, including, without limitation, any third party components, or otherwise attempt to derive source code, trade secrets, or knowhow from the Subscription Services; (b) license, sell, transfer, assign, distribute, or outsource use of the Subscription Services or Documentation, or provide service bureau, data processing, or time sharing access to the Subscription Services, or otherwise use the Subscription Services to provide payroll or human resource record keeping for third parties, other than Affiliates; (c) create Internet "links" to the Subscription Services or "frame" or "mirror" the Subscription Services on any other server, or wireless or Internet-based device; (d) access or use the Subscription Services or Documentation to build or support, directly or indirectly, products or services competitive to UKG; (e) interfere with or disrupt the integrity or performance of any Subscription Services or any data contained therein; (f) attempt to gain unauthorized access to any Subscription Services or its related data, systems, or networks; or (g) remove or alter any proprietary notices or marks on the Subscription Services or Documentation.
- 2.3 Customer Feedback.** Customer has no obligation to provide UKG with any suggestion, enhancement request, recommendation, evaluation, correction, or other feedback about the Services ("**Feedback**"), but if it does, Customer grants to UKG and its Affiliates a worldwide, perpetual, irrevocable, royalty-free license to use, copy, modify, distribute, disclose, create derivative works, and make and incorporate such Feedback into its Services for any purpose. UKG has no obligation to incorporate or apply any Feedback to the Services.

- 2.4 Consent to Subcontract.** Customer hereby consents to UKG subcontracting Services to persons or companies qualified by UKG to provide Services on UKG's behalf. UKG may also fulfill its obligations related to certain Services through its Affiliates. UKG shall be responsible for the actions of its subcontractors and Affiliates.
- 2.5 Compliance with Laws.** UKG shall comply with Applicable Laws in performing its obligations hereunder. Customer shall comply with Applicable Laws when using the Services and remains solely responsible for its compliance with Applicable Laws, including, but not limited to, with respect to the configuration and use of the Services and regardless of whether UKG provides assistance with Customer compliance matters. Customer acknowledges that the specific record retention requirements established under Applicable Laws relating to Customer are the responsibility of Customer and not UKG.
- 2.6 Upgrades.** Customer acknowledges that the Subscription Services may change at any time as required by changes to normal business conditions. It is further understood by Customer that any changes to the Subscription Services will be applicable to all UKG customers utilizing the Subscription Services and such changes will not materially diminish the functionality of the Subscription Services.
- 2.7 Acceptable Use.** Customer will use the Subscription Services in full compliance with the Acceptable Use Policy located at <https://www.ukg.com/acceptable-use-policy> ("**Acceptable Use Policy**"), which requires Customer not to (a) use, or encourage, promote, facilitate or instruct others to use, the Services for any illegal, harmful or offensive use, or to transmit, store, display, distribute or otherwise make available content that is illegal, harmful, or offensive, (b) use the Services to violate the security or integrity of any network, computer or communications system, software application, or network or computing device, (c) interfere with or fail to cooperate with any UKG investigation of a security incident involving any UKG system, infrastructure or customer data, (d) make network connections to any users, hosts, or networks unless Customer has permission to communicate with them, and (e) use the Service to distribute, publish, send, or facilitate the sending of unsolicited mass e-mails or other messages. If Customer violates the Acceptable Use Policy, UKG may take immediate action without notice to prevent further harm, including suspending Customer's use of the Subscription Services and ceasing performance of any other Services.
- 2.8 Access Credentials.** Except as otherwise provided herein, Customer will not provide any third party with access credentials to the Subscription Services and will safeguard and compel all users to safeguard the access credentials. Customer will be responsible for all acts and omissions of its users. Customer will notify UKG promptly if it learns of any unauthorized use of any access credentials or any other known or suspected breach of security. If Customer allows use of the Subscription Services by any of its Affiliates without requiring such Affiliate to execute a separate Order with UKG to establish its own tenant environment, then Customer will be fully responsible and liable for all use and misuse of the Subscription Services by such Affiliate, and will fully cooperate with UKG in enforcing all of its rights to, interests in, and protection of the Services, including in seeking equitable remedies against any Affiliate that breaches this Agreement. Customer may also allow use of the Subscription Services by its legally bound contractors, provided such use is solely on Customer's behalf, is strictly in compliance with the terms and conditions of this Agreement, Customer at all times remains in control of and retains management over the Subscription Services, and Customer is liable for all breaches of this Agreement by such contractor.
- 2.9 Connectivity.** Customer is responsible for securing, paying for, and maintaining connectivity to the Subscription Services from Customer's location(s) via the internet, including any and all related hardware, software, third party services, and related equipment and components for such connectivity. Customer agrees that UKG will have no liability for such connectivity and Customer will not be excused from any of its obligations under the Agreement due to the quality, speed, or interruption of the communication lines from the Customer's location(s) to the internet.

3. Fees

- 3.1 Fees.** Customer will pay the fees on the payment terms and in the currency indicated in the Order. For each Order, the billing period of the fees will start on the Billing Start Date as set forth in the Order and will continue for the time period indicated as the Initial Term on the Order and all Renewal Terms. Customer is responsible to pay for the Services for the entire Initial Term and each Renewal Term. UKG may increase the fees as set forth in the Order. The increased fees will be set forth in the applicable invoice, which will be provided to the Customer at least sixty (60) days prior to the end of the then-current term. Except as otherwise specified in the Order (a) subscription fees are based on Subscription Services purchased and not time of actual usage; (b) minimum quantities purchased cannot be decreased during the relevant subscription term; (c) additional quantities may be purchased; and (d) payment obligations are non-cancelable and fees paid are non-refundable.
- 3.2 Taxes.** The fees exclude, and Customer will be responsible for, all sales, use, excise, withholding, VAT, and any other similar taxes, duties and charges of any kind imposed by any governmental entity in connection with the Services (excluding taxes based solely on UKG's income).
- 3.3 Late Payment.** Any invoices not reasonably disputed in writing within thirty (30) days from the date of receipt will be deemed undisputed and due. All undisputed invoices not paid within thirty (30) days after the date such amounts are due and payable may accrue interest at a rate up to the maximum allowable by applicable law. Customer will reimburse UKG for any additional reasonable cost incurred by UKG in connection with collecting any amounts payable under this

Agreement. If Customer is more than thirty (30) days overdue in its payment of an undisputed amount due, then UKG reserves the right to suspend the Services provided under the applicable Order, but only until such payment is made to UKG and provided that UKG gives Customer at least ten (10) business days prior written notice of the overdue amount before UKG suspends the Services. Upon payment in full of all overdue amounts, UKG will restore the Services.

4. Data, Security and Privacy

- 4.1 Ownership of Customer Data.** Customer shall retain ownership of all rights, title, and interests in and to Customer Data. No ownership rights in Customer Data will transfer to UKG. UKG will maintain backup copies of Customer Data as required to maintain and provide the Services, but Customer is responsible for maintaining backup copies of all Customer Data that Customer inputs into the Services or otherwise provides to UKG.
- 4.2 Use of Customer Data.** Customer grants to UKG a non-exclusive, perpetual, irrevocable, worldwide right to use, display, copy, modify, distribute, and create derivative works from Customer Data for the purposes of providing, operating, maintaining, customizing, and improving the Services, developing new or different products or services, and benchmarking, modeling, and training. Except as otherwise noted by UKG, Customer Data will be used for such purposes only in an aggregated, de-identified manner, that does not identify Customer, its users, employees, or Customer Confidential Information, and that is stripped of all persistent identifiers (e.g. device identifiers, IP addresses, and cookie ID's) such that Customer Data on its own cannot reasonably be identified as originating from Customer.
- 4.3 Collection of Personal Data.** Services may employ applications and tools that collect and process Personal Data that may be required by UKG to provide the requested Services or functionality included in or related to those Services. If Customer wishes to stop the collection and processing of Personal Data, Customer may need to uninstall or discontinue using certain Services.
- 4.4 Data Privacy and Security.** Each Party agrees to comply with Applicable Laws in its processing of Personal Data. UKG and its subprocessors will process Personal Data in accordance with UKG's Data Processing Addendum located at <https://www.ukg.com/ukg-unified-dpa>. All Customer Data will be secured and protected as set forth in the Technical and Organizational Measures of UKG's Data Processing Addendum. UKG has a list of its current subprocessors at <https://www.ukg.com/DPA-subprocessors>.

5. Confidentiality

- 5.1 Definition. "Confidential Information"** is any non-public information relating to a Party, which includes Customer Data, that is disclosed pursuant to any Order or this Agreement, and which reasonably should be understood by the recipient of such information to be confidential because of (a) legends or other markings; (b) the circumstances of the disclosure; or (c) the nature of the information itself.
- 5.2 Exceptions.** Information will not be considered Confidential Information if the information was (a) in the public domain without any breach of this Agreement; (b) disclosed to the receiving Party on a non-confidential basis from a source lawfully in possession of such Confidential Information and, to the knowledge of the receiving Party, is not prohibited from disclosing such Confidential Information to receiving Party; (c) released in writing from confidential treatment by disclosing Party; or (d) is independently developed by the receiving Party without use of or reference to the Confidential Information.
- 5.3 Nondisclosure.** Except as expressly permitted in this section, neither Party will disclose the other Party's Confidential Information to any third party.
- 5.4 Protection.** Each Party will secure and protect the Confidential Information of the other Party with a reasonable standard of care commensurate with the sensitivity of such Confidential Information and using precautions that are at least as stringent as it takes to protect its own Confidential Information of like nature, but no less than reasonable precautions.
- 5.5 Use.** Each Party will only use the Confidential Information of the other Party as expressly permitted by or as required to exercise their rights, duties, and obligations under this Agreement.
- 5.6 Disclosure Exceptions.** Confidential Information may be shared with and disclosed to (a) any Affiliate, subcontractor, or other third party who has a need to know to enable the receiving Party to exercise its rights or perform its obligations in connection with this Agreement and have non-disclosure obligations at least as stringent as the confidentiality provisions of this Agreement that apply to the Confidential Information; or (b) any court or governmental agency of competent jurisdiction, pursuant to a subpoena, order, civil investigative demand or similar process with which the receiving Party is legally obligated to comply, and of which the receiving Party notifies disclosing Party as required by a legal process, including in connection with any proceeding to establish a Party's rights or obligations under this Agreement (provided however that, when permitted by Applicable Law, a Party will give the other reasonable prior written notice so that the disclosing Party has an opportunity to contest any disclosure required by a legal process).
- 5.7** UKG recognizes the Customer is a municipal entity subject to the Washington State Public Records Act, Chapter 42.56 RCW, and that Customer is obligated to disclose records upon request unless a specific exemption from disclosure

exists. Nothing in the Agreement is intended to prevent the Customer's compliance with the Public Records Act, and Customer shall not be liable to UKG due to Customer's compliance with any law or court order requiring the release of public records, if Customer acted in good faith in attempting to comply with the provisions of Chapter 42.56 RCW. In the event that Customer receives a public record request under Chapter 42.56 RCW or similar law for the disclosure of any of UKG's Confidential Information related to this Agreement, Customer shall promptly provide written notice to UKG of disclosure request so that UKG can take appropriate steps to protect its interest and seek exemption as provided under the Washington State Public Records Act.

6. Warranty

- 6.1 Mutual Warranties.** Each Party hereby warrants that (a) it has the full right and authority to enter into this Agreement; and (b) the performance of its obligations and duties under this Agreement does not conflict with or result in a breach of any other agreement of such Party or any judgment, order, or decree by which such Party is bound.
- 6.2 Subscription Services Warranty.** UKG warrants that the Subscription Services will substantially conform with the Documentation and that the functionality of the Subscription Services will not be materially diminished or adversely modified. In the event of a breach of the warranty described in this Section, as Customer's exclusive remedy and UKG's sole obligation, at UKG's cost, UKG will make commercially reasonable efforts to remedy such breach, provided that if UKG cannot substantially remedy such breach, then Customer may terminate the affected Subscription Services in accordance with Section 7.2.2. Customer agrees to report any non-conformance of the Subscription Services within thirty (30) days of its discovery and provide UKG with reasonable information and assistance to enable UKG to reproduce or verify the non-conforming aspect of the Subscription Services.
- 6.3 Professional, Support, and Training Services Warranty.** UKG warrants that the Professional Services, Support Services, and Training Services will be performed by qualified personnel in a good and professional manner. In the event UKG breaches the warranty described in this Section, as Customer's exclusive remedy and UKG's sole obligation, UKG will reperform the deficient Professional, Support, or Training Service, at UKG's cost, provided that if UKG cannot substantially remedy such breach, then UKG will refund any fees prepaid by Customer for the affected Services. Customer must report any deficiencies in such Services, including Professional Services, within thirty (30) days of the completion of the Services.
- 6.4 Disclaimer.** TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, UKG DISCLAIMS ALL OTHER WARRANTIES NOT SET FORTH IN THIS AGREEMENT, EITHER EXPRESS OR IMPLIED, INCLUDING ALL WARRANTIES OF MERCHANTABILITY, QUALITY, PERFORMANCE, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, TITLE, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE, IN CONNECTION WITH THIS AGREEMENT, THE SERVICES, AND ANY PRODUCTS PROVIDED BY UKG. UKG DOES NOT REPRESENT, WARRANT, OR COVENANT THAT THE SERVICES OR ANY OTHER PRODUCT OR SERVICE PROVIDED HEREUNDER WILL BE UNINTERRUPTED, ERROR-FREE, VIRUS-FREE, OR SECURE. THIS DISCLAIMER OF WARRANTY MAY NOT BE VALID IN SOME JURISDICTIONS AND CUSTOMER MAY HAVE WARRANTY RIGHTS UNDER LAW WHICH MAY NOT BE WAIVED OR DISCLAIMED; HOWEVER, ANY SUCH WARRANTY RIGHTS EXTEND ONLY FOR THIRTY (30) DAYS FROM THE EFFECTIVE DATE OF THIS AGREEMENT (UNLESS AND ONLY TO THE EXTENT SUCH LAW PROVIDES OTHERWISE).
- 6.5 Customer Warranty.** Customer warrants that it has all rights and required consents to provide to UKG Customer Data.

7. Term & Termination

- 7.1 Term of the Agreement.** The term of this Agreement commences on the Effective Date and continues until the stated term in each applicable Order or as otherwise terminated as permitted in this Agreement. At the expiration of the Initial Term, and at the expiration of each Renewal Term, each as indicated on the Order, the Services will automatically renew for the duration indicated on the Order as the Renewal Term.
- 7.2 Types of Termination**
- 7.2.1 Non-renewal.** Either Party may terminate any Service identified in an Order upon at least sixty (60) days prior written notice to be effective at the expiration of the Initial Term or a Renewal Term (as such terms are defined in the Order).
- 7.2.2 For Cause.** Either Party may terminate this Agreement, or any Service identified in an Order, if the other Party fails to perform any material obligation under this Agreement, and such Party is not able to cure the non-performance within thirty (30) days of written notice of such default with reasonably sufficient detail regarding the alleged breach, provided that UKG may immediately terminate or suspend Customer's access to the Services if Customer is in breach of the "Use Restrictions" or "Confidentiality" sections of this Agreement, or the Acceptable Use Policy. Either Party may immediately terminate this Agreement and all Orders if the other Party has a receiver or similar party appointed for its property, becomes insolvent, acknowledges its insolvency in any manner, ceases to do business, makes an

assignment for the benefit of its creditors, or files a petition in bankruptcy. Other than as expressly permitted in this Agreement, or an Order, SOW, or Services Description, neither Party may terminate this Agreement and each Party remains fully obligated to the terms and conditions herein.

7.2.3 Termination due to lack of Government Funding. Customer is a government funded organization, and in the event of the loss of funds appropriated from the Government to Customer specifically dedicated to pay UKG for the Services, Customer may terminate the Order upon ninety (90) days prior written notice to UKG. Termination of the Order for this reason shall not relieve Customer of its obligation to pay any amounts due to UKG up to the date of termination. Customer represents that by executing an Order Form for the Service, Customer has received fiscal appropriations for the amounts due during the Term as indicated on such Order Form.

7.3 Effects of Termination. The following terms apply if an Order is terminated for any reason:

7.3.1 Fees. All fees will be paid by Customer for amounts owed through the effective date of termination, and, if the Order is terminated for UKG's breach of the Agreement, any fees prepaid by Customer for the Service not rendered prior to the effective date of termination will be credited against Customer's account, with any remaining amounts refunded to Customer within thirty (30) days of the effective date of termination.

7.3.2 Cessation of Services. UKG will cease to provide the Services to Customer and Customer's right to use and access the Subscription Services will end as of the effective date of termination. If Customer requires access to the Subscription Services after the effective date of termination or transition assistance, such access and assistance will be subject to mutual agreement and additional fees under a separate Order or SOW, and will be subject to the terms and conditions of this Agreement.

7.3.3 Deletion of Customer Data. UKG will delete Customer Data after Customer's rights to access the Subscription Services and retrieve Customer Data have ended, unless otherwise provided under this Agreement, a Services Description, Order, SOW, or another document. UKG will delete Customer Data in a series of steps and in accordance with UKG's standard business practices for destruction of Customer Data and system backups. UKG has no obligation to retain Customer Data and Customer Data may be permanently deleted as part of UKG's data management program(s) or practice(s), and in accordance with Applicable Laws.

7.3.4 Confidential Information. UKG and Customer will each return or destroy any Confidential Information of the other Party, with any retained Confidential Information remaining subject to this Agreement.

8. Indemnification

8.1 Claims Against Customer. UKG will defend Customer and Customer's respective directors, officers, and employees, who are acting on behalf of Customer ("**Customer Indemnified Parties**"), from and against any and all third party Claims to the extent (i) the Subscription Services infringe or misappropriate any legitimate copyright or patent, or (ii) arising from a breach by UKG of its security obligations under UKG's Data Processing Addendum resulting in the unauthorized use or disclosure of Customer Data. UKG will indemnify and hold harmless the Customer Indemnified Parties against any liabilities, damages, costs, or expenses (including, without limitation, reasonable attorneys' fees) actually awarded by a court of applicable jurisdiction to the extent resulting from such third party Claim, or as a result of UKG's settlement of such third party Claim.

8.2 Mitigation. In the event that a final injunction is obtained against Customer's use of the Subscription Services by reason of infringement or misappropriation, or if in UKG's opinion, the use of the Subscription Services is likely to become the subject of a successful Claim of infringement or misappropriation, UKG (at its option and expense) will use commercially reasonable efforts to either (a) procure for Customer the right to continue using the Subscription Services as provided in the Agreement; or (b) replace or modify the Subscription Services so that they become non-infringing but remain substantively similar to the affected Subscription Services. Should neither (a) nor (b) be commercially reasonable, either Party may terminate the Agreement and the rights granted hereunder upon written notice, at which time UKG will provide a refund to Customer of any fees paid by Customer for the infringing elements covering the period of their unavailability.

8.3 Exceptions. UKG will have no liability to indemnify or defend Customer to the extent the alleged infringement or misappropriation of the Subscription Services is based on (a) a modification undertaken by Customer, or on behalf of Customer without the express written permission of UKG; (b) use other than as authorized by this Agreement; or (c) use in conjunction with any equipment, service, or software not provided by UKG, where the Subscription Services would not otherwise infringe, misappropriate, or become the subject of the third party Claim.

8.4 Qualifications. Customer will provide written notice to UKG promptly after receiving notice of a third party Claim. If defense of such third party Claim is materially prejudiced by a delay in providing notice, UKG will be relieved from providing such indemnity to the extent of the delay's impact on the defense. UKG will have sole control of the defense of any indemnified third party Claim and all negotiations for its settlement or compromise, provided that UKG will not enter into any settlement which imposes any obligations on Customer without the prior written consent of Customer.

Customer will cooperate fully (at UKG's request and expense) with UKG in the defense, settlement, and compromise of any such action. Customer may retain its own counsel at its own expense, subject to UKG's rights above.

- 8.5** This "Indemnification" section states UKG's sole liability and Customer's exclusive remedy for all third party Claims and damages.

9. Limitations of Liability

- 9.1 Monetary Cap.** EXCEPT WITH RESPECT TO UKG'S INTELLECTUAL PROPERTY INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, DURING ANY TWELVE (12) MONTH CONTRACT TERM (BEGINNING ON THE EFFECTIVE DATE OF THE APPLICABLE ORDER), UKG'S TOTAL AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS IN CONNECTION WITH ANY SERVICE SHALL IN NO EVENT EXCEED THE AMOUNT PAID OR PAYABLE BY CUSTOMER TO UKG DURING SUCH TWELVE (12) MONTH CONTRACT TERM FOR THE SERVICE GIVING RISE TO SUCH CLAIM(S).
- 9.2 Exclusion of Damages.** UKG WILL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES; FOR THE COST OF ACQUIRING SUBSTITUTE OR REPLACEMENT SERVICES; OR FOR ANY LOST OR IMPUTED PROFITS OR REVENUES, BUSINESS INTERRUPTION, LOST GOODWILL, OR LOST DATA RESULTING FROM OR RELATED TO THE SERVICES OR THIS AGREEMENT, HOWEVER CAUSED; OR ANY DAMAGES TO THE EXTENT CAUSED BY CUSTOMER'S DATA OR APPLICATIONS, CUSTOMER'S ALLOWANCE OF UNAUTHORIZED THIRD PARTY ACCESS, OR CUSTOMER'S INTRODUCTION OF MALICIOUS CODE.
- 9.3 Applicability of Limitations.** THESE LIMITATIONS APPLY FOR ANY REASON, REGARDLESS OF LEGAL THEORY AND THE REASON LIABILITY IS ASSERTED, EVEN IF UKG HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NOTHING IN THIS SECTION OR ELSEWHERE IN THIS AGREEMENT SHALL OPERATE TO EXCLUDE OR LIMIT THE LIABILITY OF ANY PARTY TO THE EXTENT SUCH LIABILITY CANNOT LAWFULLY BE SO LIMITED OR EXCLUDED UNDER APPLICABLE LAW. INSOFAR AS APPLICABLE LAW PROHIBITS ANY LIMITATION ON LIABILITY HEREIN, THE PARTIES AGREE THAT SUCH LIMITATION WILL BE AUTOMATICALLY MODIFIED, BUT ONLY TO THE EXTENT SO AS TO MAKE THE LIMITATION COMPLIANT WITH APPLICABLE LAW. THE PARTIES AGREE THAT THE LIMITATIONS ON LIABILITIES SET FORTH HEREIN ARE AGREED ALLOCATIONS OF RISK AND SUCH LIMITATIONS WILL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

10. General

- 10.1 Insurance.** During the Order Term, UKG shall maintain appropriate insurance coverage and will provide appropriate Certificates of Insurance if requested by Customer. UKG presently maintains insurance coverage rated 'A-' "Excellent" by A.M. Best for the following risks in the following minimum amounts in United States Dollars:

- Comprehensive General Liability Insurance: \$2 million aggregate; \$1 million per occurrence, including \$1 million personal injury.
- Business Auto: \$1 million combined single limit bodily injury and property damage liability.
- Umbrella: \$5 million aggregate, \$5 million per occurrence.
- Workers' Compensation: as required by statute.
- Errors and Omissions (includes Cyber Liability coverage): \$5 million aggregate, \$5 million per occurrence.

Customer is included as an additional insured via blanket endorsement for General Liability and ongoing operations. Such protection shall be primary and non-contributory with respect to Customer's insurance, but only with respect to UKG's sole negligence. Upon written request, such blanket endorsement shall be provided to Customer.

- 10.2 Jurisdiction & Dispute Resolution.** This Agreement is governed by and is to be interpreted solely in accordance with the laws of the state of Washington, without regard to any conflict of law provision that would result in the application of a different body of law, and each Party agrees to submit to exclusive venue in the courts in King County, Washington in any dispute arising out of or relating to this Agreement. IF NOT OTHERWISE PROHIBITED BY APPLICABLE LAW, EACH PARTY AGREES THAT ANY CLAIM RELATED TO THIS AGREEMENT WILL BE RESOLVED ONLY ON AN INDIVIDUAL BASIS AND NOT IN A CLASS, CONSOLIDATED, OR REPRESENTATIVE ACTION, SUIT, OR OTHER SIMILAR PROCESS. The United Nations Commission on International Trade Law, the United Nations Convention on Contracts for the International Sale of Goods, and the Uniform Computer Information Transactions Act (UCITA) will not apply to this Agreement.
- 10.3 Government Use Provision.** If Customer is a U.S. government entity, then it acknowledges that the Subscription Services and Documentation consist of "commercial items," as defined in FAR 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as these terms are used in FAR 12.212 and in DFARS 227.7202, as applicable. All such Customers will comply with this Agreement while using Subscription Services and

Documentation, and if such Customer needs any additional rights, it agrees that it will be subject to a mutually agreed addendum to this Agreement.

- 10.4 Export.** Each Party shall comply with the export laws and regulations of the United States and other applicable jurisdictions in providing and using the Services. Without limiting the generality of the foregoing, Customer represents that it is not on any U.S. government denied-party list and it shall not make the Services available to any person or entity that (a) is located in a country that is subject to a U.S. government embargo; (b) is listed on any U.S. government list of prohibited or restricted parties; or (c) is engaged in activities directly or indirectly related to proliferation of weapons of mass destruction.
- 10.5 Severability & Waiver.** The invalidity or illegality of any provision in this Agreement will not affect the validity of any other provision. All unaffected provisions remain in full force and effect. The waiver of any breach of this Agreement will not constitute a waiver of any subsequent breach or default and will not negate the rights of the waiving Party.
- 10.6 Surviving Provisions.** Provisions in this Agreement which by their nature are intended to survive in the event of a dispute or because their obligations continue past termination of the Agreement, including provisions relating to acknowledgements, reservation of rights, use restrictions, fees, confidentiality, limits of liability, indemnification, and termination, will so survive.
- 10.7 Assignment.** This Agreement cannot be assigned by a Party, whether by operation of law or otherwise, without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement in its entirety (including all Orders and Statements of Work) as part of a merger, acquisition, transfer, or sale of all or substantially all of its assets, stock or business, including to an Affiliate, so long as the assignee agrees to be bound by all of the terms and conditions of this Agreement, the Orders, and Statements of Work. This Agreement shall be binding on and inure to the benefit of all permitted predecessors, successors, and assigns of each Party.
- 10.8 Force Majeure.** If an unforeseeable event reasonably beyond the control of either of the Parties arises to prevent a Party from performing its obligations under this Agreement, including, but not limited to, acts of war, terrorism, uprising, acts of nature like earthquakes or floods, outbreak of infectious disease, civil unrest, embargoes, riots, sabotage, labor shortages, changes in laws or regulations, the failure of the internet or communications via common networks, power or system failure, or a delay in transportation (collectively “**Force Majeure**”), each Party will be excused from performance of its obligations under this Agreement, except payment of fees, for the duration of the Force Majeure affecting such Party, provided that the affected Party will use reasonable efforts to mitigate the impact of the Force Majeure. Notwithstanding the foregoing, UKG remains obligated to provide disaster recovery portions of the Services to the extent not also prevented by the Force Majeure.
- 10.9 Publicity.** UKG will not publicize matters relating to Customer's use of the Services without Customer's prior consent. Despite the foregoing, UKG may identify the Customer as a UKG customer and use Customer's name, trademark, and logo, in any and all media, including without limitation, UKG's advertising literature, marketing materials, websites, and lists of UKG's customers.
- 10.10 Notice.** When either Party needs to provide notification or consent under this Agreement, those notices and consents must be in writing and considered delivered upon actual receipt. All notices to UKG must be sent to the following: UKGLegal@ukg.com with a copy to EVP Chief Legal Officer, UKG Inc., 900 Chelmsford Street, Lowell, MA 01851. All notices to Customer will be sent to the contact listed on the applicable Order. Any cure period required under this Agreement will begin on the date the notice is received.
- 10.11 eSignature.** Each Party agrees that an eSignature (or a facsimile signature by the authorized representative) is evidence of acceptance of a valid and enforceable agreement.
- 10.12 No Third Party Beneficiaries.** The provisions of this Agreement are for the sole benefit of the Parties and they will not be construed as conferring any rights on any third party nor are there any third party beneficiaries to this Agreement.
- 10.13 Relationship of the Parties.** The Parties are independent contractors. Nothing in this Agreement shall be deemed to constitute a partnership or joint venture between the Parties or constitute any Party to be the agent of the other Party for any purpose.
- 10.14 Entire Agreement.** This Agreement (and any information in referenced herein, including in an exhibit, schedule, attachment, annex, or at any URL) along with any corresponding Order, SOW, and Services Description constitute the entire agreement between the Parties pertaining to each Order. This Agreement supersedes all prior and contemporaneous representations, negotiations, and communications between the Parties relating to the Services and its subject matter. Customer acknowledges that it has not relied upon any such representations, negotiations, and communications, and waives any rights or claims arising from such representations, negotiations, and communications, including any claims for fraud or misrepresentation. This Agreement may only be amended in writing signed by each of the Parties. If Customer uses its own purchase order or similar document, any terms or conditions in such purchase order are null and void. In the event of a conflict between the provisions contained in this Agreement and those contained

in an Order, SOW, or Services Description, the following order of precedence shall apply: (1) the Order, (2) this Agreement, (3) Services Description, and (4) the SOW.

11. Definitions

- 11.1 “Affiliates”** means, as to UKG, those entities that are directly or indirectly controlled by UKG Inc.; and as to Customer, those Customer entities that directly or indirectly control, are controlled by, or are under common control with Customer. “Control” (in this context) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and operating policies of the entity in respect of which the determination is being made through the ownership of the majority of its voting or equity securities, contract, or otherwise.
- 11.2 “Applicable Law(s)”** means all laws, codes, legislative acts, regulations, ordinances, administrative rules, rules of court, and court orders applicable to a Party’s respective business.
- 11.3 “Claim(s)”** means any and all notices, charges, claims, proceedings, actions, causes of action and suits.
- 11.4 “Customer Data”** means all content, information, and data Customer inputs into the Subscription Services, including but not limited to Personal Data.
- 11.5 “Documentation”** means the written specifications for the Subscription Services or published online by UKG on its community pages accessible at https://www.ukg.com/support_and_https://library.ukg.com/, such as user manuals and administrator guides, as well as the Services Descriptions.
- 11.6 “Order”** means an order form agreed by both Parties, which is subject to this Agreement or otherwise references this Agreement, setting out, among other things, the type and quantity of employees that may be managed in the Subscription Services, the term of the Order, price and payment terms of the Services to be provided by UKG, and the fees to be paid by Customer.
- 11.7 “Party” or “Parties”** means UKG or Customer, or both, as the context dictates.
- 11.8 “Personal Data”** means data related to a natural person or particular individual as defined under Applicable Laws, including “personal data” as defined under the EU General Data Protection Regulation (“GDPR”); “personal information” as defined under the California Consumer Privacy Act (“CCPA”); and any similar terms, such as “personally identifiable information” defined under applicable privacy laws.
- 11.9 “Professional Services”** means the deployment, launch, configuration, implementation, integration, delivery, consulting, managed, and other similar services provided hereunder.
- 11.10 “Services”** means the (a) Subscription Services; (b) Support Services; (c) Professional Services; (d) Training Services; and (e) other services or offerings as set forth in an Order.
- 11.11 “Services Description”** means the supplemental terms applicable to a Subscription Service or other offerings located at <http://www.ukg.com/services-descriptions>.
- 11.12 “Statement of Work” or “SOW”** means a document executed by both Parties, which is subject to this Agreement and the applicable Order or otherwise references this Agreement, detailing the scope of Professional Services or Training Services, the associated fees, and other applicable terms.
- 11.13 “Subscription Services”** means those UKG software-as-a-service (“SaaS”) applications set forth on the Order, including the UKG data accessible therein, and made available to Customer via a hosted multi-tenant environment to use on a subscription basis.
- 11.14 “Support Services”** means support and maintenance services provided by UKG for the Subscription Services, as described in this Agreement.
- 11.15 “Training Services”** means in person and virtual instructor-led training and courses, including online, on-demand, in-product, and on-site courses provided by UKG.

IN WITNESS WHEREOF, the Parties through their duly authorized representatives have read the foregoing and all documents incorporated herein and agree and accept such terms effective as of the date of the last signature below.

| | |
|---|--|
| UKG Kronos Systems LLC | CITY OF REDMOND |
| Dated: 9/10/2024 2:58 PM EDT | Dated: 9/13/2024 |
| By: <small>DocuSigned by:</small> <i>Erica Bukowski</i> <small>93A063ADEBCA41A...</small> | By: <small>Signed by:</small> <i>Kelley Cochran (Mayor Designee)</i> <small>5D9FC072714C4E4...</small> |
| Name: Erica Bukowski | Name: Kelley Cochran (Mayor Designee) |
| Title: Sr. Order Processing Analyst | Title: Finance Director |

UKG Pro Statement of Work for City of Redmond

This Statement of Work (SOW) outlines the scope of services to be provided by UKG for the implementation of the Subscription Service(s) in the corresponding Order and is subject to the terms and conditions set forth in the UKG Master Services Agreement (MSA) or such other existing underlying agreement between the Parties. The SOW shall apply to this Order and shall supersede any Statement of Work linked in the Order. The scope of services described herein are fixed price and subject to the same terms and conditions as the corresponding Order. Unless otherwise defined herein, words and expressions defined in the Order shall have the same meaning in this Statement of Work.

1. Introduction to Launch

UKG’s Launch methodology provides a framework for how the project will progress during the Customer’s deployment. The project team follows this framework to transition Customer’s applicable functions from the legacy provider(s) to the UKG Subscription Service(s). The Launch methodology includes the following phases:

| Launch Phase | Description |
|--------------|--|
| Welcome | This phase includes UKG’s internal readiness and team assignments, Customer preparation and access to Subscription Service(s), project team kick off, and initial project planning. |
| Requirements | This phase includes reviewing and assessing Customer’s current process and policy information to ensure the best fit between Customer’s business requirements and the UKG Subscription Service(s). |
| Build | This phase includes configuring Customer’s Subscription Service(s), migrating applicable data from legacy system(s), building integrations to/from third-party systems, and unit testing to ensure each iteration delivers a fully configured component of the system. |
| Test | This phase includes Customer’s User Acceptance Testing (UAT) and parallel testing for the applicable UKG Subscription Service(s). |
| Go Live | This phase includes UKG assisting Customer with the first live processing, the rollout of the Subscription Service(s) and transition to UKG support. |

2. Subscription Services in Scope

The following Subscription Services are in scope and will be configured in accordance with the Launch methodology and assumptions described in this document.

| Subscription Service | Go Live Phase |
|--|---------------|
| UKG Pro Pay and People Center | Phase 1 |
| UKG Pro People Assist | Phase 1 |
| UKG Pro Talent Acquisition (Recruiting and Onboarding) | Phase 1 |
| UKG Pro Compensation | Phase 1 |
| UKG Pro Document Manager | Phase 1 |

3. Launch Parameters

The following parameters support UKG’s Launch methodology and provide an additional set of considerations as it applies to the Project, the Subscription Service(s), and Professional Services described in this document.

| Launch Item | Parameters |
|-------------------------------|---|
| Project Launch and Completion | <ul style="list-style-type: none"> UKG will support one (1) Launch Go Live for the Subscription Service(s) in the Order. The typical Phase 1 Launch duration for Customers whose purchase includes UKG Pro Pay and People Center and/or UKG Pro Workforce Management is ten (10) months from project kick-off Launch services for each phase end when the scope of services are completed or expire twelve (12) months after phase kick-off, whichever comes first. Includes up to 100 hours of Workforce Management Consulting |
| Launch Pricing | <ul style="list-style-type: none"> Fixed Fee Launch pricing for the scope of services described herein is based on typical Launch duration identified in this SOW and assumes Customer will have established standardized HR, pay, and/or time policies/practices for employees included within the Order. Launch services will be delivered as one continuous project. If any necessary Customer information, data, materials, access, cooperation and/or personnel is incomplete or delayed, UKG reserves the right to place the project on hold, reassign resources, and amend the quoted pricing accordingly. |

| Launch Item | Parameters |
|----------------------------------|---|
| | <ul style="list-style-type: none"> Material scope changes impacting project resource requirements and/or Launch duration, including interfaces not specified in this SOW, will require a separate Service Request. |
| Work Hours | <ul style="list-style-type: none"> UKG will perform work during standard business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m. in the Customer's primary time zone. Work outside of the standard business hours must be mutually agreed upon in advance and requested with enough notice to ensure resource availability. |
| Customer Tasks and Communication | <ul style="list-style-type: none"> Customer will complete tasks and training as indicated in the Roles and Responsibilities section of this document and as assigned in the final project plan by mutually agreed upon due dates. UKG will not be responsible for delays caused by Customer's failure to provide adequate resources for the project or complete tasks and training promptly. Customer will not be responsible for delays caused by UKG's inability to provide adequate resources for the project or completion of tasks. The Customer's project manager is the appointed point of contact for Customer on this project. The Customer's project manager will be responsible for all communications and project management among all Customer parties (staff, vendors, consultants) and for the escalation and resolution of any issues for the Customer. |
| Travel and Access | <ul style="list-style-type: none"> UKG will deliver the scope of this project utilizing a blended approach of on and offsite resources. Onsite visits will be mutually agreed upon in advance. Customer will provide UKG resources with access to necessary infrastructure to complete project tasks. Remote access will be granted using industry standard tools (GoToMyPC, PCAnywhere, etc.). Travel expenses are not included and will be invoiced separately as incurred. Customer is responsible for airfare, lodging, and related travel expenses incurred while UKG resources are traveling for Customer's business. All travel and expenses are billed at actual costs incurred. UKG resources will book travel through UKG's preferred travel management company. |

4. Roles, Responsibilities, and Deliverables

A successful Launch assumes Customer participation throughout each phase of the project. Roles and responsibilities for both UKG and the Customer are described below along with primary Launch deliverables and acceptance criteria.

| Launch Phase | UKG | Customer | Deliverables |
|--------------|---|---|--|
| Welcome | | | |
| | <ul style="list-style-type: none"> Review Statement of Work (SOW), contract documents and resource assignments with Customer Facilitate and participate in the kick-off meeting Assist in defining Customer resources and training plan as part of the project plan Provide Customer access to the Subscription Service(s) as contracted in the Order | <ul style="list-style-type: none"> Validate Statement of Work (SOW), contract documents and resource assignments Share project goals/success criteria with UKG project team Participate in the kick-off meeting Ensure key project resources attend recommended training course(s) throughout implementation | <ul style="list-style-type: none"> Statement of Work (SOW) and contract documents reviewed and align with those received with the Order Resource assignments, training plan, and initial project plan delivered and align with project goals/success criteria shared with UKG project team\ Access to the UKG Subscription Service(s) obtained as contracted in the Order |
| Requirements | | | |
| | <ul style="list-style-type: none"> Guide Customer in gathering business requirements for Net New Subscription Services Conduct workshops to define testing strategy Lead and participate in the documentation of project assumptions, risks, and configuration needs based on completed requirements and UKG recommended configurations Create project scope document | <ul style="list-style-type: none"> Gather policy/procedure documentation and business use cases to complete data collection process for Net New Subscription Services Describe expected solution, business process(es), and business rules for all employee groups in scope Facilitate timely review, feedback, and signoff on all project documentation as required to meet project deadlines | <ul style="list-style-type: none"> Updated project plan delivered detailing activities and primary milestones of the project Data collection process complete Testing strategy workshop(s) delivered Project scope document delivered |

| Launch Phase | UKG | Customer | Deliverables |
|----------------|---|---|---|
| | detailing the results of the requirements phase and provide Customer with a detailed project plan <ul style="list-style-type: none"> Review requirements, and documentation with Customer’s technical team. | <ul style="list-style-type: none"> Participate in the documentation of project assumptions, risks, and configuration needs Provide technical system diagrams, requirements, and documentation. This will include the work of Customer’s Master Architect. | |
| Build | | | |
| | <ul style="list-style-type: none"> Complete mutually agreed upon UKG configuration tasks and complete unit testing to validate configuration Share data mapping process and field specifications with Customer Configure interfaces as defined in this document Supply technical support for UKG network infrastructure | <ul style="list-style-type: none"> Complete mutually agreed upon Customer configuration tasks and complete unit testing to validate configuration Provide data translations and field mapping defaults for all required fields Supply technical support for system integration/data conversion, system networking and any Customer hardware Review configuration and agree to proceed to Test phase Work closely with UKG on functional design and deliverables. | <ul style="list-style-type: none"> Unit testing completed and configuration validated for Subscription Service(s) Data mapping process and field specifications shared supporting the provisioning of data necessary for required fields Interfaces are configured and align with those defined in the SOW |
| Test | | | |
| | <ul style="list-style-type: none"> Assist Customer with interface, system, functional, and conversion (if applicable) User Acceptance testing (UAT) per the defined testing strategy Resolve Customer-reported defects | <ul style="list-style-type: none"> Perform interface, system, functional, and conversion (if applicable) User Acceptance testing (UAT) per the defined testing strategy Report and retest identified defects | <ul style="list-style-type: none"> User Acceptance testing (UAT) completed Key users and end users training Customer’s authorization to proceed to Go Live received |
| Go Live | | | |
| | <ul style="list-style-type: none"> Provide production support and post-live support for transition to UKG’s Support Services team | <ul style="list-style-type: none"> Execute manager and end-user training Validate Subscription Service(s) and mutually agree to proceed with Go Live | <ul style="list-style-type: none"> First live date has been achieved |

5. Project Team Composition

UKG will provide experienced resources and subject matter experts (SMEs) specializing in specific areas of the Launch associated with the Subscription Service(s) purchased. Customer will also provide resources and subject matter experts (SMEs) to support implementation of the Subscription Service(s) purchased or as otherwise mutually agreed to in the project plan. All UKG and Customer resources agree to follow the defined project methodology and timeline, and complete tasks by agreed upon due date.

UKG may use trained and approved consulting services resources (“Certified Partners”) to assist in the performance of the Launch or consulting services under the Order. Customer hereby authorizes access by UKG, its affiliates, and Certified Partners to the Customer information necessary to perform such Professional Services which may include access to Customer’s Confidential Information and Customer Data.

Service Level Targets for implementation teams (UKG & CoR):

Response time:

- Within 24 hours (excluding weekends and holidays) – acknowledge receipt of issue/request.
- Within 1-2 business day provide answer to questions or timeline for work completion.
- Within 1-2 business day provide notification of delays in deliverables w/valid reason

Meeting cancellation policy:

- Notification 24 hours or more before the meeting (barring emergencies)

| UKG Resource | Key Responsibilities |
|---|--|
| Service Manager | <ul style="list-style-type: none"> Act as UKG project sponsor responsible to gain commitment for all project resources |
| Project Manager | <ul style="list-style-type: none"> Serve as primary point of contact responsible for achieving project objectives by coordinating with all project resources on the timely completion of project tasks Develop and manage project schedule. Communicate overall project status and provide project reporting. Serve as initial point of escalation for all project related issues. Identify and develop project risk mitigation plan and coordinate activities needed for resolution. Maintain issue/action (RAID) log Schedule and facilitate recurring meetings with all UKG consultants and Redmond core team Provide confirmed agendas for working sessions to ensure correct resources from UKG and CoR are present, at minimum 48 hours prior to meeting |
| Integration Consultant | <ul style="list-style-type: none"> Create and deliver all in-scope integrations Provide best practices and advise on technical integration solutions. Work together with Customer and 3rd-party vendors (if applicable) to determine requirements for file automation; initiates and manages the setup of data exchange services |
| User Adoption Consultant | <ul style="list-style-type: none"> Serve as primary point of contact to advise designated Customer resources responsible to support the delivery of change management |
| Subscription Service Consultant(s) | <ul style="list-style-type: none"> Act as advisor and primary point of contact for Subscription Service(s) purchased under this agreement and associated service requests Complete the configuration life cycle per the Launch methodology for Subscription Service(s) in scope |
| Data Conversion Consultant | <ul style="list-style-type: none"> Responsible for successful conversion of source data provided by Customer |
| HR/Payroll Consultant | <ul style="list-style-type: none"> Primary point of contact for HR and payroll subscription services configuration life cycle per the Launch methodology |
| Talent/Compensation Consultant | <ul style="list-style-type: none"> Primary point of contact for talent and compensation subscription services configuration life cycle per the Launch methodology |
| Document Manager and People Assist Consultant | <ul style="list-style-type: none"> Primary point of contact for document manager and People Assist subscription services configuration life cycle per the Launch methodology |
| Workforce Management Consultant | <ul style="list-style-type: none"> Primary point of contact for workforce management subscription services configuration life cycle per the Launch methodology Work closely with Customer on re-configurations of building blocks to better align with Pro People Center and Pro Payroll. Advise and recommend changes to WFM which currently is configured to operate with legacy HR/Payroll application. |

| Customer Resource | Key Responsibilities |
|--|--|
| Executive Sponsor | <ul style="list-style-type: none"> Act as Customer project sponsor responsible to gain commitment for all project resources Provide executive-level support to the project team Ensure the needs of the project team are well represented and met by the steering committee |
| Project Manager / Lead | <ul style="list-style-type: none"> Serve as primary point of contact responsible for achieving project objectives by coordinating with Customer project resources on the timely completion of project tasks Communicate overall project status and provide project reporting to Customer steering committee if applicable Identify and manage project risks and serve as Customer's initial point of escalation for all project related issues and coordinate activities needed for resolution Channel the team's activities toward Subscription Service(s) configuration and executing the project Maintain issue/action (RAID) log Schedule and facilitate recurring meetings with all UKG consultants and Redmond core team |
| Education and Change Management Resource | <ul style="list-style-type: none"> Act as Customer's primary resource and designated decision maker for end user training and change management |
| System Administrator | <ul style="list-style-type: none"> Serve as Customer's primary resource(s) for Subscription Service(s) configuration and on-going system support and knowledge If unable to make decision as the designated decision maker, work within timeline to get decision from necessary resource |
| Technical Resource | <ul style="list-style-type: none"> Serve as Customer's primary resource(s) for technical issues related to integrations, network, Subscription Service(s) security, and data conversion when applicable If unable to make decision as the designated decision maker, work within timeline to get decision from necessary resource |

| Customer Resource | Key Responsibilities |
|--|--|
| Payroll Subject Matter Expert | <ul style="list-style-type: none"> Customer’s primary payroll representative and designated decision maker If unable to make decision as the designated decision maker, work within timeline to get decision from necessary resource |
| HR/Talent Acquisition Subject Matter Expert | <ul style="list-style-type: none"> Customer’s primary talent acquisition representative and designated decision maker If unable to make decision as the designated decision maker, work within timeline to get decision from necessary resource |
| Document and Case Management Subject Matter Expert | <ul style="list-style-type: none"> Customer’s primary document and case management representative and designated decision maker |
| Other Subject Matter Experts | <ul style="list-style-type: none"> Provide subject matter expertise pertaining to the Customer’s current business processes and policies for functional areas associated with in scope Subscription Service(s) Act as a primary resource and decision maker regarding Subscription Service(s) configuration Support Customer’s User Acceptance Testing (UAT) effort during the Testing phase per the Launch methodology and supplemental testing services, if purchased |
| Workforce Management Subject Matter Expert | <ul style="list-style-type: none"> Customer’s primary workforce management representative and designated decision maker |

6. Service Assumptions

The following assumptions were used to formulate the Order and this SOW. Changes to these assumptions may require a separate Service Request resulting in additional costs and delayed timelines.

Training and User Adoption Services

| Service | Assumptions |
|-----------------------|---|
| Training | <p>UKG will:</p> <ul style="list-style-type: none"> Provide a product learning plan to prepare your project team during the launch via the UKG Community. Specific courses are required during each phase of the launch to minimize the amount of time between training delivery date and real-life system usage. Provide access to learning resources like instructor led courses, job aids and videos for end users, superusers and administrators. Provide ongoing, post-live access to formal and informal learning for administrators and superusers to keep up to date with releases, quarter/year end and best practices. |
| User Adoption-Empower | <p>UKG will:</p> <ul style="list-style-type: none"> Conduct a communications and user training planning workshop Conduct a train-the-trainer consulting workshop Provide a role-based user matrix Provide access to the preparing for change dashboard Provide adaptable communications and user training plans Provide train the trainer materials including manager course presentation (.ppt) and participant guide (.doc), standard hands-on practice exercises with the most common manager tasks, employee job aids (.html) |

Testing Services

| Service | Assumptions |
|---------------------------------------|---|
| User Acceptance Testing (UAT) Support | <p>UKG will:</p> <ul style="list-style-type: none"> Provide an overview of the UAT process, including testing tools and the approach to be used for issue management Supply stock baseline test cases to validate system functionality and provide general guidance to aid Customer in writing and executing test cases specific to their business Offer consultation and provide issue support during the testing phase Secure final confirmation from Customer to validate system readiness prior to Go Live <p>Note:</p> <ul style="list-style-type: none"> Customer has declined the option to purchase supplemental testing services offered by UKG and/or their certified partners and is fully prepared to support the UAT phase of the project with internal resources. Doing so may impact the timeline of this project. If any necessary Customer testing is incomplete or delayed, UKG reserves the right to place the project on hold, reassign resources, and |

| Service | Assumptions |
|---------|---------------------------------------|
| | amend the quoted pricing accordingly. |

UKG Pro HR/Payroll Subscription Services

| Service | Assumptions |
|-------------------------------|--|
| UKG Pro Pay and People Center | <p>UKG will:</p> <ul style="list-style-type: none"> Support and enable Customer to configure and administer the Subscription Service(s) through a combination of remote working sessions and Customer assignments <ul style="list-style-type: none"> Working sessions are typically one to two (1-2) hours each and will be scheduled considering project timeline and Customer availability. Total sessions vary based upon specific Subscription Service(s) purchased, Customer complexity, and engagement. Monitor configuration and testing activity completion to determine when Subscription Service(s) are ready for production use Provide thirty (30) days of production support prior to transitioning Customer to UKG Support <p>Customer will:</p> <ul style="list-style-type: none"> Participate in working sessions and complete assigned configuration and testing activities <p>UKG will provide the following Pro Pay and People Center data conversion services (a successful conversion balances with the provided source data):</p> <ul style="list-style-type: none"> Provide one (1) production and two (2) non-production environments Review Customer-provided source data to ensure suitability for production processing in UKG approved conversion table formats. The data converted must map to existing UKG Pro Pay and People Center tables. Convert data from up to two (2) source system(s) (additional sources may be used for conversion; however additional fees may apply) Convert employee Masterfile/people data up to (2) times and all other history (e.g. job history and check detail) one (1) time Convert payroll opening balances up to two (2) times <p>Customer will:</p> <ul style="list-style-type: none"> Provide source data suitable for production processing in UKG approved conversion table formats. The data converted must map to existing UKG Pro Pay and People Center tables. <p>UKG will provide the following Pro Pay and People Center integration services prior to live:</p> <ul style="list-style-type: none"> Create up to fifteen (15) flat-file interfaces from the following list. Each integration is assumed to have one (1) file layout. Integrations in this section are delivered via encrypted flat file via secure FTP site and processed as a scheduled event: <ul style="list-style-type: none"> Banking Export(s) State New Hire Export(s) General Ledger Export Employee Benefit Providers (bi-directional, if needed, for setup of new benefits or communication of benefit changes to benefit providers): medical, dental, vision, health spending account, flexible spending account, disability (LTD/STD), COBRA, deferred compensation plan (i.e., 401k/RRSP-CAN) Customer will work with UKG on determining the best integration solution; there are multiple ways to integrate, and customer needs to evaluate all options before agreement on the proposed integration solution. Customer will work with the UKG consultants on data mapping, file layouts, data validations, and application business logic as required. <p>Within the 15 allotted flat file interfaces, UKG could include the following:</p> <ul style="list-style-type: none"> Washington Department of Retirement Systems (DRS): integration export to DRS system for enrollment, retirement contributions and reporting NeoGov New Hire Integration: integration to import new hire information to HR/Payroll Workterra: Benefits Management system |

| Service | Assumptions |
|--|--|
| | <ul style="list-style-type: none"> Employee integration: export employee demographic file & terminations Payroll integration: import election adds/changes/terms ACA integration: export hours worked/PTO used from Payroll D365 integration: data export to City database Concur integration: export employee demographic file Vector Solutions integration: export employee demographic file <p>Customer will:</p> <ul style="list-style-type: none"> Provide source data suitable for production processing in UKG approved conversion table formats. The data converted must map to existing UKG Pro Pay and People Center tables. |
| UKG Pro People Assist | <p>UKG will configure the following Customer-defined functionality:</p> <ul style="list-style-type: none"> Five (5) categories Fifteen (15) forms and associated workflows (three-step maximum) Five (5) process templates containing up to ten (10) tasks each <p>Customer will:</p> <ul style="list-style-type: none"> Create knowledge base articles in its Subscription Service platform Customer system admins will design and develop any additional forms, workflows, and templates required by the business teams. |
| UKG Pro Document Manager | <p>UKG will configure the following Customer-defined functionality:</p> <ul style="list-style-type: none"> Employee folder structure (document types, metadata, and retention policies) Role matrix (roles, permissions, and user groups) Historical and on-going migration of onboarding and employee documents from UKG Pro People Center with standard mapping One (1) standard signature and two (2) document templates for the Smart Document Generation module <p>Customer will:</p> <ul style="list-style-type: none"> Create knowledge base articles in its Subscription Service platform |
| <p>UKG Pro Talent Acquisition*</p> <p>UKG Pro Compensation</p> | <p>UKG will:</p> <ul style="list-style-type: none"> Support and enable Customer to configure and administer the Subscription Service(s) through a combination of remote working sessions and Customer assignments <ul style="list-style-type: none"> Working sessions are typically one to two (1-2) hours each and will be scheduled considering project timeline and Customer availability. Total sessions vary based upon specific Subscription Service(s) purchased, Customer complexity, and engagement. Monitor configuration and testing activity completion to determine when Subscription Service(s) are ready for production use Provide thirty (30) days of production support prior to transitioning Customer to UKG Support <p>Customer will:</p> <ul style="list-style-type: none"> As a prerequisite, be live on UKG Pro People Center and actively maintaining both organization structure and employee data Participate in working sessions and complete assigned configuration and testing activities <p>Note: Data conversion services are not included and are quoted via Service Request if required. Customer should let their UKG project manager know if interested in obtaining these services.</p> <p>*Data conversion services for UKG Pro Talent Acquisition must be completed prior to Go Live.</p> |

7. Service Requests

Requests for changes to this SOW, additional scope, or activities outside of this planned project scope must be submitted to the UKG project manager in writing or in the form of an electronic Service Request.

The following excluded items are considered out of scope and will require a Service Request:

- Material changes in the scope or effort
- Material changes in the number or type of deliverables to meet the defined scope or effort
- Changes to the project resource requirements

- Changes to the Launch duration

UKG will assess the time needed to implement the Service Request, its impact on the project's delivery, and will quote the Service Request based on current rates. UKG will perform the requested work once the Service Request has been completed and signed by the Customer. UKG will not be responsible for troubleshooting Subscription Service(s), interfaces or hardware not provided by UKG.

Data Processing Agreement

This Data Processing Agreement ("DPA") is by and between (i) the UKG entity, as the Processor of Customer Personal Data, set forth in the Order or Statement of Work that references the UKG Master Services Agreement, or any other currently effective agreement, (the "Agreement"), ("UKG"), and (ii) the person or entity who is named on such Order or Statement of Work on behalf of itself and Customer Affiliates, as the Controller of Customer Personal Data, ("Customer") and sets forth the terms and conditions applicable to UKG's processing activities under the Agreement. Customer and UKG are referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, in the course of providing the Services to Customer pursuant to the Agreement, UKG may Process Customer Personal Data on behalf of Customer, and the Parties agree to comply with the following provisions with respect to the Processing of Customer Personal Data.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the respective receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. General

- 1.1 The above and foregoing recitals are true and correct and incorporated herein by reference.
- 1.2 This DPA consists of the terms and conditions set forth in this DPA and the following Schedules, which are attached hereto and incorporated herein by reference:
- 1.2.1 Schedule 1: Details of the Processing
- 1.2.2 Schedule 2: Technical and Organizational Security Measures
- 1.2.3 Schedule 3: Additional Applicable Privacy Provisions

2. Definitions

2.1 In this DPA, capitalized terms will have the meanings set out below. Capitalized terms not otherwise defined below will have the meaning given to them in the Agreement.

"Affiliates" means, as to UKG, those entities that are directly or indirectly controlled by UKG Inc.; and as to Customer, those Customer entities that directly or indirectly control, are controlled by, or are under common control with Customer. "Control" (in this context) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and operating policies of the entity in respect of which the determination is being made through the ownership of the majority of its voting or equity securities, contract, or otherwise.

"Applicable Law(s)" means any applicable provisions of all laws, codes, legislative acts, regulations, ordinances, rules of court, and court orders which govern the Party's respective business operations. UKG shall comply with all Applicable Laws applicable to UKG in its role as a Data Processor Processing Personal Data. For the avoidance of doubt, UKG is not responsible for complying with Applicable Laws applicable to Customer or Customer's industry. Customer shall comply with all Applicable Laws to Customer as a Data Controller.

"Cross-Border Transfer Mechanism" means applicable legally valid mechanisms required for the transfer of Customer Personal Data from a Controller or a Processor in a given jurisdiction to another Processor or Subprocessor operating in a separate jurisdiction where Applicable Laws require a legal mechanism for cross-border transfer. Such mechanisms include, by way of example and without limitation, the Standard Contractual Clauses.

"Core Subscription Services" means UKG Pro, UKG Pro Workforce Management, UKG Ready, and HRSD (including People Assist & UKG Pro Document Manager) offerings identified in the Order.

"Countries with Adequate Protection" means the following applicable third countries, territories, or specified sectors within a third country: (1) for data processed subject to the EU GDPR: the EEA, or [a country or territory that is the subject of an adequacy decision by the Commission under Article 45\(1\) of the EU GDPR](#); (2) for data processed subject to the UK GDPR: the UK or a country or territory that is the subject of the adequacy regulations under Article 45(1) of the UK GDPR and Section 17A of the Data Protection Act 2018; and/or (3) for data processed subject to the Swiss FDPA: Switzerland, or a country or territory that (i) is included in the list of the states whose legislation ensures an adequate level of protection as published by the Swiss Federal Data Protection and Information Commissioner, or (ii) is the subject of an adequacy decision by the Swiss Federal Council under the Swiss FDPA.

"Customer Personal Data" means any Personal Data Processed by UKG on behalf of Customer pursuant to or in connection with the Agreement.

"GDPR" means EU General Data Protection Regulation 2016/679.

"Pseudonymized Data" means Data that has gone through Pseudonymization.

"Restricted Transfer" means a transfer of Customer Personal Data from Customer to a UKG Processor, or a transfer of such data between UKG Processors, where such transfer would be prohibited by Applicable Laws (or by the terms of data transfer agreements put in place to address the data transfer restrictions of Applicable Laws) in the absence of a Cross-Border Transfer Mechanism.

"Services" means Core Services and any other UKG Products and Services.

"Standard Contractual Clauses" or **"SCCs"** means any type or module of standard contractual clauses approved by any relevant authority such as the European Commission in Decision (EU) 2021/914 on standard contractual clauses for the transfer of personal data to third countries, the British Data Protection Authority, the Swiss Data Protection Authority or the Singapore Data Protection Authority, including those executed between UKG Affiliates as UKG Processors. The completed EU SCCs (Processor-to-Processor) and (Controller-to-Processor) are available on ukg.com, and are deemed incorporated in this DPA, in accordance with Section 11 below.

"Subprocessor" means any person (including any third party and any UKG Affiliate) appointed by or on behalf of UKG to Process Customer Personal Data on behalf of Customer in connection with the Agreement, a list of which is available on ukg.com, and which is incorporated herein by reference.

"UKG Processor" means UKG or a UKG Subprocessor.

"UKG Other Products & Services" means Professional Services and UKG products and services other than Core Subscription Services, which are subject to the specific Supplement for UKG Other Products and Services available on ukg.com.

The terms, **"Commission"**, **"Controller"**, **"Data Subject"**, **"Member State"**, **"Personal Data"**, **"Personal Data Breach"**, **"Personal Information"**, **"Processing"**, **"Processor"**, **"Pseudonymization"** and **"Supervisory Authority"**, will have the same meaning as in the GDPR, or the equivalent meaning as set forth in Applicable Laws, and **"Processing"** shall be interpreted to include the following as applicable **"Process"**, **"Processes"** and **"Processed"**.

Where applicable, the terms, **"Service Provider"**, **"Share"** and **"Sell"** will have the same meaning as in the California Consumer Privacy Act (**"CCPA"**).

3. Processing of Customer Personal Data

3.1 UKG will:

3.1.1 comply with all Applicable Laws in the Processing of Customer Personal Data; and

3.1.2 not Process Customer Personal Data other than for the purpose, and in accordance with, the relevant Customer's instructions as documented in the Agreement and this DPA, unless Processing is required by the Applicable Laws to which the relevant UKG Processor is subject, in which case UKG to the extent permitted by the Applicable Laws, will inform Customer of that legal requirement before the Processing of that Customer Personal Data.

3.2 Customer hereby:

3.2.1 instructs UKG (and authorizes UKG to instruct each Subprocessor) to: (a) Process Customer Personal Data; and (b) in particular, transfer Customer Personal Data to any country or territory subject to the provisions of this DPA, in each case as reasonably necessary for the execution of the Agreement.

3.2.2 warrants and represents that it is and will at all relevant times remain duly and effectively authorized to give the instructions set out in Section 3.2.1 on behalf of each relevant Customer Affiliate; and

3.2.3 warrants and represents that it has all necessary rights in relation to the Customer Personal Data and/or has collected all necessary consents from Data Subjects to Process Customer Personal Data to the extent required by Applicable Law.

3.3 Schedule 1 to this DPA sets out certain information regarding UKG's Processing of Customer Personal Data as required by Article 28(3) of the GDPR (and equivalent requirements of other Applicable Laws).

4. UKG Personnel

UKG will take steps to ensure that access to Customer Personal Data is limited to those individuals who: (a) need to know or access the relevant Customer Personal Data as necessary for the purposes of providing the Services under the Agreement or to comply with Applicable Laws in the context of that individual's duties to UKG; and (b) are subject to written confidentiality undertakings or professional or statutory obligations of confidentiality.

5. Security

5.1 Taking into account the state of the art, the costs of implementation and the nature, scope, context, and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, UKG will in relation to the Customer Personal Data implement appropriate technical and organizational measures to ensure a level of security appropriate to that risk as set forth in Schedule 2 to this DPA.

5.2 In assessing the appropriate level of security, UKG will take into account the risks that are presented by Processing, in particular from a Personal Data Breach.

6. Subprocessing

6.1 Customer generally authorizes UKG to appoint Subprocessors in accordance with this Section 6, including without limitation those Subprocessors provided [herein](#) and any new Subprocessors. Subprocessors used for UKG Other Products and Services may be listed under each applicable Statement of Work or Order Form or in an addendum to this DPA or other form of communication.

6.2 UKG will provide Customer with a mechanism to obtain notification of the appointment of any new Subprocessor, including material details of the Processing to be undertaken by the Subprocessor at least thirty (30) days before said Subprocessor carries out Processing activities on Customer Personal Data on behalf of Customer. Customer may object, on reasonable data protection grounds, to any new Subprocessor by providing notice of an objection by email to privacy@ukg.com to UKG within ten (10) days of Customer's receipt of notification of the addition of the new Subprocessor by UKG. In the event UKG, in its sole discretion, is unable to forego the utilization of a new Subprocessor that has been objected to for the Processing of Customer Personal Data or is otherwise unable to reasonably address the Customer's objection within thirty (30) days of UKG's receipt of such objection from Customer, the Customer may terminate the impacted services upon written notice to UKG. This termination right is Customer's sole and exclusive remedy if Customer objects to any new Subprocessor, and is not a termination for cause. UKG will cease providing the impacted services thirty (30) days following the notice of termination.

6.3 With respect to each Subprocessor, UKG will:

6.3.1 verify that the arrangement between UKG and the Subprocessor is governed by a written contract including terms which offer at least equivalent level of protection for Customer Personal Data as those set out in this DPA and meet the requirements of article 28(3) of the GDPR; and

6.3.2 if that arrangement involves a Restricted Transfer, confirm that the Standard Contractual Clauses, or other legally valid Cross-Border Transfer Mechanism, are at all relevant times incorporated into the relevant agreement(s) between UKG and the Subprocessor.

7. Data Subject Rights

7.1 Taking into account the nature of the Processing, UKG will assist Customer by implementing commercially reasonable technical and organizational measures for the fulfilment of the Customer's obligations, as reasonably understood by Customer, to respond to requests to exercise Data Subject rights under the Applicable Laws.

7.2 If UKG receives a request from a Data Subject under any Applicable Law in respect of Customer Personal Data ("Data Subject Request"), UKG will:

7.2.1 promptly redirect the Data Subject to its Controller; and

7.2.2 ensure that UKG does not respond to that Data Subject Request except on the documented instructions of Customer or as required by Applicable Laws to which UKG is subject, in which case UKG, to the extent permitted by the Applicable Laws, shall inform Customer of that legal requirement before UKG responds to the Data Subject request.

8. Personal Data Breach

8.1 UKG will notify Customer without undue delay and in accordance with Applicable Laws upon UKG or any Subprocessor becoming aware of a Personal Data Breach affecting Customer Personal Data, providing Customer with sufficient information to allow Customer to meet its obligations to report or inform Data Subjects of the Personal Data Breach under the Applicable Laws.

8.2 In the event of a Personal Data Breach, the Parties will reasonably cooperate with each other, and UKG shall take commercially reasonable steps to keep Customer informed as to the investigation, mitigation, and remediation of any such Personal Data Breach.

8.3 Except as may be required by Applicable Laws, UKG will not notify Customer's affected Data Subjects about a Personal Data Breach without Customer's prior written consent.

9. Deletion or return of Customer Personal Data

9.1 Subject to Sections 9.2 and 9.3, following the latter of either (i) termination or expiration of the Agreement or (ii) cessation of the Processing of Customer Personal Data, (the "Cessation Date"), UKG will, in accordance with the terms of the Agreement, promptly return or delete Customer Personal Data that can be reasonably identified and extracted in accordance with the requirements of the relevant Applicable Laws.

9.2 Notwithstanding Section 9.1 above, each UKG Processor may retain Customer Personal Data to the extent and for such period as required by Applicable Laws, provided that UKG will ensure the confidentiality of all such Customer Personal Data and will ensure that such Customer Personal Data is only Processed as necessary for the purpose(s) specified in the Applicable Laws requiring its storage.

9.3 Upon receipt of written request from Customer, UKG will provide written certification to Customer that it has complied with this Section 9.

10. Audit rights

UKG shall demonstrate appropriate technical and organizational measures to Customer throughout the term. Customer may exercise such audit right either personally or by appointing a third party, so long as said third party is acceptable to UKG and bound to confidentiality and non-disclosure obligations at least as stringent as Customer's obligations with respect to UKG Confidential Information as set forth in the Agreement. Customer is responsible and liable for any and all acts or omissions of any such third party. Customer may exercise such audit right on an annual basis with reasonable notice. Any such audits shall be limited to a robust customer due diligence package consisting of details on UKG' information security/risk practices, examination of the results of the annual AICPA SSAE 18 SOC 1 and SOC 2 Type II audits conducted by an independent third party, executive summaries of the annual penetration test results or verification of such testing through the SOC 2 report for Core Subscription Services, and reasonable access to knowledgeable personnel to discuss the controls in place, including a meeting at UKG corporate headquarters. In the event Customer requests support or information beyond the content described above, then, upon customer's audit request, the Parties will mutually agree on the terms of the audit plan, which shall include details regarding the scope, duration, fees, and scheduling of the audit. In no event shall Customer or its designees be permitted to access UKG systems, network servers, scan summaries or activities logs.

11. Restricted Transfers and Cross-Border Transfer

11.1 Customer is fully aware and acknowledges that UKG operates as a global company with locations across the world. In order for UKG to provide customers with service level continuity and to optimize both organization and management of the quality of its products and services, UKG reserves the right to have Customer Personal Data processed by other UKG Affiliates or by Subprocessors and that may be located in a different region than where the original Processing took place, which Customer accepts.

11.2 In connection with Restricted Transfers, UKG will only operate cross-border transfer of Customer Personal Data either to Countries with Adequate Protection or based on a Cross-Border Transfer Mechanism.

11.3 In connection with Customers operating in countries where no Restricted Transfers are occurring, no transfer mechanism shall be applicable.

12. Additional Assurances

12.1 UKG shall maintain the following additional safeguards with respect to Customer Personal Data that is transferred pursuant to the Standard Contractual Clauses:

12.1.1 UKG agrees to notify Customer of any request from law enforcement authority or other governmental authority with competent authority and jurisdiction over UKG for disclosure of Customer Personal Data processed under this DPA ("Disclosure Request") to the extent permitted by applicable law. UKG shall not respond to Disclosure Requests without notifying Customer and receiving written authorization from Customer to respond to such Disclosure Request, except as required under Applicable Laws or order of court or governmental authority with competent authority and jurisdiction over same;

12.1.2 In the event UKG receives a Disclosure Request for disclosure of Customer Personal Data processed under this DPA and Data Processor is not legally permitted to notify Customer of the Disclosure Request, UKG agrees to take reasonable legal actions against the disclosure of the Customer Personal Data and to refrain from disclosure of the Customer Personal Data to the respective authorities until a court of competent jurisdiction orders UKG to disclose such Customer Personal Data. In such event, UKG agrees to provide the minimum amount of information required when responding to the Disclosure Request, based on UKG's reasonable interpretation of the Disclosure Request; and

12.1.3 UKG can make available to Customer a [Transfer Risk and Impact Statement](#) to assist Customer in carrying out its own transfer impact assessment related to Customer's use of the Services.

13. General Terms

13.1 Governing Law. Without prejudice to clauses 17 (Governing Law) and 18 (Choice of Forum and Jurisdiction) of the Standard Contractual Clauses:

13.1.1 the Parties to this DPA hereby submit to the choice of jurisdiction stipulated in the Agreement with respect to any disputes or claims howsoever arising under this DPA, including disputes regarding its existence, validity or termination or the consequences of its nullity; and

13.1.2 this DPA and all non-contractual or other obligations arising out of or in connection with it are governed by the laws of the country or territory stipulated for this purpose in the Agreement.

13.2 DPA Priority. Nothing in this DPA reduces UKG's obligations under the Agreement in relation to the protection of Customer Personal Data or permits UKG to Process (or permit the Processing of) Customer Personal Data in a manner which is prohibited by the Agreement. With regard to the subject matter of this DPA, in the event of inconsistencies between the provisions of this DPA and the Agreement, the provisions of this DPA will prevail.

13.3 Claims. Any claims brought under this DPA shall be subject to the terms and conditions of the Agreement, including but not limited to, the exclusions and limitations set forth in the Agreement.

13.4 Severability. Should any provision of this DPA be invalid or unenforceable, then the remainder of this DPA will remain valid and in force. The invalid or unenforceable provision will be either (i) amended as necessary to ensure its validity and enforceability, while preserving the Parties' intentions as closely as possible or, if this is not possible, (ii) construed in a manner as if the invalid or unenforceable part had never been contained there.

13.5 This DPA supersedes all prior and contemporaneous representations, negotiations, and communications between the Parties relating to processing Customer Personal Data, including without limitation, any terms that may be imposed upon UKG by means of any "click-through", forms, applications, or any other terms and conditions which are presented to UKG in the course of UKG's engagement with Customer.

Schedule 1: Details of Processing of Customer Personal Data

This Schedule 1 includes certain details of the Processing of Customer Personal Data as required by Article 28(3) GDPR.

Subject matter and duration of the Processing of Customer Personal Data

The subject matter and duration of the Processing of the Customer Personal Data are set out in the Agreement and this DPA.

The nature and purpose of the Processing of Customer Personal Data

Provision of the Services are set out in the Agreement and this DPA, where UKG acts as a data processor, and for business operations, as an independent controller.

UKG will use and otherwise process Customer Data only as described and subject to the limitations provided below (a) to provide Customer the Services in accordance with Customer's documented instructions and (b) for business operations incident to providing the Services to Customer.

Processing to Provide Customer the Services

For purposes of this DPA, "to provide" a Service consists of:

- Delivering functional capabilities as licensed, configured, and used by Customer and its users;
- Troubleshooting (preventing, detecting, and repairing problems); and
- Keeping Services up to date and operational, and enhancing user productivity, reliability, efficacy, quality, and security.

When providing Services, UKG will not use or otherwise process Customer Data or Personal Data for: (a) user profiling, (b) advertising or similar business purposes, or (c) sell or share Personal Data.

Processing for Business Operations Incident to Providing the Services to Customer

For purposes of this DPA, "business operations" means the processing operations authorized by Customer in this section.

Customer authorizes UKG:

- to create aggregated statistical, non-personal data from data containing Pseudonymized identifiers (such as usage logs containing unique, Pseudonymized identifiers);
- to calculate statistics related to Customer Data; and
- to de-identify Customer Data to enhance and create new functionalities.

in each case limited to to providing the Services, such as billing and account management; internal reporting and business modeling, and product strategy; and enhancing Customer's experience.

When processing for these incident business operations, UKG will apply principles of data minimization, confidentiality and will not use or otherwise process Customer Data or Personal Data for: (a) user profiling, (b) advertising or similar commercial purposes, (c) any other purpose, other than for the purposes set out in this section or (d) Sell or Share Personal Data.

The types of Customer Personal Data to be Processed

All Customer Personal Data required by UKG to correctly provide the Services to Customer pursuant to the Agreement which may include, without limitation: employee first and last name, employee ID number, department code, badge number, job title, absence information, identification and contact information of Customer data subjects, employment and education details of Customer data subjects, other information that Customer may collect in order to pay and manage its workforce.

The categories of Data Subject to whom the Customer Personal Data relates

Customer's employees, contractors, and job applicants.

Special categories of Customer Personal Data to be Processed

None unless otherwise specified or unless special categories of personal data including without limitation biometric data collection is enabled by Customer on given UKG offerings.

The obligations and rights of Customer

The obligations and rights of Customer are set out in the Agreement and this DPA.

Privacy related contact:

UKG: privacy@ukg.com

Customer: As specified in this DPA, in the Order Form or in the Statement of Work.

Schedule 2: Technical and Organizational Measures

The following Technical and Organizational Measures are applicable to UKG Core Subscription Services. The specific [Supplement for UKG Other Products and Services](#) to this DPA is applicable to any UKG Other Products & Services.

1. **ISAE3402 /SSAE 18 (SOC 2) Audit:** UKG shall ensure compliance with ISAE3402/SSAE 18 AICPA Trust Principles for Security, Confidentiality, and Availability (and, where in scope, Privacy and Processing Integrity), and will undergo an audit each year for the purposes of examining the relevant controls with respect to the Services. Such audits shall be carried out by an independent, certified third party and the resulting reports shall be provided to Customer upon request. UKG shall ensure the data center carries out its own SOC 2 audits and provide such reports to Customer upon request.
2. **ISO 27000 Series Audits:** UKG shall ensure compliance with ISO 27001, 27017, and 27018, where in scope for the UKG Services. UKG shall also ensure the datacenter used to provide the Services will continue to have its IT security management certified according to ISO 27001 or comparable industry standard security framework. The audits shall be carried out by an independent, certified third party, and upon request, UKG shall provide the certificates to Customer.
3. **Entity Controls:** Consistent with UKG's obligation to maintain its compliance programs as described above, UKG shall continuously carry out the following security measures:
 - a) **Security Policy:** UKG shall maintain an information security policy that is reviewed annually by UKG and published and communicated to all UKG employees. UKG shall maintain a dedicated security and compliance function to maintain and monitor security controls across UKG.
 - b) **Employee Onboarding:** All UKG personnel shall be subject to a comprehensive background check and agree to accept UKG's Code of Conduct upon hire.
 - c) **Employee Termination:** UKG shall terminate all credentials and access to the Services of a UKG employee in the event of termination of his or her employment within a reasonably timely manner.
 - d) **Access Controls by UKG Personnel:** Access to all UKG owned or licensed network components, servers, databases, computers, and software programs by UKG personnel shall be protected by an authentication procedure that requires giving at least a unique username and complex password. UKG shall implement technical controls to enforce a password policy consisting of a minimum number of characters and complexity, including requirements of alpha, numeric, upper case, lower case and/or special characters. Lockout periods shall be in effect for inactivity and unsuccessful password attempts. Passwords shall expire after a fixed amount of time.
 - e) **Security Awareness Training:** UKG employees shall participate in security awareness and privacy training, upon hire and annually thereafter.
 - f) **Change Management:** UKG shall employ a change management process based on industry accepted standards for change management in configurations, software, and hardware.
4. **Application and Network Controls:**
 - a) **Privileged Access by UKG Personnel:** Privileged access to UKG owned or licensed network components, servers, databases, computers, and software programs by UKG personnel that are used in the provision of the Services shall be secured by means of a two-factor authentication and shall be defined by UKG in such a manner as to ensure that the access authorizations are granted only to the extent necessary to perform the assigned role. Any access to UKG's systems used in the provision of the Services shall be monitored.
 - b) **Infrastructure of the Data Center:** UKG and/or its sub-processor(s) shall monitor the infrastructure in order to identify any security vulnerabilities.
 - c) **Anti-Virus and Malware Scanning:** UKG uses commercially available malicious code detection software, including virus detection and malware detectors, on UKG systems. Anti-virus definition files shall be updated regularly, on a scheduled basis, following the availability of such updates by the software provider.
 - d) **Secure Coding Practices:** UKG developers shall be trained on secure development. Applications should be written in a secure manner to implement industry practices, such as input validation, session management, SQL injection, and cross site scripting mitigation. These practices shall be tested as part of the annual penetration testing described below.
 - e) **Patch Management:** UKG shall review all patches, updates, and upgrades of operating systems, middleware, or applications to all relevant components of the Services after they have been released by the manufacturer and tested by UKG. UKG shall manage the patching process prudently to assure that critical patches are applied in a timely manner consistent with the associated risk.
 - f) **Segregation of Customer Data:** UKG shall provide appropriate security controls and segmentation methods to protect and isolate Customer Data from other tenants.

- g) Encrypted Data Transfers: Customer Data input into the Services shall be secured using an industry standard protocol, such as Transport Layer Security (TLS).
 - h) Encrypted Data Storage: UKG shall encrypt Customer Data using industry standard technology, such as AES-256 encryption standard for data at rest.
 - i) Firewalls: Connections to the Services networks, shall be protected with industry standard firewalls. UKG shall update its firewall software regularly, on a scheduled basis, following the availability of updates by the software provider.
 - j) Intrusion Detection: UKG shall implement and maintain an intrusion detection monitoring process at the network and/or host level to protect the Services and detect unwanted or hostile network traffic. UKG shall update its intrusion detection software regularly, on a scheduled basis, following the availability of updates by the software provider or a heuristic analysis shall be used.
 - k) Systems Hardening and Secure Configuration: UKG shall follow industry standards for platform hardening and secure configuration. UKG shall remove or disable unnecessary utilities from operating system configurations and restrict access rights to least privilege.
 - l) Penetration Testing: UKG shall contract, as part of its security program and on at least an annual basis, with an independent third party to conduct a network and application penetration test. The penetration test will include, but is not limited to, the potential for unauthorized internet access, compromise of roles, and escalation of privileges for the Services. Upon request, UKG will provide an executive summary of said penetration test including the scope and methodology of the test and confirmation that critical and high-risk findings have been remediated or provide an independent third-party audit report attesting to such testing and remediation. Penetration testing includes the web application vulnerabilities defined by the Open Web Application Security Project (OWASP) Top 10 and those listed in the SANS 25 (as applicable) or its successor current at the time of the test.
 - m) Vulnerability Management: UKG shall implement commercially reasonable processes designed to protect Customer Data from system vulnerabilities. UKG shall perform scanning of the infrastructure using an industry recognized automated scanning tool designed to detect security flaws and security vulnerabilities within the operating systems. UKG shall assess scan results and remediate relevant security vulnerabilities within a reasonable amount of time based on the risk to the Services.
 - n) Audit Logging: UKG shall log UKG personnel's access to the Services to maintain an audit trail that includes, but is not limited to, web server logs, system logs, and network event logs.
5. Physical Access Control: UKG shall ensure that its data center sub-processor uses industry standard technology to ensure that only the appropriately authorized staff have access to those systems of UKG that are used to provide the Services. This shall include at least the following measures: visitor sign-ins, role-based access controls, limited access to the server rooms and to the alarm systems which report any unauthorized access.
6. Security Monitoring: UKG may monitor and analyze the use of its Subscription Services, which may record information concerning security controls and compliant use of the application, the events that occur within the application, aggregated usage, performance data, and access locations. The Subscription Services will collect usage statistics, telemetry, and other data from Customer, such as mobile number, email address, IP address, and other unique verification identifier, for the purposes of enabling multifactor authentication; benchmarking, modelling, and training; providing, operating, maintaining, customizing, and improving the Subscription Services and its security, including by developing new or different functionalities for such purposes.
7. Incident Response and Notification:
- a) UKG shall maintain security incident management policies and procedures, including security incident escalation procedures. In the event UKG confirms unauthorized access or acquisition, disclosure or use of Customer's Personal Data has occurred, UKG agrees to notify Customer, in accordance with the terms of the Agreement or per Applicable Laws.
 - b) UKG shall (i) investigate such information security incident and perform a root cause analysis; (ii) remediate the effects of such information security incident; and (iii) provide Customer with assurances that such information security incident is not likely to recur.
8. Disaster Recovery: UKG shall maintain a Disaster Recovery plan and present verification of this plan (via the SOC 2 reporting) at the request of Customer. UKG shall test this plan once a year and verify that the planned measures are effective, reviewed by management and updated as necessary.
9. Business Continuity: UKG shall maintain a plan for returning to operation in the event of a disaster and present a summary of this plan at the request of Customer. Upon UKG's declaration of disaster, UKG shall implement said plan to return the Services to operation. UKG shall annually test and review its business continuity plan and update as necessary.

Schedule 3: Additional Applicable Privacy Provisions

The following provisions will apply if and to the extent applicable to the Processing of Customer Personal Data by UKG.

1. U.S. Privacy Laws

“U.S. Privacy Laws” have the same meaning as in Applicable Laws and regulations concerning the privacy and security of information reasonably identifying or linked to an individual, including, without limitation, the California Consumer Privacy Act, Cal. Civ. Code § 1798.100 et seq. or its successor the California Privacy Rights Act, Cal. Civ. Code § 1798.100 et seq., and their accompanying regulations as promulgated by the California Attorney General or California Privacy Protection Agency, as then applicable (collectively the “CPRA”); the Colorado Privacy Act, Colo. Rev. Stat. § 6-1-1309 et seq. (the “CPA”) the Connecticut Data Privacy Act, Public Act No. 22-15 (the “CTDPA”); the Utah Consumer Privacy Act, Utah Code § 13-61-101 et seq. (the “UCPA ”); and the Virginia Consumer Data Protection Act, Virginia Code § 59.1-571 et seq. (the “VCDPA”).

Obligations. To the extent UKG is a Service Provider or Processor and receives Personal Information from Customer and processes Personal Information on behalf of Customer in connection with UKG’s provision of the Services to Customer, UKG in its role as a Service Provider or Processor, will not: (i) Sell or Share such Personal Information; (ii) shall not retain, use, or disclose such Personal Information for any purpose other than performing the Services or Business Purpose under the Agreement or as otherwise permitted by the U.S. Privacy Laws; (iii) retain, use, or disclose the Personal Information for a commercial purpose other than providing the Services unless otherwise permitted under the Agreement; or (iv) retain, use, or disclose such Personal Information outside of the direct business relationship between Customer and Service Provider unless otherwise permitted under the Agreement; (v) combine the Personal Information that the Service Provider receives from, or on behalf of, the Business with personal information that it receives from, or on behalf of, another person or persons, or collects from its own interaction with the consumer, provided that the Service Provider may combine personal information to perform any Business Purpose. UKG, in its role as a Service Provider or Processor, agrees to comply with the US Privacy Laws as applicable to Service Provider in its provision of the Services to Customer under the Agreement. For clarity, UKG shall notify Customer if it makes a determination that it can no longer meet its obligations under the CPRA and Customer may take reasonable and appropriate steps to stop and remediate the unauthorized Processing of Personal Information.

Consumer Requests. To the extent applicable, and subject to the nature of the Processing and the information available to UKG, UKG will reasonably assist Customer with the fulfillment of Customer’s obligation to respond to consumer requests for exercising the data subject’s rights as set out under the U.S. Privacy Laws.

2. United Kingdom (“UK”) International Data Transfer Addendum to the EU Commission Standard Contractual Clauses

The UK International Data Transfer Addendum to the EU SCCs is available on [ukg.com](https://www.ukg.com), and is deemed incorporated in this DPA, in accordance with Section 11 of the DPA.

In connection with transfers of Customer Personal Data to which UK GDPR applies, UKG will only operate cross-border transfer of Customer Personal Data either to Countries with Adequate Protection or based on a Cross-Border Transfer Mechanism.

If the Processing of Customer Personal Data involves any transfers to a country that is not a Country with Adequate Protection, then:

If UKG’s billing address is in an Adequate Country, the applicable UK IDTA (Processor-to-Processor) will apply with respect to all Restricted Transfers that are subject to the UK GDPR from UKG to Subprocessors and UKG Affiliates;

If UKG’s billing address is not in a Country with Adequate Country, applicable UK IDTA (Controller to Processor) will apply with respect to Restricted Transfers between UKG and Customer.

3. Switzerland

Where Applicable Laws of Switzerland requires sufficient safeguards for the adequate protection of Personal Data transferred to a third country, the EU SCCs shall apply. In case of a transfer from Switzerland subject to the Applicable laws of Switzerland, the terms below will have the following substituted meanings for the purposes of the EU Clauses: (i) “GDPR” means the FADP and the Revised FADP. (ii) “European Union”, “Union” or “Member States” means Switzerland, provided that the term “member state” must not be interpreted in such a way as to exclude data subjects in Switzerland from the possibility of suing for their rights in their place of habitual residence, provided it is in Switzerland in accordance with Clause 18 c. (iii) “Supervisory Authority” means the FDPIC. The EU SCCs shall also protect the data of legal entities until the entry into force of the Revised FADP

In connection with transfers of Customer Personal Data to which FADP applies, UKG will only operate cross-border transfer of Customer Personal Data either to Countries with Adequate Protection or based on a Cross-Border Transfer Mechanism.

If the Processing of Customer Personal Data involves any transfers to a country that is not a Country with Adequate Protection, then:

- If UKG's billing address is in an Adequate Country, the applicable EU SCCs (Processor-to-Processor) will apply with respect to all Restricted Transfers that are subject to the GDPR from UKG to Subprocessors and UKG Affiliates;
- If UKG's billing address is not in a Country with Adequate Country, applicable EU SCCs (Controller to Processor) will apply with respect to Restricted Transfers between UKG and Customer.

4. APEC / Australia

"APEC" means the Asia Pacific Economic Cooperation, a regional economic forum established in 1989 to leverage the growing interdependence of the Asia-Pacific. See www.apec.org for more information.

"APEC Member Economy" means the 21 members of APEC: Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong-China, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Chinese Taipei, Thailand, United States, and Vietnam.

UKG shall not transfer Personal Data outside of the jurisdiction where the Personal Data is obtained unless permitted under Applicable Laws. Where UKG Processes Personal Data from an APEC Member Economy on behalf of Customer, UKG shall perform such Processing in a manner consistent with the APEC Cross Border Privacy Rules Systems requirements ("CBPRs") (see www.cbprs.org) to the extent the requirements are applicable to UKG's Processing of the Personal Data. If UKG is unable to provide the same level of protection as required by the CBPRs, UKG shall promptly notify Customer and cease Processing. In such event, Customer may terminate the Agreement with respect only to those Products and/or Services for which UKG is unable to provide the same level of protection as required by the CBPRs by written notice within 30 days.

Any reference to Personal Data Breach is deemed to include Notifiable Data Breaches under the Australian Privacy Act 1988.

5. Argentina

Argentine Model Clauses: means the Model Agreement of International Transfer of Personal Data for the case of Provision of Services (Contrato modelo de transferencia internacional de datos personales con motivo de prestación de servicios) (reference: EX-2016-00311578- -APN-DNPDP#MJ- Anexo II) approved by the Dirección Nacional de Protección de Datos Personales on 2 November 2016 ("Argentinian Clauses").

In connection with transfers of Customer Personal Data to which Argentinian laws applies, UKG will only operate cross-border transfer of Customer Personal Data either to Countries with Adequate Protection, or based on the Argentinian Clauses, which are deemed incorporated herein by reference. For the avoidance of doubts, any information required under the Argentinian Clauses are deemed provided under the Cross Border Mechanisms incorporated herein by reference.

6. China

Should Customer choose to use UKG Services in China, Customer acknowledges that:

- UKG cannot guarantee the availability of UKG Services in China;
- Access to UKG Services solution from China is not guaranteed, and therefore some provisions in the Agreement that governs the provision of UKG's Services may not apply; and
- In the event that parties engage in cross-border transfers of data outside of China and the Chinese Standard Contract for Export of Personal Information ("Chinese Standard Contractual Clauses" or "Chinese SCCs") is required by applicable Chinese laws to such cross-border transfer, the parties (or their applicable affiliates) agree to execute such separate Chinese SCCs to govern the cross-border transfers of data.

7. Brazil

The Parties shall handle Customer Personal Data in accordance with the Lei Geral de Proteção de Dados ("LGPD") and only for the purposes that are compatible with those described in the Main Agreement.

UKG shall notify Customer in writing of (a) a confirmed Personal Data Breach, or (b) any notification, complaint, consultation or request made by the Brazilian National Data Protection Authority due to the processing of Customer Personal Data.

UKG shall, in accordance with the terms of Article 18 of the LGPD, provide Customer with reasonable assistance when necessary to respond to a complaint, consultation or request from a data subject regarding the processing of Customer Personal Data (including, without limitation, any request for access, rectification, deletion, portability or restriction of processing of Customer Personal Data).

UKG shall only transfer Customer Personal Data to another jurisdiction in accordance with the terms of the LGPD, and UKG shall offer guarantees and compliance aligned with the regime of data protection provided in the LGPD for any transfer of Personal Data outside of Brazil.



ORDER FORM

Quote#: Q-281218
Expires: 15 Sep, 2024
Sales Executive: Alison Mercier
Effective Date: Effective as of the date of last signature of this Order

Order Type: Amendment
Date: 16 Aug, 2024

Customer Legal Name:
CITY OF REDMOND

Ship To: CITY OF REDMOND
15670 NE 85TH STREET #3SFN
REDMOND, WA 98052-3580 USA

Customer Legal Address:
15670 NE 85TH STREET #3SFN, REDMOND, WA 98052-3580
USA

Bill To: CITY OF REDMOND
15670 NE 85TH STREET #3SFN
REDMOND, WA 98052-3580 USA

Bill To Contact:

Ship To Contact:

Ship to Phone:
Ship to Mobile:
Contact: Courtney Miller
Email: cmiller@redmond.gov

Currency: USD
Customer PO Number:
Solution ID: 6115682
Term: Co-Term
Uplift Percent: 4 %

Shipping Terms: Shipping Point
Ship Method: FedEx Ground
Freight Term: Prepay & Add
Renewal Term: 12 months
Payment Terms: Net 30 Days

Billing Start Date: Upon Signature of Order Form
Data Center Location: USA

Subscription Services

Billing Frequency: Monthly in Arrears

| Subscription Services | Quantity | PEPM | Monthly Price |
|---------------------------------|----------|----------|-----------------|
| UKG DIMENSIONS PAYROLL SERVICES | 0 | USD 1.75 | USD 0.00 |
| Total Price | | | USD 0.00 |

Quote Summary

| Item | Total Price |
|--|-------------|
| Total Monthly SaaS and Equipment Rental Fees | USD 0.00 |

Order Notes:

This Order is subject to the terms and conditions of that certain Workforce Dimensions Agreement between Kronos Incorporated, a UKG company and Customer dated 08/29/2019, and the UKG Payroll Services Addendum dated 12/16/2022 (the "Agreement").

By signing this Order, Customer is agreeing to decrease its UKG DIMENSIONS PAYROLL SERVICES from 900 to 0.

IN WITNESS WHEREOF, the parties have caused this Order to be executed by their authorized representatives and shall be effective as of the date of the last signature below.

| CITY OF REDMOND | | Kronos SaaShr, Inc. | |
|--|---|---------------------|-------|
| Signature: |  <small>Signed by: 5D9FC672714C4E4...</small> | Signature: | _____ |
| Name: | Kelley Cochran (Mayor Designee) | Name: | _____ |
| Title: | Finance Director | Title: | _____ |
| Date: | 9/13/2024 | Date: | _____ |
| <p>The monthly price on this Order has been rounded to two decimal places for display purposes. As many as eight decimal places may be present in the actual price. Due to the rounding calculations, the actual price may not display as expected when displayed on your Order. Nonetheless, the actual price on your invoice is the true and binding total for this Order for purposes of amounts owed for the term.</p> | | | |

UKG is aligning our product brand and announcing that the UKG Dimensions® and UKG Pro® solutions will be one product suite under the name UKG Pro. Click here to learn more and view examples of current to future names

<https://www.ukg.com/one-suite#WhatproductnamesarechangingunderUKGDimensions>



Service Request Order

This Service Request Order (SRO) outlines the scope of services to be provided by UKG and is/are subject to the terms and conditions set forth in the UKG Master Services Agreement (MSA) or such other existing underlying agreement between the Parties. Unless otherwise defined herein, words and expressions defined in the MSA shall have the same meaning in this SRO. In the event of a conflict or discrepancy between the terms in this SRO and the MSA, the MSA shall prevail.

| | | | |
|-------------------------------|------------------|-------------------------------|----------------------------|
| Customer Bill-to Name: | CITY OF REDMOND | Legal Entity: | UKG Kronos Systems LLC |
| Contact Name: | Courtney Miller | Solution Id: | 6115682 |
| Phone: | | Email: | cmiller@redmond.gov |
| | | Job Title: | Technology Project Manager |
| Creation Date: | 1/15/2026 | | |
| SR Number: | SR-2026-00117754 | Quote Expiration Date: | 2/14/2026 |
| Currency: | USD | | |

Scope of Services:

UKG will provide resource(s) to complete the following services:

| SRP Number | Service Name |
|-------------------------|--|
| SRP-2026-00117754 | Solutions Consultant |
| Description of Services | Additional Launch support, extension through April go live @75k - client is aware and has agreed that should another extension be required past April 1 go live they will incur and addition 25k per month. Current Launch team will remain in place to support the April go live. |

Service Warranty:

This Service Request will be considered complete after thirty (30) calendar days of delivery. Any defects must be submitted in writing by the Customer within this period. Reported defects that fall within the boundaries of this Service Request will be corrected at no cost to the Customer. Additional revisions not contained in the original scope will be considered a new request.

Service and Fee Assumptions:

- Projects are submitted for UKG resource assignment and scheduling upon Customer’s SRO approval.
- All services are contingent upon Customer involvement as mutually agreed to throughout the project.
- Additional requirements or revisions not contained in the original scope will be considered a new request and will require an additional SRO.
- All services will be performed remotely unless otherwise mutually agreed to in advance. Travel expenses are not included in SRO fees and will be invoiced separately if incurred as per the UKG Global Travel and Expense Policy.
- Customer agrees to pay UKG for all fees due pursuant to this SRO plus any applicable federal, state, and local taxes.
- Request details, service assumptions, and attachments for this SRO are available in the UKG Customer portal as applicable.

Fees and Billing:

Fixed Fee:

This SRO item is Fixed Fee and will be billed with one (1) payment:

- 100% of total fees billed upon approval of this SRO

| SRP Number | Work Location | Service Name | Quantity | Unit Price | Total Price |
|-------------------|---------------|----------------------|----------|---------------|---------------|
| SRP-2026-00117754 | Remote | Solutions Consultant | 1 | USD 75,000.00 | USD 75,000.00 |

Summary of Fees:

| Fee Totals | Total Price |
|-----------------|---------------|
| Total Fixed Fee | USD 75,000.00 |

Accepted and Agreed to:

CITY OF REDMOND

Signed by:
Signature: Courtney Miller
6A7AF732A35848C...

Contact Name: Courtney Miller
Job Title: Project Manager
Date Signed: 1/15/2026

