

# City of Redmond



## Agenda

### Business Meeting

**Tuesday, January 20, 2026**

**7:00 PM**

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

## City Council

*Mayor*

*Angela Birney*

*Councilmembers*

*Melissa Stuart, President*

*Angie Nuevacamina, Vice President*

*Jessica Forsythe*

*Vanessa Kritzer*

*Vivek Prakriya*

*Menka Soni*

*Vacant*

## REDMOND CITY COUNCIL

### AGENDA SECTION TITLE REFERENCE GUIDE

**Items From The Audience** provides an opportunity for community members to address the Council regarding any issue. Speakers must sign their intention to speak on a sheet located at the entrance of the Council Chamber, and limit comments to **three minutes**.

The **Consent Agenda** consists of routine items for which a staff recommendation has been prepared, and which do not require further Council discussion. A council member may ask questions about an item before the vote is taken, or request that an item be removed from the Consent Agenda and placed on the regular agenda for more detailed discussion. A single vote is taken to approve all items remaining on the Consent Agenda.

**Public Hearings** are held to receive public comment on important issues and/or issues requiring a public hearing by state statute. Community members wishing to comment will follow the same procedure as for 'Items from the Audience', and may speak after being recognized by the Mayor. After all persons have spoken, the hearing is closed to public comment. The Council then proceeds with its deliberation and decision making.

**Staff Reports** are presented to the Council by city staff on issues of interest to the Council which do not require Council action.

The **Ombudsperson Report** is made by the Councilmember who is serving as ombudsperson. The ombudsperson designation rotates among Council members on a monthly basis. She/he is charged with assisting community members in resolving issues with city services. The current ombudsperson is listed on the City Council webpage at [www.redmond.gov/189/city-council](http://www.redmond.gov/189/city-council).

The **Council Committees** are created to advise the Council as a whole. They consider, review, and make recommendations to the Council on policy matters in their work programs, as well as issues referred to them by the Council.

**Unfinished Business** consists of business or subjects returning to the Council for additional discussion or resolution.

**New Business** consists of subjects which have not previously been considered by Council and which may require discussion and action.

**Ordinances** are legislative acts or local laws. They are the most permanent and binding form of Council action and may be changed or repealed only by a subsequent ordinance. Ordinances normally become effective five days after they are published in the City's official newspaper.

**Resolutions** are adopted to express Council policy or to direct certain types of administrative action. A resolution may be changed by adoption of a subsequent resolution.

**Quasi-Judicial** proceedings are either closed record hearings (each side receiving ten minutes maximum to speak) or public hearings (each speaker allotted three minutes each to speak). Proceedings are those in which the City Council determines the rights or privileges of specific parties (Council Rules of Procedure, Section IV., J).

**Executive Sessions** - all regular and special meetings of the City Council are open to the public except for executive sessions at which subjects such as national security, property acquisition, contract bid negotiations, personnel issues and litigation are discussed.

**Redmond City Council Agendas, Meeting Videos, and Minutes are available on the City's Web Site:**

<https://redmond.legistar.com/>

**FOR ASSISTANCE AT COUNCIL MEETINGS FOR THE HEARING OR VISUALLY IMPAIRED:**

Please contact the City Clerk's office at (425) 556-2194 one week in advance of the meeting.

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

## **AGENDA**

### **ROLL CALL**

#### **I. EXECUTIVE SESSION**

- A. To Evaluate the Qualifications of Applicants for Public Employment (RCW 42.30.110(1)(g)) - 30 minutes

#### **II. SPECIAL ORDERS OF THE DAY**

- A. Council Vacancy Nominations, Selection of Appointment, and Swearing in of New Member

#### **III. ITEMS FROM THE AUDIENCE**

*Members of the public may address the City Council for a maximum of three minutes per person. Please use the speaker sign-up sheet located at the entry of the City Hall Council Chambers available from 6:30 - 7 p.m. on the day of the meeting.*

*In the event of difficulty attending a meeting in person, please contact the City Clerk (cityclerk@redmond.gov) by 2 p.m. on the day of the meeting to provide written public comment (400-word limit - please label your comment as "Items from the Audience") or for the remote comment registration form.*

#### **IV. CONSENT AGENDA**

##### **A. Consent Agenda**

1. Approval of the Minutes: January 6, 2026, Regular Meeting, and January 8 and 13, 2026, Special Meetings (recordings are available at Redmond.gov/rctv)

[Regular Meeting Minutes for January 6, 2026](#)

[Special Meeting Minutes for January 8, 2026](#)

[Special Meeting Minutes for January 13, 2026](#)

2. Approval of Payroll/Direct Deposit and Claims Checks

[Council Payroll Check Approval Register, November 28, 2025](#)

[Payroll Check Approval Register, December 1, 2025](#)

[Council Payroll Check Approval Register, December 31, 2025](#)

[Check Approval Register, January 20, 2026](#)

3. [AM No. 26-006](#) Approval of the Fifth Amendment to the Gallagher Services Contract to Provide Managed Payroll Backup Services

*Department: Human Resources*

[Attachment A: Fifth Amendment to Gallagher Contract](#)

[Attachment B: Fourth Amendment to Gallagher Contract](#)

[Attachment C: Third Amendment to Gallagher Contract](#)

[Attachment D: Second Amendment to Gallagher Contract](#)

[Attachment E: First Amendment to Gallagher Contract](#)

[Attachment F: Original Gallagher Contract-2021](#)

**Legislative History**

1/6/26 Committee of the Whole - referred to the City Council  
Planning and Public Works

4. [AM No. 26-007](#) Approval of the Correction of Two Classifications (grade FS30 and grade FS40) within the 2026 Fire Support “FS” Pay Plan

*Department: Human Resources*

[Attachment A: 2026 Fire Support “FS” Pay Plan Redline](#)

[Attachment B: 2026 Fire Support “FS” Pay Plan](#)

5. [AM No. 26-008](#) Appointment of Lodging Tax Advisory Committee Member

*Department: Executive*



6. [AM No. 26-009](#) Adoption of a Resolution Documenting Completion of Redmond 2050, the Periodic Update of the Comprehensive Plan

a. Resolution No. 1619: A Resolution of the City of Redmond, Washington, Completing the Redmond 2050 Comprehensive Plan Periodic Update

*Department: Planning and Community Development*

[Attachment A: Resolution](#)

Legislative History

1/6/26

Committee of the Whole -  
Planning and Public Works

referred to the City Council

**B. Items Removed from the Consent Agenda**

**V. HEARINGS AND REPORTS**

**A. Public Hearings**

**B. Reports**

**1. Staff Reports**

- a. [AM No. 26-010](#) PFAS Regulations and Redmond's Drinking Water

*Department: Public Works*

[Attachment A: Presentation](#)

[Attachment B: Executive Summary PFAS Detection in Drinking Water](#)

**2. Ombudsperson Report**

*December: Nuevacamina*

*January: Kritzer*

**3. Committee Reports**

**VI. UNFINISHED BUSINESS**

**VII. NEW BUSINESS**

**VIII. EXECUTIVE SESSION**

- A. To Consider the Selection of a Site or the Acquisition of Real Estate by Lease or Purchase [RCW 42.30.110(1)(b)] - 15 minutes

**IX. ADJOURNMENT**

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



# City of Redmond

15670 NE 85th Street  
Redmond, WA

## Memorandum

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**Date:** 1/20/2026  
**Meeting of:** City Council

**File No.** SPC 25-103  
**Type:** Executive Session

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To Evaluate the Qualifications of Applicants for Public Employment (RCW 42.30.110(1)(g)) - 30 minutes



# City of Redmond

15670 NE 85th Street  
Redmond, WA

## Memorandum

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**Date:** 1/20/2026  
**Meeting of:** City Council  
Day

**File No.** SPC 26-007  
**Type:** Special Orders of the

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Council Vacancy Nominations, Selection of Appointment, and Swearing in of New Member



# City of Redmond

15670 NE 85th Street  
Redmond, WA

## Memorandum

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**Date:** 1/20/2026  
**Meeting of:** City Council

**File No.** SPC 26-005  
**Type:** Minutes

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Approval of the Minutes: January 6, 2026, Regular Meeting, and January 8 and 13, 2026, Special Meetings (recordings are available at [Redmond.gov/rctv](http://Redmond.gov/rctv))

**CALL TO ORDER**

A Regular Meeting of the Redmond City Council was called to order by Mayor Angela Birney at 7 p.m. The meeting was held in the Redmond City Hall Council Chambers.

**ROLL CALL AND ESTABLISHMENT OF A QUORUM**

Present: Councilmembers Forsythe, Kritzer, Nuevacamina, Prakriya, Soni and Stuart

Absent: None

**SPECIAL ORDERS OF THE DAY:**

A. Nomination and Appointment of Council Leadership

Mayor Birney overviewed the nomination and appointment procedure to select the next Council President and Vice President. Nominations opened for the position of Council President.

Councilmember Stuart was nominated by Councilmember Kritzer.

Following Councilmember comments,

VOTE: Councilmember Stuart was nominated as Council President without objection. (6 - 0)

Mayor Birney opened nominations for Council Vice President.

Councilmember Nuevacamina was nominated by Councilmember Forsythe.

Following Councilmember comments,

VOTE: Councilmember Nuevacamina was nominated as Council Vice President without objection. (6 - 0)

Members of the Council proceeded with the seat selection process at the dais.

## ITEMS FROM THE AUDIENCE

Mayor Birney opened Items from the Audience at this time. The following persons spoke:

- Nathan Gibbs, John Duncan, Becca Silva, Casey Gillam, Peter Janis, and Brian Rowe - in opposition to the proposed noise ordinance with shortened hours for the Interlake Sporting Association;
- Sam Spinrad - issues while picketing Starbucks;
- Erin Hamilton - affordable housing;
- Wolfe Adriatico - history of the Old Firehouse Teen Center and teen programs;
- Alex Tsimerman - branches of government;
- David Morton - 2025 Environmental Sustainability Action Plan;
- Cordero Tiberes - affordability and increasing the minimum wage;
- Bob Yoder - outlawing gas-powered leaf blowers, Senior & Community Center, pay plans, and organizational chart;
- Tara Faraboui - outdoor exercise installations;
- Joe Kunzler - adopting rules for protecting public comment time; and
- Max Ruhlman - Old Firehouse Teen Center closure and rebuilding.

## CONSENT AGENDA

MOTION: Councilmember Forsythe moved to approve the Consent Agenda. The motion was seconded by Councilmember Stuart.

VOTE: The motion to approve the Consent Agenda passed without objection (6-0).

1. Approval of the Minutes: December 2, 2025, Regular Meeting
2. Approval of Payroll/Direct Deposit and Claims Checks

#188826 through #188826  
#194492 through #194498  
#1905 through #1905

\$17,904.64

#188842 through #188853

#195259 through #196019  
#1911 through #1915

\$4,489,588.72

#188859 through #188873  
#196032 through #196811  
#1917 through #1921

\$6,094,965.65

#15453 through #16033

\$2,099,116.97

3. AM No. 26-001: Approval of the Final Contract with Technical Systems Inc. (TSI), in the Amount of \$3,721,377, and Acceptance of Construction for the Control Systems and Telemetry Upgrades, Phase 2 and Phase 3 Project
4. AM No. 26-002: Approval of a Consultant Agreement with DKS Associates, for the Citywide Safe Speed Study and Audit Project, in the Amount of \$152,207
5. AM No. 26-003: Approval of the HSO Contract, in the Amount of \$603,071, to Support the City's D365 Financial System
6. AM No. 26-004: Approval of the 2026-2028 Collective Bargaining Agreement between the City of Redmond and Teamsters Local No. 117 Representing Police Lieutenants
  - a. Ordinance No. 3245: An ordinance of the City of Redmond, Washington Amending the 2026 "LT" Pay Plan for Employees Represented by the Teamsters Local No. 117 Representing Police Lieutenants

Mayor Birney read the ordinance title into the record.

**ITEMS REMOVED FROM THE CONSENT AGENDA: NONE**

## **HEARINGS AND REPORTS**

### Ombudsperson Reports:

Councilmember Nuevacamina reported receiving resident contacts regarding: immigration; Redmond Lights; Redmond Town Center; pay bands; band noise; pulling FLOCK



cameras; flooding; printed version of Redmond Moments; Safe Haven Cafesitas; and Housing Symposium.

Councilmember Kritzer reported receiving resident contacts regarding: Executive pay plan; public comment; community engagement methods; alternative crisis response; Recology; car incident; choosing leadership process; gas powered leaf blowers; and Starbucks union organizers.

Councilmember Forsythe reported receiving resident contacts regarding: gun club; immigration; small business owner; gas leaf blowers; striking Starbucks workers; Council vacancy process; flooding; and FEMA.

Councilmember Stuart reported receiving resident contacts regarding: office hours; housing affordability; FLOCK cameras; Council vacancy process; Transportation Master Plan; Overlake School - permanent supportive housing; and home health business.

#### Committee Reports:

Councilmember Forsythe provided committee reports:

- Eastrail; and
- Association of Washington Cities Education Committee.

Councilmember Kritzer provided committee reports:

- Sound Cities Association Board Meeting;
- Sound Cities Association North Cities Caucus;
- Council retreat date; and
- Eastside Transportation Partnership.

Councilmember Stuart provided committee reports:

- Sound Cities Association Nominating Committee;
- Committee of the Whole - Planning and Public Works; and
- Updates to the Council Rules of Procedure.

Mayor Birney spoke regarding being the Sound Cities Association Past President; Cascade Water Alliance Chair; and Councilmember committee appointments.

**UNFINISHED BUSINESS: NONE**

**NEW BUSINESS:**

A. AM No. 26-005: Approval of 2026 Non-Represented Pay Plans

1. Ordinance No. 3246: An Ordinance of the City of Redmond, Washington, Amending Pay Plan "E" in Order to Set Salaries for the Executive Employees for the Year 2026; Providing for Severability and Establishing an Effective Date
2. Ordinance No. 3247: An Ordinance of the City of Redmond, Washington, Amending Pay Plans "N" and "N-S," in Order to Set Salaries for the Non-Represented Employees for the Year 2026; Providing for Severability and Establishing an Effective Date
3. Ordinance No. 3248: An Ordinance of the City of Redmond, Washington, Amending Pay Plan "G-S" in Order to Set Salaries for the General Supplemental Employees for the Year 2026; Providing for Severability and Establishing an Effective Date

MOTION: Councilmember Forsythe moved to approve AM No. 26-005/Ordinance Nos. 3246, 3247, 3248. The motion was seconded by Councilmember Stuart.

Following Councilmember discussion,

VOTE: The motion to approve passed without objection (6-0).

**EXECUTIVE SESSION:**

- A. To Consider the Selection of a Site or the Acquisition of Real Estate by Lease or Purchase [RCW 42.30.110(1)(b)] - 15 minutes
- B. Potential Litigation [RCW 42.30.110(1)(i)] - 20 minutes

Mayor Birney announced the Council will now leave the meeting and go into Executive Session to Consider the Selection of a Site or the Acquisition of Real Estate by Lease or Purchase [RCW 42.30.110(1)(b)] for 15 minutes and Potential Litigation [RCW 42.30.110(1)(i)] for 20 minutes. Per state law, public attendance is not allowed during the Executive Session. Action will not take place following the Executive Session.

*Executive Session convened at 8:40 p.m., and ended at 9:15 p.m.*

**ADJOURNMENT**

There being no further business to come before the Council the regular meeting adjourned at 9:15 p.m.

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ANGELA BIRNEY, MAYOR

\_\_\_\_\_  
CITY CLERK

*Minutes Approved: January 20, 2026*

**CALL TO ORDER**

A Special Meeting of the Redmond City Council was held on January 8, 2026, at 8:30 a.m. The meeting was held at the Redmond Senior & Community Center.

**ROLL CALL AND ESTABLISHMENT OF A QUORUM**

Present: Councilmembers Forsythe, Kritzer, Nuevacamina, Prakriya, Soni and Stuart.

Absent: None

**CITY OF REDMOND LEGISLATIVE WARM-UP EVENT**

Members of the Council and Mayor Birney met with State Legislators for the Legislative Warm Up Event held at the Redmond Senior & Community Center. Discussion also included the EV Fire Engine, Hartman Park and the Maintenance and Operations Center.

**ADJOURNMENT**

The meeting adjourned at 9:30 a.m.

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ANGELA BIRNEY, MAYOR

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CITY CLERK

*Minutes Approved: January 20, 2026*

## **CALL TO ORDER**

A Special Meeting of the Redmond City Council was held on January 13, 2026, at 6 p.m. The meeting was held in the Council Chambers.

## **ROLL CALL AND ESTABLISHMENT OF A QUORUM**

Present: Councilmembers Forsythe, Kritzer, Nuevacamina, Prakriya, Soni and Stuart.

Absent: None

## **COUNCIL VACANCY INTERVIEWS**

Mayor Birney overviewed the process. Council President Stuart spoke regarding being involved with the city and the review of the applications. The Council proceeded with interviews for the open Council Position No. 1 seat.

Candidates interviewed:

- Kochukoshy (CK) Cheruvettolil
- Afnan Dallasheh
- Zahra Eslami
- Joanna Ziemian Kim
- Martha Jane (MJ) Krieps
- Dayle (Hank) Margeson
- Laura Mousseau
- Sayna Parsi
- Adam Powell
- Cari Pangelinan Scotkin
- Antoinette Smith

## **EXECUTIVE SESSION**

To Evaluate the Qualifications of Applicants for Public Employment (RCW 42.30.110(1)(g)) - 30 minutes

Mayor Birney announced the Council will now leave the meeting and go into Executive Session to Evaluate the Qualifications of Applicants for Public Employment (RCW 42.30.110(1)(g)) for 30 minutes. Per state law, public attendance is not allowed during the Executive Session.

*Executive Session convened at 9:15 p.m. The executive session time was increased by 10 minutes and ended at 9:58 p.m.*

**DELIBERATION AND DECISION ON TOP CANDIDATES**

Following the Executive Session, the Council returned to open session for nominations for the top candidates to advance to the second round of interviews.

MOTION: Councilmember Stuart moved to nominate Kochukoshy (CK) Cheruvettolil, Sayna Parsi and Antoinette Smith to advance to the second round of interviews. This nomination was seconded by Councilmember Forsythe.

VOTE: The motion passed without objection (6-0).

**ADJOURNMENT**

The meeting adjourned at 10:06 p.m.

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ANGELA BIRNEY, MAYOR

\_\_\_\_\_  
CITY CLERK

*Minutes Approved: January 20, 2026*



# City of Redmond

15670 NE 85th Street  
Redmond, WA

## Memorandum

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**Date:** 1/20/2026  
**Meeting of:** City Council

**File No.** SPC 26-006  
**Type:** Check Register

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Approval of Payroll/Direct Deposit and Claims Checks

City of Redmond  
Payroll Check Approval Register  
Pay period: 11/1 - 11/30/2025  
Check Date: 11/28/2025

Check Total:	\$	2,179.32
Direct Deposit Total:	\$	11,122.94
Wires & Electronic Funds Transfers:	\$	4,571.36
Grand Total:	\$	17,873.62

We, the undersigned Council members, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Redmond, and that we are authorized to authenticate and certify to said claim.

All Checks numbered **188854** through **188854** ,  
Direct deposits numbered **196023** through **196029** , and  
Electronic Fund transfers **1916** through **1916**  
are approved for payment in the amount of **\$17,873.62**  
on this **30th day of October 2025**.

**Note:**

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City of Redmond  
Payroll Final Check List  
Pay period: 11/1 - 11/30/2025  
Check Date: 11/28/2025

Total Checks and Direct deposit:	\$	14,418.30
Wire Wilmington Trust RICS (MEBT):	\$	3,455.32
Grand Total:	\$	17,873.62

I, the Human Resources Director, do hereby certify to the City Council, that the checks and direct deposits presented are true and correct to the best of my knowledge.

Signed by:  
  
7C0092BCC9C549B...  
Human Resources Director, City of Redmond  
Redmond, Washington

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City of Redmond  
Payroll Check Approval Register  
Pay period: 11/16 - 11/30/2025  
Check Date: 12/01/2025

Check Total:	\$	2,525.88
Direct Deposit Total:	\$	6,311.57
Wires & Electronic Funds Transfers:	\$	181.10
Grand Total:	\$	9,018.55

We, the undersigned Council members, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Redmond, and that we are authorized to authenticate and certify to said claim.

All Checks numbered **188855** through **188855** ,  
Direct deposits numbered **196030** through **196031** , and  
Electronic Fund transfers - through -  
are approved for payment in the amount of **\$9,018.55**  
on this **01st day of December 2025**.

**Note:**

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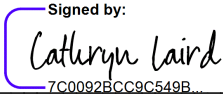
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City of Redmond  
Payroll Final Check List  
Pay period: 11/16 - 11/30/2025  
Check Date: 12/01/2025

Total Checks and Direct deposit:	\$	8,837.45
Wire Wilmington Trust RICS (MEBT):	\$	181.10
Grand Total:	\$	9,018.55

I, the Human Resources Director, do hereby certify to the City Council, that the checks and direct deposits presented are true and correct to the best of my knowledge.

Signed by:  
  
7C0092BCC9C549B...

Human Resources Director, City of Redmond  
Redmond, Washington

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City of Redmond  
Payroll Check Approval Register  
Pay period: 12/1 - 12/31/2025  
Check Date: 12/31/2025

Check Total:	\$	2,179.32
Direct Deposit Total:	\$	10,415.68
Wires & Electronic Funds Transfers:	\$	4,107.80
Grand Total:	\$	16,702.80

We, the undersigned Council members, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Redmond, and that we are authorized to authenticate and certify to said claim.

All Checks numbered **188962** through **188962** ,  
Direct deposits numbered **197595** through **197599** , and  
Electronic Fund transfers **1930** through **1930**  
are approved for payment in the amount of **\$16,702.80**  
on this **31st day of December 2025**.

**Note:**

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City of Redmond  
Payroll Final Check List  
Pay period: 12/1 - 12/31/2025  
Check Date: 12/31/2025

Total Checks and Direct deposit:	\$	13,515.55
Wire Wilmington Trust RICS (MEBT):	\$	3,187.25
Grand Total:	\$	16,702.80

I, the Human Resources Director, do hereby certify to the City Council, that the checks and direct deposits presented are true and correct to the best of my knowledge.

Signed by:  
  
7C0092BCC9C549B...  
Human Resources Director, City of Redmond  
Redmond, Washington

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I, Deputy Finance Director, do hereby certify to the City Council, that the checks for the month of December 2025 and January 2026 are true and correct to the best of my knowledge.

Signed by:  
  
D4B4F54F8E86438...

Haritha Narra, Deputy Finance Director, on Behalf of  
Kelley Cochran, Finance Director  
City of Redmond  
Redmond, Washington

We, the undersigned Councilmembers, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Redmond, and that we are authorized to authenticate and certify to said claim. All checks numbered 16034 through 16289, and Wire Transfers are approved for payment in the amount of 1,393,750.65 This 20th day of January 2026.

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## Memorandum

**Date:** 1/20/2026  
**Meeting of:** City Council

**File No.** AM No. 26-006  
**Type:** Consent Item

**TO:** Members of the City Council  
**FROM:** Mayor Angela Birney  
**DEPARTMENT DIRECTOR CONTACT(S):**

Human Resources	Cathryn Laird	425-556-2125
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**DEPARTMENT STAFF:**

Human Resources	Kseniya Daly	Deputy Human Resources Director
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**TITLE:**

Approval of the Fifth Amendment to the Gallagher Services Contract to Provide Managed Payroll Backup Services

**OVERVIEW STATEMENT:**

The Gallagher contract was executed on 10/01/2021 to provide Healthcare Broker Professional Services. The Human Resources department has a longstanding active relationship with Gallagher for Benefits Administration Services and are seeking to amend the current contract to include Payroll Consulting Services. This 5<sup>th</sup> amendment will provide Managed Payroll Backup Services.

☒ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☐ **Receive Information**      ☐ **Provide Direction**      ☒ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
N/A
- **Required:**  
Council approval is required for the amendment valuation
- **Council Request:**  
N/A
- **Other Key Facts:**  
The Gallagher contract has been amended three times since 2021 to renew the brokerage services. The most recent Amendment 4 in December 2025 is to add partial Payroll Procedural and System Optimization Audit Services.

**OUTCOMES:**

The managed processing of the City's payroll function through Gallagher's scope of work serves two purposes. First, with the HR/Payroll system being implemented through UKG Pro in 2026, a comprehensive review of the City's internal payroll processes, controls, technology and procedures through actual payroll processing is essential to assess effectiveness, efficiency, and completeness of current practices while identifying opportunities for necessary enhancements. Second, due to payroll complexities and reduced staffing anticipated over the next six months, the consultant will provide for continuity of payroll processing.

**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:**

Project #2: Managed Payroll Backup Services will be approximately \$13,350 per pay period for 12 pay periods (six months), resulting in a total estimated cost of \$160,200.

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

**Budget Offer Number:**

296 Human Resources

**Budget Priority:**

Strategic and Responsive

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

**If yes, explain:**

N/A

**Funding source(s):**

Human Resources 2025-2026 budget

**Budget/Funding Constraints:**

N/A

☐ **Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
1/6/2026	Committee of the Whole - Planning and Public Works	Provide Direction

**Proposed Upcoming Contact(s)**

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

**Time Constraints:**

Payroll Backup Services began in December 2025 to provide for consultant onboarding of the City's payroll services in preparation to be fully functioning by February 2026. Due to UKG Pro project timeline and staffing constraints, it is essential to meet this February due date.

**ANTICIPATED RESULT IF NOT APPROVED:**

If there is no viable payroll system backup, staffing constraints anticipated by February and into second quarter 2026 will negatively impact payroll processing. Additionally, a comprehensive review of the City's internal payroll processes, controls, technology and procedures to assess effectiveness, efficiency, and completeness of current practices will not occur or will not occur timely, which will impact the timeline of the implementation of UKG Pro, planned to go live in 2026.

**ATTACHMENTS:**

Attachment A: Fifth Amendment to Gallagher Contract  
Attachment B: Fourth Amendment to Gallagher Contract  
Attachment C: Third Amendment to Gallagher Contract  
Attachment D: Second Amendment to Gallagher Contract  
Attachment E: First Amendment to Gallagher Contract  
Attachment F: Original Gallagher Contract-2021

<b>Amendment No.</b> <u>5</u>		Organization and Address  Arthur J. Gallagher & Co. 777 108th AVE NE, Ste 200 Bellevue, WA 98004	
Original Agreement Number 9763		Phone:	
Project Number N/A		Execution Date 1/20/2026	Completion Date N/A
Project Title Payroll Procedural and System Optimization Audit Services Managed Payroll Backup Services		New Maximum Amount Payable Add \$160,200 for a total estimated maximum amount payable of \$562,825, hourly consumable service based on actual hours worked	
Description of Work Payroll and HR Technology consulting services			

The Local Agency of City of Redmond  
 desires to amend the agreement entered into with Arthur J. Gallagher & Co.  
 and executed on 10/1/2021 and identified as Agreement No. 9763 (the "Agreement"). All provisions  
 in the Agreement remain in effect except as expressly modified by this amendment. The changes to the Agreement as  
 set forth in the attached Exhibits A and B are by this reference made a part thereof and are described as follows:

**I**

- Exhibit A, SCOPE OF WORK and PAYMENT SCHEDULE, is hereby changed to add  
 the following Services described in Project #1 and Project #2 below and the  
 corresponding Fees therefor:

See Statement of Work for the following projects outlined within Exhibit A:

- Project #1: Payroll Procedural and System Optimization Audit Services.
- Project #2: Managed Payroll Backup Services.

- Exhibit B -Data & Information Security Agreement is hereby added to the Agreement.

If you concur with this amendment and agree to the changes as stated above, please sign in the appropriate spaces below  
 and return to this office for final action.

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
 Consultant Signature

\_\_\_\_\_  
 Approving Authority Signature

\_\_\_\_\_  
 Date

EXHIBIT A

Statement of Work

This **Statement of Work** (“**SOW**”) is entered into on December 18, 2025 (the “**Effective Date**”) pursuant to the terms and conditions of the Master Agreement for Professional Services dated 10/01/2021 (the “**Agreement**”), by and between **Gallagher Benefit Services, Inc.** (“**Gallagher**”) and The City of Redmond (“**Client**”). Capitalized terms used herein and not otherwise defined in this SOW shall have the same meaning ascribed to the in the Agreement.

Project #1	Payroll Procedural and System Optimization Audit Services
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1. Scope of Services:

The Services under this Amendment 4 shall consist exclusively of the following

Scope of Services	<p>Gallagher will conduct a full audit of the Client’s internal payroll processes, controls, technology and procedures to assess effectiveness, efficiency, and completeness of current practices while identifying areas for enhancement and / or improvement.</p> <p>An initial intake with the Client will define the audit’s goals, objectives, and timelines, resulting in a comprehensive project plan.</p> <p>Through a combination of interviews with key stakeholders and a review of any existing Client payroll procedural documentation and configuration, Gallagher will compile information necessary to conduct the audit. The areas to be reviewed and assessed may include (but are not limited to):</p> <ul style="list-style-type: none"><li>• New hire payroll onboarding processes.</li><li>• Full payroll lifecycle procedures, including:<ul style="list-style-type: none"><li>○ Adds.</li><li>○ Terminations.</li><li>○ Changes.</li><li>○ Rate changes.</li><li>○ Entries of additional compensation (i.e. bonuses and commissions).</li><li>○ Sign-off procedures.</li><li>○ System checks and balances.</li></ul></li><li>• Company and employee level coding procedures.</li><li>• Time &amp; attendance configuration and utilization.</li><li>• Workflow and approval processes.</li><li>• Utilization of automated vs. manual systems.</li><li>• Payroll data / information storage practices.</li><li>• Current payroll forms and collection processes.</li><li>• Custom field utilization.</li></ul>
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Automated and manual payroll entry processes and procedures, including:

- Pay data and grid usage.
- Non-exempt employee entry.
- Payroll information collection practices.
- Usage of forms and other paperwork.
- Payroll processing times.
- System override and manual intervention practices.
- Reporting requirements including union specific.
- Payroll review and reconciliation procedures, including a review of post-payroll manual reports vs. automated system generated reporting.
- Integration setups across HR and Payroll technologies and platforms, including PTO, Time and Attendance, HRIS, etc.
- Document storage methodologies and practices.
- Means by which employee's access and / or are provided with payroll related data.
- Data entry and employee information maintenance methodologies, including use of the system's new hire onboarding functions.

Upon completion of the audit, Gallagher will provide both a verbal presentation and written report outlining findings and recommendations to improve the Client's payroll processing function, including recommendations for client's future state technology platform.

## 2. Client Team:

<b>Client Project Manager</b>	Kseniya Daly
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## 3. Key Assumptions:

<b>Resource Level</b>	Payroll & HR Technology Manager
<b>Estimated Hours</b>	130 - 145 hours
<b>Initial Budget</b>	\$29,250 - \$32,625  *This budget is an estimate of the time and resources needed for the scope of services. Gallagher will invoice for actual time incurred, <i>which may vary based on Client needs</i> .

## 4. Fees.

<b>Invoicing Terms</b>	Gallagher shall invoice Client in arrears weekly for time expended in the prior week.
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Resource Level	Rate Per Hour
Payroll & HR Technology Specialist	\$150

Sr. Payroll & HR Technology Specialist	\$185
Payroll Tax Compliance Specialist	\$180
Payroll & HR Technology Manager	\$225
Payroll Tax Compliance Manager	\$225
Project Leader - Payroll & HR Technology	\$265
Practice Leader - Payroll & HR Technology	\$365

## 5. Termination.

<b>Maintain Hours; SOW Termination</b>	Except as provided in the Agreement, either Party may terminate this SOW for convenience upon sixty (60) days' advance written notice to the other Party (the " <b>Notice Period</b> "). During the Notice Period, Client agrees to pay Gallagher a lump sum, equal to the length of the Notice Period based on the same level of work performed by Gallagher prior to receiving Client's written notice. The "same level of work" will be defined by the prior 12-week average from the date of notification. If Gallagher did not work a full twelve (12) weeks, Gallagher will average the weeks that Gallagher actually performed the Services. During the Notice Period, Gallagher will continue to provide Services, if desired by Client, and Client agrees to pay the cost for Services that exceed the lump sum amount.
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<b>Project #2</b>	Managed Payroll Backup Services
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## 1. Scope of Services:

The Services shall consist exclusively of the following

<b>Scope of Services</b>	<p>Consultant will provide the Client with contingent Payroll support on an as needed basis, utilizing the Client's current technology vendor. Consultant will fully manage and administer the Client's payroll for approximately 800 employees and one (1) entity on dates designated by the Client. This may include (but is not limited to) the following support:</p> <p><b>Phase I – Managed Payroll Backup Services Onboarding</b></p> <p>Consultant will perform a full and comprehensive Client onboarding with the goal of documenting information in the form of SOPs needed to provide comprehensive and complete support. This one-time intake and set up may include (but is not limited to) the following areas:</p> <ul style="list-style-type: none"> <li>• Payroll technology, administration, and 3rd party solutions access.</li> <li>• Detailed and thorough review of the Client's payroll technology system.</li> <li>• Collection of critical data tied to the Client's payroll management.</li> <li>• Review of Payroll processes and documentation employed by the Client.</li> <li>• Reconciliation of prior quarters within the year of service start date.</li> <li>• Creation/update of new payroll instructions, tools, and other documentation as needed and directed by the Client.</li> </ul>
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The above information will be documented by Consultant and will be used as a guide for our team, both today and in the future. Onboarding will occur at the time of signature with Phase II being utilized on an as needed basis by the Client.

#### Phase II – Ongoing Managed Payroll Backup Services

- Full administration, processing, and submission of the Client's payroll.
- Liaison support between the Client and payroll technology vendor.
- Coordination with Client to gather all relevant payroll information.
- New employee set up and terminations.
- Change of status updates and garnishments.
- Maintenance of any direct vendor feeds / integrations.
- 401k / FSA vendor information uploads.
- Creation of custom reports.
- Updates to fields for rate changes, taxes, banking, etc.
- Manual check calculations.
- Compliance review to ensure payroll practices are in concert with any changing federal, state, or local laws.
- Review and research tied to tax notices.
- Off-cycle payroll transmissions (i.e., bonus payrolls).
- Union reporting.
- Review of quarterly tax reports, including validation of tax filings.
- W-2 review and reconciliation at year-end.

Services provided by the Consultant will be driven by the Client's precise needs and can be utilized for one off or ad hoc requests including for reporting or audit needs.

#### 2. Client Team:

<b>Client Project Manager</b>	Kseniya Daly
-------------------------------	--------------

#### 3. Key Assumptions:

<b>Resource Level</b>	Sr. Payroll & HR Technology Specialist and Payroll & HR Technology Manager
<b>Estimated Hours</b>	65 – 70 hours per pay period
<b>Initial Budget*:</b>	<ul style="list-style-type: none"> <li>• Initial One-Time only Onboarding Fee: \$10,000</li> <li>• \$12,425 - \$13,350 per pay period</li> </ul> <p>*This budget is an estimate of the time and resources needed for the scope of services. Consultant will invoice for actual time incurred, <i>which may vary based on Client needs.</i></p>

#### 4. Fees.

<b>Invoicing Terms</b>	Onboarding Fee of \$10,000 to be billed upon the full execution of Amendment 4 to the Agreement. Consultant shall invoice Client in arrears weekly for time expended in the prior week.
------------------------	---

Resource Level	Rate Per Hour
Payroll & HR Technology Specialist	\$150
Sr. Payroll & HR Technology Specialist	\$185
Payroll Tax Compliance Specialist	\$180
Payroll & HR Technology Manager	\$225
Payroll Tax Compliance Manager	\$225
Project Leader - Payroll & HR Technology	\$265
Practice Leader - Payroll & HR Technology	\$365

## 5. Termination.

<b>Maintain Hours; SOW Termination</b>	Except as provided in the MSA in Section 12, either party may terminate this project upon ninety (90) days' advance written notice (the " <b>Termination Period</b> "). During the Termination Period, Client agrees to pay Consultant a lump sum, based on the same level of work performed by Consultant prior to receiving Client's written notice. The same level of work will be defined by the prior 12-week average from the date of notification. If Consultant did not work a full 12 weeks, Consultant will average the weeks that Consultant actually performed Services. During the Termination Period, Consultant will continue to provide Services, if desired by Client, and Client agrees to pay the cost for Services that exceed the lump sum amount.
--	---

## 6. Additional Terms and Conditions.

a. All invoices shall be due and owing in accordance with the terms of the Agreement.

b. Gallagher shall invoice Client, and Client shall pay, one-and-one-half (1.5) the applicable hourly bill rate for individuals whose hours (including any travel time) exceed forty (40) hours in a work week.

c. In the event Client requests or requires Gallagher's participation or support in relation to any legal complaints, actions, or matters including, but not limited to, all tribunals and those matters related to Chief Human Resources Officer (CHRO) or any Equal Employment Opportunity Commission (EEOC) matters, including, without limitation, investigations, additional fees for such participation or support shall be invoiced by Gallagher and paid by Client at Gallagher's then-prevailing hourly rates in accordance with the terms of the Agreement.

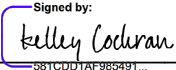
**7. Suspension.** If fees specified in Section 4 (Fees) for work in progress and expenses incurred by Gallagher are not paid to Gallagher within thirty (30) days of invoice receipt date, Gallagher may, in its sole discretion, suspend performance of the work or terminate this SOW for cause pursuant to the terms of the Agreement. Client's failure to pay such fees and expenses shall not relieve Client of its payment or other obligations.

**8. Non-Solicitation.** Client acknowledges that Gallagher goes through an extensive process in the sourcing and development of its consulting team, including vetting candidates for hire, comprehensive on-boarding and training programs, and our ongoing commitment to cultivation of their talents. Our personnel are bound by restrictions against accepting employment with our clients during their employment and for one year thereafter. The hiring away of our personnel by our clients represents a significant loss of our human capital investment, as well as a measurable financial impact to Gallagher. As such, it is never the desire of Gallagher to have any team member hired away by a client. Except as prohibited by local law or regulation, Client agrees that during the term of this Agreement and for a period of one (1) year following the date of termination, Client shall not hire any personnel of Gallagher. In the event Gallagher agrees to release personnel from their legal obligations to our firm, the cost to convert a team member to Client's employment shall be a fee of 50% of the personnel's first year's compensation. For purposes of this section "to hire" means to hire as an employee or otherwise to engage or retain as an independent contractor or consultant.

**9. Excused Non-Performance:** Gallagher’s performance is dependent upon Client’s effective performance of any Client responsibilities herein. Gallagher will be excused from performance in the event Client is unable to perform such responsibilities and such inability contributes to Gallagher’s failure to perform.

The terms and conditions contained in this SOW constitute the Parties’ complete understanding and agreement relating to the subject matter hereof. Notwithstanding anything to the contrary in the Agreement or elsewhere, in the event of a conflict between this SOW and the Agreement, the SOW will control. No other terms and conditions, beyond those contained herein, will be valid unless mutually agreed to by Client and Gallagher in a writing signed by authorized representatives of each Party.

**Client: The City of Redmond**

By:   
Signed by: 581CDD1AF989491...


Name: Kelley Cochran

Title: Finance Director

Date: 12/19/25

Address: 15670 NE 85th St, Redmond, WA 98052

**Gallagher Benefit Services, Inc.**

By:   
Signed by: DEEB012C6160453...

Name: Todd

Title: Miller

Date: 12/19/2025

Address: 383 Main Avenue, 4th Floor  
Norwalk, CT 06851

**Exhibit B****Data & Information Security Agreement**

**1. Data Safeguards and Standards.** Gallagher is solely responsible for any authorized or unauthorized collection, storage, disclosure and use of, and access to Client's Data or Client's Confidential Information in its possession or in the possession of its service providers, contractors, or agents. Accordingly, if Gallagher or any of its service providers, contractors, third-parties or agents has access to Client's Data or Client's Confidential Information, Gallagher shall implement and maintain, or ensure that its service providers, contractors, third-parties or agents implement and maintain, administrative, physical and technical safeguards ("**Safeguards**") that prevent any collection, use or disclosure of, or access to, Client's Data and/or Client's Confidential Information that this Agreement does not expressly authorize, including, without limitation, an information security program that meets best industry practice to safeguard such Client's Data and/or Client's Confidential Information. Gallagher shall strictly maintain the confidentiality, integrity, and availability of information and supporting information systems to sustain client confidentiality, accurately process transactions and financial reporting, and comply with all legal and regulatory requirements.

**(a) Information Security Program.** Gallagher's information security program shall include:

- adequate physical security of all premises in which Client's Data and/or Client's Confidential Information will be processed and/or stored;
- reasonable precautions taken with respect to the employment of and access given to all personnel furnished or engaged, directly or indirectly, by Gallagher to perform any part of the services hereunder; and
- an appropriate network security program, including encryption or other secure form approved in advance by Client, of any Client's Confidential Information, or any other Client's Data that is collected, processed, transmitted, stored, accessed, processed or maintained by Gallagher or its service providers, contractors, third-parties or agents on its or their networks, systems, and premises (collectively, the "**Gallagher System**").

**(b) Network Security Program.** Gallagher's network security program shall include (without limitation) the following:

- appropriate access controls and data integrity controls, including without limitation, ensuring that: (i) authentication credentials have an expiration period that allows time for the transfer of data, but are not continuously left open; (ii) password complexity standards are implemented to protect Client's Data and/or Client's Confidential Information from malicious access; and (iii) a process is implemented to log individual access to Client's Data and/or Client's Confidential Information;
- testing and auditing of all controls; and
- appropriate corrective action and incident response plans. Gallagher must maintain an acceptable level of security certification or assessment by a qualified third party. Such certifications applicable to the Gallagher System shall be provided as described in Section (3) below to Client as reasonably requested, provided the requisite non-disclosure agreement has been executed by Client.

**(c) Security Policies.** Gallagher shall develop and maintain defined security policies in place for user administration, administrator accounts, physical security, network security, and electronic media handling. These policies shall be evaluated annually and modified as necessary. On an annual basis, Gallagher is audited for Sarbanes Oxley compliance, the results of which are available in Gallagher's annual 10-K report on the AJG website at <http://www.ajg.com>, under Investor Relations > SEC Filings. The internal and external network architecture for each local office is documented and approved by the Division CIO or designee quarterly. All Gallagher networks are monitored for unauthorized activity. Malicious or suspicious activity is reported according to internal Gallagher Policies and corresponding legislative requirements.

- (d) HIPAA. As a Business Associate under HIPAA regulations, Gallagher shall maintain HIPAA compliance protocols throughout its organization. Gallagher shall maintain HIPAA officers on staff in each region, as well as at the corporate level. These officers and their staff shall conduct internal compliance audits and enforce adherence to applicable regulations. Gallagher shall ensure strict adherence its policies and HIPAA requirements and shall mandate that any transmission of Personal Health Information, Personal Financial Information, or any other personal identifying information is encrypted and/or transferred via secure data site or means.
- (e) Client Records Management Protocol. To ensure that Gallagher's infrastructure complies with all applicable state, federal, and industry regulations, Gallagher has implemented and shall maintain policies outlining system controls over governance, security administration, data backup, change control, problem management, and system development within the IT environment at Gallagher. Consistent policies are enforced to preserve the integrity and security of all data processed, stored, and transmitted throughout its information systems. This includes the use of encryption technology to both store and transmit information when appropriate. Gallagher will follow the principle of least privilege when granting access to company resources.
- (f) Document Management System. Gallagher maintains a robust set of standards for its client management process. This process includes the accurate logging and tracking of all documents and communications through its Document Management System (DMS). The DMS ensures that schedules are followed, HIPAA standards are met, and team assignments as well as collaboration efforts are clearly stated. Gallagher commits to the same day return of client phone calls, as well as providing clients access to its consultant's cell phones to ensure urgent matters are addressed promptly.
- (g) FAIR Risk Assessment. Gallagher's Global IT Policies and Standards includes requirements for conducting annual Factor Analysis of Information Risk (FAIR) by an external party. The assessment activities are based on the FAIR methodology, a quantitative model for information security and operational risk. The assessment builds upon technology and cyber risk assessments from previous years and includes the following activities: Identification of New Assets and Threats, Quantitative Risk Analysis, and Assessment Results and Report.

## 2. Security Breach.

- (a) Notice. Upon confirmation of an identified security breach, Gallagher will promptly notify Client of:
- any actual breach of security of the Gallagher Systems;
  - any actual unauthorized access to or acquisition, use, loss, destruction, alteration, compromise or disclosure of any Client's Data or Client's Confidential Information on Gallagher Systems; or
  - any circumstance pursuant to which applicable law requires notification of such breach to be given to affected parties or other activity in response to such circumstance (each, a "**Security Breach**").

Notwithstanding the foregoing, to the extent not prohibited by applicable law, Client shall make the final decision on notifying Client customers, users, employees, service vendors and/or the general public of such Security Breach. If a notification to Client's customers or users is required under any applicable law, guidelines or best practice, then in addition to all other costs arising out of or in connection with such Security Breach, and without prejudice to all other rights and remedies available to Client under this Agreement, at law or in equity, Gallagher shall reimburse Client for all reasonable notification related costs and other expenses incurred by Client arising out of or in connection with any such Security Breach. For the avoidance of doubt, Gallagher shall not be required to notify Customer of any unsuccessful attempts or activities that do not compromise the security of Customer's sensitive data, including unsuccessful log-in attempts, pings, port scans, denial of service attacks, and other network attacks on firewalls or networked systems.

(b) **Corrective Measures.** In the event of a Security Breach, Gallagher shall: (i) promptly provide to Client a summary description of the incident, the Client's Data and/or Client's Confidential Information accessed, the identity of affected third parties, if any, and such other information as Client may request concerning the Security Breach; (ii) assist Client in investigating, remedying and taking any other action Client deems necessary regarding any Security Breach and any dispute, inquiry or claim that concerns the Security Breach; (iii) shall take prompt actions that such Security Breach or potential Security Breach will not recur; and (iv) cooperate with Client and any law enforcement or regulatory official investigating such Security Breach.

### 3. **Certifications & Documentation.**

(a) **SOC 2 Type 2.** Client may request a copy of Gallagher's annual SOC2 report, or its equivalent, upon signing a requisite non-disclosure agreement. Client agrees that all information or reports shared with Client by Gallagher shall be considered Gallagher Confidential Information and shall not be disclosed by Client to any third-party (including Client's independent auditors) without Gallagher's prior written approval. Gallagher will bear all costs and expenses associated with obtaining and delivering the SOC 2 report or its equivalent.

(b) **Standard Information Gathering (SIG) Lite.** Upon request, Gallagher will provide Client a copy of its updated *Standard Information Gathering (SIG) Lite* document upon Client signing a non-disclosure agreement, and Gallagher is also able to provide Client with the following:

- Security Assurance Reference (SAR) Guide.docx;
- NYDFS Compliance Letter;
- AJG IT Policy TOC;
- Gallagher Global Cybersecurity Services Overview document; and
- Gallagher Cyber Risk Assessment Letter.

4. **Third-party Providers.** Client understands that Client Data may reside with a third-party data center provider subcontracted by Gallagher, and to the extent Client wishes to obtain equivalent type reports from such third-party provider, Client must make the necessary request directly from the third-party provider, as such reports would be considered third-party confidential information Gallagher is not permitted to provide to Client. In addition, core partners used within Gallagher's infrastructure include Microsoft, IBM, Cisco, and HP.

The following certifications are in place for Gallagher's third-party data center provider, CenterSquare Investment Management, LLC (formerly Cyxtera).

- SOC 1 Type 2;
- SOC 2 Type 2;
- NIST; and
- ISO 27001.

Client may access CenterSquare's certifications and reports available at [www.centersquare.com](http://www.centersquare.com).

5. **Right to Terminate.** Gallagher acknowledges that Client shall have the right to terminate this Agreement immediately, without further payment to Gallagher, and without prejudice to Client's rights and remedies under this agreement, in the event that Gallagher uses or permits the use of Client's Data or Client's Confidential Information other than as permitted in connection with the performance of the services under this Agreement, or if there is otherwise a breach in any Client's Data or Client's Confidential Information.

6. **Effect of Termination.** Gallagher will, for a minimum period of sixty (60) days following the termination of this Agreement, maintain Client's Data and Client's Confidential Information that is residing on its servers as of the date of termination. Upon the written request of Client as permitted herein, Gallagher will as soon as is reasonably practicable, return a copy of Client's Data and Client's Confidential Information in a manner



determined by Client. Gallagher will also delete all Client production environments from Gallagher servers and verify such deletion in writing to Client. However, Gallagher may retain a copy of the Confidential Information which forms part of its work product to demonstrate compliance with this agreement and Gallagher shall not be required to erase electronically stored Confidential Information that has been saved to a back-up file in accordance with its document retention policies or applicable law. Gallagher shall continue to protect such Confidential Information in accordance with this agreement.

7. Gallagher shall not access, use, or disclose Client's Data in any manner that would constitute a violation of state or federal law, the terms of this agreement. Gallagher may only provide access to authorized users who have a legitimate business need to access, use or disclose Client Data in the performance of Gallagher's duties to Client.
8. Gallagher shall only use or access Client Data in accordance with, and only to the extent permissible, under this agreement.
9. If Gallagher requires access to a Client software system, then each authorized user must have a unique sign-on identification and password for access to Client Data on Client systems. Authorized users are prohibited from sharing their login credentials, and may only receive such credentials upon execution of the Client's Authorized User Access Agreement, as mutually agreed to by the parties. Gallagher shall notify Client within one (1) day of the departure of any authorized user, so that Client may terminate such authorized user's access to Client software systems.



## City Contract Routing Form

City Contract #: 9763-4

## 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: 12/18/2025 Department: Human Resources Division: HR Mail Stop: 3NHRProject Administrator Name: Cathryn Laird Extension: 2125

Project Manager Name (if different than above): \_\_\_\_\_ Extension: \_\_\_\_\_

Contract Type: Consulting Services If other, please indicate: \_\_\_\_\_Contract Title: Gallagher Professional Services Amendment 4Contractor/Consultant Business Name: Arthur J. Gallagher & Co.Contract Description: Payroll Procedural and System Optimization Audit Services; Managed Payroll Backup Services\$360,000 to budget #511.32006.00410.51737, existing PO on file.\$42,625 to budget #100.31302.00410.51810Project ID #: \_\_\_\_\_ Project Category: \_\_\_\_\_ Budget/Account #: see comments above

Council Approval Date: \_\_\_\_\_ Agenda Memo #: \_\_\_\_\_ RFP/IFB/RFQ #: \_\_\_\_\_

☐ New Contract

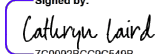
Total Amount: \_\_\_\_\_

Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

Renewal Option (Y/N): \_\_\_\_\_ If yes, how many? \_\_\_\_\_

☒ Amendment/Renewal/Change Order #: 4 Original CC #: 9763New Start Date: 12/18/2025 New End Date: 9/30/2027Current Contract Amount (including all previous amendments/change orders): \$360,000Amount of this Amendment/Change Order (proposed increase/decrease): \$42,625New/Cumulative Contract Amount: \$402,625

## Section 3 – Route Contract for Signatures and Approvals

☒ Department Director or Designee:  Cathryn Laird Date: 12/19/2025 Comments: \_\_\_\_\_

☐ TIS Director: \_\_\_\_\_ Date: \_\_\_\_\_ Comments: \_\_\_\_\_

☒ City Attorney:  Rebecca Mueller Date: 12/19/2025 Comments: \_\_\_\_\_

☒ Risk Manager:  Kelley Cochran Date: 12/19/2025 Comments: \_\_\_\_\_

☒ Mayor or Designee:  Kelley Cochran (Mayor Designee) Date: 12/19/2025 Comments: \_\_\_\_\_

☒ City Clerk's Office:  Cheryl Xanthos Date: 12/19/2025 Comments: Electronic Original - in Hummingbird

☒ Purchasing: no signature required – for copy only



<b>Amendment No.</b> <u>4</u>		Organization and Address  Arthur J. Gallagher & Co. 777 108th AVE NE, Ste 200 Bellevue, WA 98004	
Original Agreement Number 9763		Phone:	
Project Number N/A		Execution Date 12/18/2025	Completion Date N/A
Project Title Payroll Procedural and System Optimization Audit Services Managed Payroll Backup Services		New Maximum Amount Payable \$TBD, hourly consumable service based on actual hours worked	
Description of Work Payroll and HR Technology consulting services			

The Local Agency of City of Redmond

desires to amend the agreement entered into with Arthur J. Gallagher & Co.

and executed on 10/1/2021 and identified as Agreement No. 9763 (the "Agreement"). All provisions in the Agreement remain in effect except as expressly modified by this amendment. The changes to the Agreement as set forth in the attached Exhibits A and B are by this reference made a part thereof and are described as follows:

**I**

- Exhibit A, SCOPE OF WORK and PAYMENT SCHEDULE, is hereby changed to add the following Services described in Project #1 and Project #2 below and the corresponding Fees therefor:

See Statement of Work for the following projects outlined within Exhibit A:

- Project #1: Payroll Procedural and System Optimization Audit Services.
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- Exhibit B -Data & Information Security Agreement is hereby added to the Agreement.

If you concur with this amendment and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Todd Miller

By: Kelley Cochran

Signed by:  
Todd Miller  
DEEBC12C6160453...

Consultant Signature

Signed by:  
Kelley Cochran  
581CDD1AF985491...

Approving Authority Signature

12/19/2025

Date

EXHIBIT A  
Statement of Work

This **Statement of Work** (“**SOW**”) is entered into on December 18, 2025 (the “**Effective Date**”) pursuant to the terms and conditions of the Master Agreement for Professional Services dated 10/01/2021 (the “**Agreement**”), by and between **Gallagher Benefit Services, Inc.** (“**Gallagher**”) and The City of Redmond (“**Client**”). Capitalized terms used herein and not otherwise defined in this SOW shall have the same meaning ascribed to the in the Agreement.

Project #1	Payroll Procedural and System Optimization Audit Services
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1. Scope of Services:

The Services under this Amendment 4 shall consist exclusively of the following

Scope of Services	<p>Gallagher will conduct a full audit of the Client’s internal payroll processes, controls, technology and procedures to assess effectiveness, efficiency, and completeness of current practices while identifying areas for enhancement and / or improvement.</p> <p>An initial intake with the Client will define the audit’s goals, objectives, and timelines, resulting in a comprehensive project plan.</p> <p>Through a combination of interviews with key stakeholders and a review of any existing Client payroll procedural documentation and configuration, Gallagher will compile information necessary to conduct the audit. The areas to be reviewed and assessed may include (but are not limited to):</p> <ul style="list-style-type: none"><li>• New hire payroll onboarding processes.</li><li>• Full payroll lifecycle procedures, including:<ul style="list-style-type: none"><li>○ Adds.</li><li>○ Terminations.</li><li>○ Changes.</li><li>○ Rate changes.</li><li>○ Entries of additional compensation (i.e. bonuses and commissions).</li><li>○ Sign-off procedures.</li><li>○ System checks and balances.</li></ul></li><li>• Company and employee level coding procedures.</li><li>• Time &amp; attendance configuration and utilization.</li><li>• Workflow and approval processes.</li><li>• Utilization of automated vs. manual systems.</li><li>• Payroll data / information storage practices.</li><li>• Current payroll forms and collection processes.</li><li>• Custom field utilization.</li></ul>
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Automated and manual payroll entry processes and procedures, including:

- Pay data and grid usage.
- Non-exempt employee entry.
- Payroll information collection practices.
- Usage of forms and other paperwork.
- Payroll processing times.
- System override and manual intervention practices.
- Reporting requirements including union specific.
- Payroll review and reconciliation procedures, including a review of post-payroll manual reports vs. automated system generated reporting.
- Integration setups across HR and Payroll technologies and platforms, including PTO, Time and Attendance, HRIS, etc.
- Document storage methodologies and practices.
- Means by which employee's access and / or are provided with payroll related data.
- Data entry and employee information maintenance methodologies, including use of the system's new hire onboarding functions.

Upon completion of the audit, Gallagher will provide both a verbal presentation and written report outlining findings and recommendations to improve the Client's payroll processing function, including recommendations for client's future state technology platform.

## 2. Client Team:

<b>Client Project Manager</b>	Kseniya Daly
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## 3. Key Assumptions:

<b>Resource Level</b>	Payroll & HR Technology Manager
<b>Estimated Hours</b>	130 - 145 hours
<b>Initial Budget</b>	\$29,250 - \$32,625  *This budget is an estimate of the time and resources needed for the scope of services. Gallagher will invoice for actual time incurred, <i>which may vary based on Client needs.</i>

## 4. Fees.

<b>Invoicing Terms</b>	Gallagher shall invoice Client in arrears weekly for time expended in the prior week.
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Resource Level	Rate Per Hour
Payroll & HR Technology Specialist	\$150

Sr. Payroll & HR Technology Specialist	\$185
Payroll Tax Compliance Specialist	\$180
Payroll & HR Technology Manager	\$225
Payroll Tax Compliance Manager	\$225
Project Leader - Payroll & HR Technology	\$265
Practice Leader - Payroll & HR Technology	\$365

## 5. Termination.

<b>Maintain Hours; SOW Termination</b>	Except as provided in the Agreement, either Party may terminate this SOW for convenience upon sixty (60) days' advance written notice to the other Party (the " <b>Notice Period</b> "). During the Notice Period, Client agrees to pay Gallagher a lump sum, equal to the length of the Notice Period based on the same level of work performed by Gallagher prior to receiving Client's written notice. The "same level of work" will be defined by the prior 12-week average from the date of notification. If Gallagher did not work a full twelve (12) weeks, Gallagher will average the weeks that Gallagher actually performed the Services. During the Notice Period, Gallagher will continue to provide Services, if desired by Client, and Client agrees to pay the cost for Services that exceed the lump sum amount.
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<b>Project #2</b>	Managed Payroll Backup Services
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## 1. Scope of Services:

The Services shall consist exclusively of the following

<b>Scope of Services</b>	<p>Consultant will provide the Client with contingent Payroll support on an as needed basis, utilizing the Client's current technology vendor. Consultant will fully manage and administer the Client's payroll for approximately 800 employees and one (1) entity on dates designated by the Client. This may include (but is not limited to) the following support:</p> <p><b>Phase I – Managed Payroll Backup Services Onboarding</b></p> <p>Consultant will perform a full and comprehensive Client onboarding with the goal of documenting information in the form of SOPs needed to provide comprehensive and complete support. This one-time intake and set up may include (but is not limited to) the following areas:</p> <ul style="list-style-type: none"> <li>• Payroll technology, administration, and 3rd party solutions access.</li> <li>• Detailed and thorough review of the Client's payroll technology system.</li> <li>• Collection of critical data tied to the Client's payroll management.</li> <li>• Review of Payroll processes and documentation employed by the Client.</li> <li>• Reconciliation of prior quarters within the year of service start date.</li> <li>• Creation/update of new payroll instructions, tools, and other documentation as needed and directed by the Client.</li> </ul>
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The above information will be documented by Consultant and will be used as a guide for our team, both today and in the future. Onboarding will occur at the time of signature with Phase II being utilized on an as needed basis by the Client.

#### Phase II – Ongoing Managed Payroll Backup Services

- Full administration, processing, and submission of the Client's payroll.
- Liaison support between the Client and payroll technology vendor.
- Coordination with Client to gather all relevant payroll information.
- New employee set up and terminations.
- Change of status updates and garnishments.
- Maintenance of any direct vendor feeds / integrations.
- 401k / FSA vendor information uploads.
- Creation of custom reports.
- Updates to fields for rate changes, taxes, banking, etc.
- Manual check calculations.
- Compliance review to ensure payroll practices are in concert with any changing federal, state, or local laws.
- Review and research tied to tax notices.
- Off-cycle payroll transmissions (i.e., bonus payrolls).
- Union reporting.
- Review of quarterly tax reports, including validation of tax filings.
- W-2 review and reconciliation at year-end.

Services provided by the Consultant will be driven by the Client's precise needs and can be utilized for one off or ad hoc requests including for reporting or audit needs.

#### 2. Client Team:

<b>Client Project Manager</b>	Kseniya Daly
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#### 3. Key Assumptions:

<b>Resource Level</b>	Sr. Payroll & HR Technology Specialist and Payroll & HR Technology Manager
<b>Estimated Hours</b>	65 – 70 hours per pay period
<b>Initial Budget*:</b>	<ul style="list-style-type: none"> <li>• Initial One-Time only Onboarding Fee: \$10,000</li> <li>• \$12,425 - \$13,350 per pay period</li> </ul> <p>*This budget is an estimate of the time and resources needed for the scope of services. Consultant will invoice for actual time incurred, <i>which may vary based on Client needs.</i></p>

#### 4. Fees.

<b>Invoicing Terms</b>	Onboarding Fee of \$10,000 to be billed upon the full execution of Amendment 4 to the Agreement. Consultant shall invoice Client in arrears weekly for time expended in the prior week.
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Resource Level	Rate Per Hour
Payroll & HR Technology Specialist	\$150
Sr. Payroll & HR Technology Specialist	\$185
Payroll Tax Compliance Specialist	\$180
Payroll & HR Technology Manager	\$225
Payroll Tax Compliance Manager	\$225
Project Leader - Payroll & HR Technology	\$265
Practice Leader - Payroll & HR Technology	\$365

## 5. Termination.

<b>Maintain Hours; SOW Termination</b>	Except as provided in the MSA in Section 12, either party may terminate this project upon ninety (90) days' advance written notice (the " <b>Termination Period</b> "). During the Termination Period, Client agrees to pay Consultant a lump sum, based on the same level of work performed by Consultant prior to receiving Client's written notice. The same level of work will be defined by the prior 12-week average from the date of notification. If Consultant did not work a full 12 weeks, Consultant will average the weeks that Consultant actually performed Services. During the Termination Period, Consultant will continue to provide Services, if desired by Client, and Client agrees to pay the cost for Services that exceed the lump sum amount.
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## 6. Additional Terms and Conditions.

a. All invoices shall be due and owing in accordance with the terms of the Agreement.

b. Gallagher shall invoice Client, and Client shall pay, one-and-one-half (1.5) the applicable hourly bill rate for individuals whose hours (including any travel time) exceed forty (40) hours in a work week.

c. In the event Client requests or requires Gallagher's participation or support in relation to any legal complaints, actions, or matters including, but not limited to, all tribunals and those matters related to Chief Human Resources Officer (CHRO) or any Equal Employment Opportunity Commission (EEOC) matters, including, without limitation, investigations, additional fees for such participation or support shall be invoiced by Gallagher and paid by Client at Gallagher's then-prevailing hourly rates in accordance with the terms of the Agreement.

**7. Suspension.** If fees specified in Section 4 (Fees) for work in progress and expenses incurred by Gallagher are not paid to Gallagher within thirty (30) days of invoice receipt date, Gallagher may, in its sole discretion, suspend performance of the work or terminate this SOW for cause pursuant to the terms of the Agreement. Client's failure to pay such fees and expenses shall not relieve Client of its payment or other obligations.


**8. Non-Solicitation.** Client acknowledges that Gallagher goes through an extensive process in the sourcing and development of its consulting team, including vetting candidates for hire, comprehensive on-boarding and training programs, and our ongoing commitment to cultivation of their talents. Our personnel are bound by restrictions against accepting employment with our clients during their employment and for one year thereafter. The hiring away of our personnel by our clients represents a significant loss of our human capital investment, as well as a measurable financial impact to Gallagher. As such, it is never the desire of Gallagher to have any team member hired away by a client. Except as prohibited by local law or regulation, Client agrees that during the term of this Agreement and for a period of one (1) year following the date of termination, Client shall not hire any personnel of Gallagher. In the event Gallagher agrees to release personnel from their legal obligations to our firm, the cost to convert a team member to Client's employment shall be a fee of 50% of the personnel's first year's compensation. For purposes of this section "to hire" means to hire as an employee or otherwise to engage or retain as an independent contractor or consultant.



**9. Excused Non-Performance:** Gallagher’s performance is dependent upon Client’s effective performance of any Client responsibilities herein. Gallagher will be excused from performance in the event Client is unable to perform such responsibilities and such inability contributes to Gallagher’s failure to perform.

The terms and conditions contained in this SOW constitute the Parties’ complete understanding and agreement relating to the subject matter hereof. Notwithstanding anything to the contrary in the Agreement or elsewhere, in the event of a conflict between this SOW and the Agreement, the SOW will control. No other terms and conditions, beyond those contained herein, will be valid unless mutually agreed to by Client and Gallagher in a writing signed by authorized representatives of each Party.

**Client: The City of Redmond**

By:   
Signed by: 581CDD1AF989491...


Name: Kelley Cochran

Title: Finance Director

Date: 12/19/25

Address: 15670 NE 85th St, Redmond, WA 98052

**Gallagher Benefit Services, Inc.**

By:   
Signed by: DEEB012C6160453...

Name: Todd

Title: Miller

Date: 12/19/2025

Address: 383 Main Avenue, 4th Floor  
Norwalk, CT 06851

**Exhibit B****Data & Information Security Agreement**

**1. Data Safeguards and Standards.** Gallagher is solely responsible for any authorized or unauthorized collection, storage, disclosure and use of, and access to Client's Data or Client's Confidential Information in its possession or in the possession of its service providers, contractors, or agents. Accordingly, if Gallagher or any of its service providers, contractors, third-parties or agents has access to Client's Data or Client's Confidential Information, Gallagher shall implement and maintain, or ensure that its service providers, contractors, third-parties or agents implement and maintain, administrative, physical and technical safeguards ("**Safeguards**") that prevent any collection, use or disclosure of, or access to, Client's Data and/or Client's Confidential Information that this Agreement does not expressly authorize, including, without limitation, an information security program that meets best industry practice to safeguard such Client's Data and/or Client's Confidential Information. Gallagher shall strictly maintain the confidentiality, integrity, and availability of information and supporting information systems to sustain client confidentiality, accurately process transactions and financial reporting, and comply with all legal and regulatory requirements.

**(a) Information Security Program.** Gallagher's information security program shall include:

- adequate physical security of all premises in which Client's Data and/or Client's Confidential Information will be processed and/or stored;
- reasonable precautions taken with respect to the employment of and access given to all personnel furnished or engaged, directly or indirectly, by Gallagher to perform any part of the services hereunder; and
- an appropriate network security program, including encryption or other secure form approved in advance by Client, of any Client's Confidential Information, or any other Client's Data that is collected, processed, transmitted, stored, accessed, processed or maintained by Gallagher or its service providers, contractors, third-parties or agents on its or their networks, systems, and premises (collectively, the "**Gallagher System**").

**(b) Network Security Program.** Gallagher's network security program shall include (without limitation) the following:

- appropriate access controls and data integrity controls, including without limitation, ensuring that: (i) authentication credentials have an expiration period that allows time for the transfer of data, but are not continuously left open; (ii) password complexity standards are implemented to protect Client's Data and/or Client's Confidential Information from malicious access; and (iii) a process is implemented to log individual access to Client's Data and/or Client's Confidential Information;
- testing and auditing of all controls; and
- appropriate corrective action and incident response plans. Gallagher must maintain an acceptable level of security certification or assessment by a qualified third party. Such certifications applicable to the Gallagher System shall be provided as described in Section (3) below to Client as reasonably requested, provided the requisite non-disclosure agreement has been executed by Client.

**(c) Security Policies.** Gallagher shall develop and maintain defined security policies in place for user administration, administrator accounts, physical security, network security, and electronic media handling. These policies shall be evaluated annually and modified as necessary. On an annual basis, Gallagher is audited for Sarbanes Oxley compliance, the results of which are available in Gallagher's annual 10-K report on the AJG website at <http://www.ajg.com>, under Investor Relations > SEC Filings. The internal and external network architecture for each local office is documented and approved by the Division CIO or designee quarterly. All Gallagher networks are monitored for unauthorized activity. Malicious or suspicious activity is reported according to internal Gallagher Policies and corresponding legislative requirements.

- (d) HIPAA. As a Business Associate under HIPAA regulations, Gallagher shall maintain HIPAA compliance protocols throughout its organization. Gallagher shall maintain HIPAA officers on staff in each region, as well as at the corporate level. These officers and their staff shall conduct internal compliance audits and enforce adherence to applicable regulations. Gallagher shall ensure strict adherence its policies and HIPAA requirements and shall mandate that any transmission of Personal Health Information, Personal Financial Information, or any other personal identifying information is encrypted and/or transferred via secure data site or means.
- (e) Client Records Management Protocol. To ensure that Gallagher's infrastructure complies with all applicable state, federal, and industry regulations, Gallagher has implemented and shall maintain policies outlining system controls over governance, security administration, data backup, change control, problem management, and system development within the IT environment at Gallagher. Consistent policies are enforced to preserve the integrity and security of all data processed, stored, and transmitted throughout its information systems. This includes the use of encryption technology to both store and transmit information when appropriate. Gallagher will follow the principle of least privilege when granting access to company resources.
- (f) Document Management System. Gallagher maintains a robust set of standards for its client management process. This process includes the accurate logging and tracking of all documents and communications through its Document Management System (DMS). The DMS ensures that schedules are followed, HIPAA standards are met, and team assignments as well as collaboration efforts are clearly stated. Gallagher commits to the same day return of client phone calls, as well as providing clients access to its consultant's cell phones to ensure urgent matters are addressed promptly.
- (g) FAIR Risk Assessment. Gallagher's Global IT Policies and Standards includes requirements for conducting annual Factor Analysis of Information Risk (FAIR) by an external party. The assessment activities are based on the FAIR methodology, a quantitative model for information security and operational risk. The assessment builds upon technology and cyber risk assessments from previous years and includes the following activities: Identification of New Assets and Threats, Quantitative Risk Analysis, and Assessment Results and Report.

## 2. Security Breach.

- (a) Notice. Upon confirmation of an identified security breach, Gallagher will promptly notify Client of:
- any actual breach of security of the Gallagher Systems;
  - any actual unauthorized access to or acquisition, use, loss, destruction, alteration, compromise or disclosure of any Client's Data or Client's Confidential Information on Gallagher Systems; or
  - any circumstance pursuant to which applicable law requires notification of such breach to be given to affected parties or other activity in response to such circumstance (each, a "**Security Breach**").

Notwithstanding the foregoing, to the extent not prohibited by applicable law, Client shall make the final decision on notifying Client customers, users, employees, service vendors and/or the general public of such Security Breach. If a notification to Client's customers or users is required under any applicable law, guidelines or best practice, then in addition to all other costs arising out of or in connection with such Security Breach, and without prejudice to all other rights and remedies available to Client under this Agreement, at law or in equity, Gallagher shall reimburse Client for all reasonable notification related costs and other expenses incurred by Client arising out of or in connection with any such Security Breach. For the avoidance of doubt, Gallagher shall not be required to notify Customer of any unsuccessful attempts or activities that do not compromise the security of Customer's sensitive data, including unsuccessful log-in attempts, pings, port scans, denial of service attacks, and other network attacks on firewalls or networked systems.

(b) **Corrective Measures.** In the event of a Security Breach, Gallagher shall: (i) promptly provide to Client a summary description of the incident, the Client's Data and/or Client's Confidential Information accessed, the identity of affected third parties, if any, and such other information as Client may request concerning the Security Breach; (ii) assist Client in investigating, remedying and taking any other action Client deems necessary regarding any Security Breach and any dispute, inquiry or claim that concerns the Security Breach; (iii) shall take prompt actions that such Security Breach or potential Security Breach will not recur; and (iv) cooperate with Client and any law enforcement or regulatory official investigating such Security Breach.

### 3. **Certifications & Documentation.**

(a) **SOC 2 Type 2.** Client may request a copy of Gallagher's annual SOC2 report, or its equivalent, upon signing a requisite non-disclosure agreement. Client agrees that all information or reports shared with Client by Gallagher shall be considered Gallagher Confidential Information and shall not be disclosed by Client to any third-party (including Client's independent auditors) without Gallagher's prior written approval. Gallagher will bear all costs and expenses associated with obtaining and delivering the SOC 2 report or its equivalent.

(b) **Standard Information Gathering (SIG) Lite.** Upon request, Gallagher will provide Client a copy of its updated *Standard Information Gathering (SIG) Lite* document upon Client signing a non-disclosure agreement, and Gallagher is also able to provide Client with the following:

- Security Assurance Reference (SAR) Guide.docx;
- NYDFS Compliance Letter;
- AJG IT Policy TOC;
- Gallagher Global Cybersecurity Services Overview document; and
- Gallagher Cyber Risk Assessment Letter.

4. **Third-party Providers.** Client understands that Client Data may reside with a third-party data center provider subcontracted by Gallagher, and to the extent Client wishes to obtain equivalent type reports from such third-party provider, Client must make the necessary request directly from the third-party provider, as such reports would be considered third-party confidential information Gallagher is not permitted to provide to Client. In addition, core partners used within Gallagher's infrastructure include Microsoft, IBM, Cisco, and HP.

The following certifications are in place for Gallagher's third-party data center provider, CenterSquare Investment Management, LLC (formerly Cyxtera).

- SOC 1 Type 2;
- SOC 2 Type 2;
- NIST; and
- ISO 27001.

Client may access CenterSquare's certifications and reports available at [www.centersquare.com](http://www.centersquare.com).

5. **Right to Terminate.** Gallagher acknowledges that Client shall have the right to terminate this Agreement immediately, without further payment to Gallagher, and without prejudice to Client's rights and remedies under this agreement, in the event that Gallagher uses or permits the use of Client's Data or Client's Confidential Information other than as permitted in connection with the performance of the services under this Agreement, or if there is otherwise a breach in any Client's Data or Client's Confidential Information.

6. **Effect of Termination.** Gallagher will, for a minimum period of sixty (60) days following the termination of this Agreement, maintain Client's Data and Client's Confidential Information that is residing on its servers as of the date of termination. Upon the written request of Client as permitted herein, Gallagher will as soon as is reasonably practicable, return a copy of Client's Data and Client's Confidential Information in a manner

determined by Client. Gallagher will also delete all Client production environments from Gallagher servers and verify such deletion in writing to Client. However, Gallagher may retain a copy of the Confidential Information which forms part of its work product to demonstrate compliance with this agreement and Gallagher shall not be required to erase electronically stored Confidential Information that has been saved to a back-up file in accordance with its document retention policies or applicable law. Gallagher shall continue to protect such Confidential Information in accordance with this agreement.

7. Gallagher shall not access, use, or disclose Client's Data in any manner that would constitute a violation of state or federal law, the terms of this agreement. Gallagher may only provide access to authorized users who have a legitimate business need to access, use or disclose Client Data in the performance of Gallagher's duties to Client.
8. Gallagher shall only use or access Client Data in accordance with, and only to the extent permissible, under this agreement.
9. If Gallagher requires access to a Client software system, then each authorized user must have a unique sign-on identification and password for access to Client Data on Client systems. Authorized users are prohibited from sharing their login credentials, and may only receive such credentials upon execution of the Client's Authorized User Access Agreement, as mutually agreed to by the parties. Gallagher shall notify Client within one (1) day of the departure of any authorized user, so that Client may terminate such authorized user's access to Client software systems.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/16/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, LLC 300 S Riverside Plaza Ste 1500 Chicago IL 60606	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> 312-704-0100 <b>FAX (A/C, No):</b> 312-803-7443 <b>E-MAIL ADDRESS:</b>  <table style="width: 100%;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A : Arch Insurance Company</td> <td>11150</td> </tr> <tr> <td>INSURER B : Arch Indemnity Insurance Company</td> <td>30830</td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Arch Insurance Company	11150	INSURER B : Arch Indemnity Insurance Company	30830	INSURER C :		INSURER D :		INSURER E :		INSURER F :	
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INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															
<b>INSURED</b> Arthur J. Gallagher, LLC 2850 West Golf Road Rolling Meadows, IL 60008															

**COVERAGES****CERTIFICATE NUMBER:** 378285256**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b>  <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:	Y		41GPP4938418	10/1/2025	10/1/2026	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 \$
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			41CAB4938318 41CAB4939018	10/1/2025 10/1/2025	10/1/2026 10/1/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N	N / A	44WCI0501918 41WCI4938118	10/1/2025 10/1/2025	10/1/2026 10/1/2026	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Coverage extends to: Arthur J. Gallagher, LLC 10900 NE 8th Street, Suite 750, Bellevue, WA 98004

City of Redmond Washington is shown as Additional Insured solely with respect to General Liability coverage as required by written contract.

**CERTIFICATE HOLDER****CANCELLATION**
 City of Redmond Washington  
 15670 NE 85th St  
 Redmond WA 98052

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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# City Contract Routing Form

City Contract #: 9763-3



## Section 1 – Attach Contract Documents

(multiple files can be uploaded)

Is an insurance certificate attached?

☐ Yes

☒ No/Not applicable

Comments: Certificate already on file

## Section 2 – Fill Out Contract Details

Date: 9/3/2025 Department: Human Resources Division: Human Resources Mail Stop: 3NHR  
 Project Administrator Name: Nicole Bruce Extension: 2124  
 Project Manager Name (if different than above): \_\_\_\_\_ Extension: \_\_\_\_\_  
 Contract Type: Consulting Services If other, please indicate: \_\_\_\_\_  
 Contract Title: Gallagher Professional Services Amendment 3  
 Contractor/Consultant Business Name: Arthur J. Gallagher & Co.  
 Contract Description: Healthcare Broker

Project ID #: \_\_\_\_\_ Project Category: \_\_\_\_\_ Budget/Account #: 511.32006.00410.51737  
 Council Approval Date: 10/5/2021 Agenda Memo #: 21/151 RFP/IFB/RFQ #: 10733-21

☐ New Contract

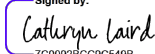
Total Amount: \_\_\_\_\_

Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

Renewal Option (Y/N): \_\_\_\_\_ If yes, how many? \_\_\_\_\_

☒ Amendment/Renewal/Change Order #: 3 Original CC #: 9763  
 New Start Date: 10/1/2025 New End Date: 9/30/2027  
 Current Contract Amount (including all previous amendments/change orders): \$360,000  
 Amount of this Amendment/Change Order (proposed increase/decrease): \$0  
 New/Cumulative Contract Amount: \$360,000

## Section 3 – Route Contract for Signatures and Approvals

☒ Department Director or Designee:  Date: 9/3/2025 Comments: \_\_\_\_\_

☐ TIS Director: \_\_\_\_\_ Date: \_\_\_\_\_ Comments: \_\_\_\_\_

☒ City Attorney:  Date: 9/4/2025 Comments: \_\_\_\_\_

☒ Risk Manager:  Date: 9/4/2025 Comments: \_\_\_\_\_

☒ Mayor or Designee:  Date: 9/4/2025 Comments: \_\_\_\_\_

☒ City Clerk's Office:  Date: 9/5/2025 Comments: Electronic Original - in Hummingbird

☒ Purchasing: no signature required – for copy only



<b>Amendment No.</b> <u>3</u>	Organization and Address Arthur J. Gallagher & Co. 10900 NE 8th Street, Suite 750 Bellevue, WA 98004	
Original Agreement Number 9763	Phone:	
Project Number NA	Execution Date 10/1/2025	Completion Date 9/30/2027
Project Title Healthcare Broker	New Maximum Amount Payable \$ \$360,000 for two years	
Description of Work Executing the second and last two year renewal term.		

The Local Agency of City of Redmond  
 desires to amend the agreement entered into with Arthur J. Gallagher & Co.  
 and executed on 10/1/2021 and identified as Agreement No. 9763  
 All provisions in the basic agreement remain in effect except as expressly modified by this amendment.

The changes to the agreement are described as follows:

I

Exhibit A, SCOPE OF WORK, is hereby changed to read:

No Changes

II

Exhibit B, PAYMENT SCHEDULE, is amended as follows:

No Changes

III

Exhibit C, PAYMENT OPTION FOR RENEWAL, shall be amended as follows:

The City reserves the right to amend this contract for one (1) additional two-year renewal term, for a potential maximum total term of six (6) years, upon written notice to the Consultant not later than 120 calendar days prior to expiration. If a renewal/extension is exercised, all terms and conditions of original contract shall remain in full force and effect. A renewal of this agreement shall be subject to the original contract. Acceptance of a renewal offer will be by mutual agreement of both parties. The Mayor or designee is authorized to execute this renewal option. Should the City exercise a renewal option, the City and Consultant may discuss any necessary changes to services and all contract provisions prior to such renewal. The Consultant has agreed to guarantee the term for two initial two-year agreement and two optional two-year renewal terms for a total maximum term of six years for the scope of work outlined in EXHIBIT C. Any changes to the scope of work may result in job costs and acceptance of such a contract will be at the sole discretion of the City.

as set forth in the attached Exhibits, and by this reference made a part of this amendment.

If you concur with this amendment and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Todd Miller

*Todd Miller*

Consultant Signature

By: Kelley Cochran (Mayor Designee)

Signed by:

*Kelley Cochran (Mayor Designee)*

SD9FC672714C4E4...

Approving Authority Signature

9/4/2025

Date



## **Exhibit A - Scope of Work**

---

### Benefit Strategy & Consulting

- Provide insurance brokerage and advisory services associated with self-insured, employee benefit plans. This includes, but is not limited to, negotiating with insurance providers, analyzing options, and making recommendations
- Contribute to the development of objectives and initiatives through strategic planning
- Advise the City regarding plan design issues, plan management, wellness, potential cost savings, and reducing health plan expenditures while retaining a competitive benefits program

### Actuarial Analysis & Reporting

- Conduct annual underwriting analysis of Medical, Dental and Vision financial experience, claims experience, and future funding requirements and provide oversight of the following:
  - Data collection
  - Analysis of data and validation of trends
  - Projection of expenses for the next fiscal year
  - Recommendations regarding funding reserves
  - Determination of funding rates and COBRA rates for the following plan year
  - Calculation of prospective employee and employer contributions
  - Assist with annual report to Office of Financial Management
  - Includes actuarial review and sign-off of underwriting analysis
- Competitively market stop loss annually or other lines of coverage, as needed

### Compliance & Regulatory Consulting

- Communicate information regarding changes in statutes, rules and regulations regarding our responsibility under federal and state laws, the Affordable Care Act (ACA), the management of benefits and the self-funded plan to the Mayor, an executive team, labor representatives, EBAC, employees and elected officials
- Provide legislative updates, including Technical Bulletins and Directions newsletters
- Review benefit plan documents, including summary plan descriptions, contracts, employee summaries, and policies/procedures
- Conduct periodic seminars on regulatory issues

### Account Management

- Manage plan changes with vendors as necessary
- Provide leadership and management of carrier relationships
- Review, coordinate and implement Client agreed upon plan "best practices" to help limit plan liability and increase participant satisfaction
- Help identify opportunities for streamlining and improving administration procedures

### Employee Education, Communications & Advocacy



- Provide custom open enrollment and new employee orientation benefit planners and/or bulletins and other communications pertaining to the health and welfare program
- Facilitate open enrollment with in-person meetings, benefits fair(s), webcasts (recorded or live)
- Build custom online self-service employee benefits portal
- Support HR, employees, and family members with employee advocacy
- Provide quarterly call log reporting of benefit advocacy center activity
- Assist with participant wellness initiatives, as directed by Client
- Provide monthly employee education flyer for distribution to employees

#### Employee Benefits Advisory Committee (EBAC)

- Meet with City representative and the Employee Benefits Advisory Committee (EBAC) monthly to communicate with employees and educate regarding statutory and/or legal requirements and the financial status of the program
- Collaboratively participate in agenda setting

#### Provide Administrative Services

- Single billing services



## Exhibit B - Payment Schedule

---

Based on Scope of Services outlined in Exhibit A we propose a monthly fee of \$9,004.50 per month. Gallagher will guarantee the fee for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years.

For Billing administration services, Gallagher proposes continuation of the following fee schedule and will guarantee fees for full six-year agreement.

- Single Billing Services \$6.25 PEPM fee, or \$3 PEPM while Premera is the TPA beginning 1/1/2024



## Exhibit C - Option for Renewal

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The City reserves the right to renew this contract for ~~one (1)~~ **zero (0)** additional two-year renewal terms, for a potential maximum total term of six (6) years, upon serving notice to Consultant within thirty (30) calendar days prior to expiration. If a renewal provision is exercised, all terms and conditions of original contract shall remain in full force and effect. A renewal will be accomplished through a separate contract with reference to the original contract. Acceptance of a renewal offer will be by mutual agreement of both parties. The Mayor or designee is authorized to exercise this renewal option.

Should the City exercise a renewal option, the City and Consultant may discuss any necessary changes to services and will confirm price/rates prior to each renewal. The Consultant has agreed to guarantee the fees for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years for the scope of work outlined in Exhibit A. Any changes to the scope of work may result in price/rates and acceptance of such a request will be at the sole discretion of the City.



## Exhibit D - Modifications

---

### **Consulting Services Agreement**

Page 4, Section 6 'Ownership of Work Product' which reads "Any and all documents, drawings, reports, and other work product produced by the CONSULTANT under this agreement shall become the property of the CITY upon payment of the CONSULTANT'S fees and charges therefore. The CITY shall have the complete right to use and re-use such work product in any manner deemed appropriate by the CITY, provided, that use on any project other than that for which the work product is prepared shall be at the CITY'S risk unless such use is agreed to by the CONSULTANT" is amended read: **"Gallagher will retain sole and exclusive ownership of all right, title and interest in and to its intellectual property and derivatives thereof which no data or confidential information of City was used to create and which was developed entirely using Gallagher's own resources. To the extent Gallagher's intellectual property is necessary for City to use the services provided, Gallagher will grant to City a non-exclusive, royalty-free license to Gallagher's intellectual property solely for City's use of such services."**

Page 5, Section 9 'Insurance,' which reads "Excepting the professional liability insurance, the City will be named on all insurance as additional insured" is amended to read: **"Gallagher will name the City as primary non-contributory additional insured on its Commercial General Liability Policy (not Worker's Compensation and Employer's Liability) and it will be via Certificate of Insurance, not an endorsement."**

Page 5, Section 9 'Insurance' - Insurance amounts for both general public liability & property damage, and professional liability insurance shall be increased from \$2,000,000 each to **\$5,000,000** each.

Page 5, Section 9 'Insurance,' which reads "No cancellation, reduction or modification of the foregoing policies shall be effective without thirty (30) days prior written notice to the City" is amended to read: **"Gallagher's insurers are not required to provide advance notice of cancellation/non-renewal via the terms of the policies. Therefore, Gallagher will not provide 30 days prior notice to its clients of changes in policy. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City."**

### **Redmond Business Associate Agreement**

Page 2, Section 2.4(b) 'Reporting Non-Permitted Use, Disclosure, or Breach.' - The agreement will constitute notice of unsuccessful security incident.

Page 2, Section 2.4(c) 'Reporting Non-Permitted Use, Disclosure, or Breach' - The term "potential breach" in this section, which reads "Business Associate shall report to Covered Entity a Breach or potential Breach of Unsecured PHI without unreasonable delay..." shall be removed.

Page 6, Section 6.4 'Insurance' incorporates the following changes:

- Gallagher can only agree to name the City as primary non-contributory additional insured on its Commercial General Liability policy.
- Gallagher will not provide clients with copies of actual policies. It will evidence via Certificates of Insurance.



- Gallagher's insures are not required to provide advance notice of cancellation/non-renewal via the terms of the policies, so Gallagher cannot agree to provide two (2) days prior notice to its clients. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City.





## City Contract Routing Form

City Contract #: 9763-2

## 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: 12/14/23 Department: Human Resources Division: Human Resources Mail Stop: 3NHRProject Administrator Name: Nicole Bruce Extension: 2124

Project Manager Name (if different than above): \_\_\_\_\_ Extension: \_\_\_\_\_

Contract Type: Consulting Services If other, please indicate: \_\_\_\_\_Contract Title: Gallagher Professional Services Amendment 2Contractor/Consultant Business Name: Arthur J. Gallagher & Co.Contract Description: Healthcare BrokerProject ID #: \_\_\_\_\_ Project Category: \_\_\_\_\_ Budget/Account #: 511.32006.00410.51737Council Approval Date: 10/5/21 Agenda Memo #: 21/151 RFP/IFB/RFQ #: 10733-2 Procurement Category: \_\_\_\_\_☐ New Contract

Total Amount: \_\_\_\_\_

Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

Renewal Option (Y/N): \_\_\_\_\_ If yes, how many? \_\_\_\_\_

☒ Amendment/Renewal/Change Order #: 2 Original CC #: 9763New Start Date: 1/1/2024 New End Date: 9/30/2025Current Contract Amount (including all previous amendments/change orders): \$360,000Amount of this Amendment/Change Order (proposed increase/decrease): 0New/Cumulative Contract Amount: \$360,000

## Section 3 – Route Contract for Signatures and Approvals

☒ Department Director: Cathryn Laird Date: 12/14/2023 Comments: \_\_\_\_\_  
DocuSigned by: 7C0092BCC9C549B...
☐ TIS Director: \_\_\_\_\_ Date: \_\_\_\_\_ Comments: \_\_\_\_\_

☒ City Attorney: Daniel Benny Date: 12/15/2023 Comments: \_\_\_\_\_  
DocuSigned by: DDAD3355F1F2425...
☒ Risk Manager: Kelley Cochran Date: 12/15/2023 Comments: \_\_\_\_\_  
DocuSigned by: 581CDD1AF985491...
☒ Mayor or Designee: Kelley Cochran (Mayor Designee) Date: 12/15/2023 Comments: \_\_\_\_\_  
DocuSigned by: 5D9FC672714C4E4...
☒ City Clerk's Office: Cheryl Xanthos Date: 12/15/2023 Comments: Electronic Original - in Hummingbird  
DocuSigned by: E725E389B18E4E1...
☒ Purchasing: no signature required – for copy only



<b>Amendment No.</b> <u>2</u>		Organization and Address Arthur J. Gallagher & Co. 777 108th AVE NE, Ste 200 Bellevue, WA 98004	
Original Agreement Number 9763		Phone:	
Project Number NA	Execution Date 1/1/2024	Completion Date 9/30/2025	
Project Title <b>Healthcare Broker</b>		New Maximum Amount Payable \$ 360,000 for two years	
Description of Work Removing COBRA Administration from the Scope of Work and Payment Schedule as we are moving these services to a new vendor.			

The Local Agency of City of Redmond

desires to amend the agreement entered into with Arthur J. Gallagher & Co.

and executed on 10/1/2021 and identified as Agreement No. 9763

All provisions in the basic agreement remain in effect except as expressly modified by this amendment.

The changes to the agreement are described as follows:

### I

Exhibit A, SCOPE OF WORK, is hereby changed to read:

**Only Change to the "Provide Administrative Services" section. All other sections have no change.**

#### Provide Administrative Services

- Single billing services
- ~~COBRA Administration Services~~

### II

Exhibit B, PAYMENT SCHEDULE, shall be amended as follows:

Based on Scope of Services outlined in Exhibit A we propose a monthly fee of \$9,004.50 per month. Gallagher will guarantee the fee for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years.

For Billing and COBRA administration services, Gallagher proposes continuation of the following fee schedule and will guarantee fees for full six-year agreement.

- Single Billing Services \$6.25 PEPM fee, or \$3 PEPM while Premiera is the TPA, beginning 1/1/2024
- ~~COBRA administration \$1.00 PEPM fee, or through Flex at \$.90 PEPM~~
- ~~COBRA renewal fee \$40 per line of COBRA eligible coverage (billed at renewal), no longer applicable 1/1/2024 through Flex.~~
- ~~COBRA general notice fee \$4 per notification~~

### III

Exhibit C, OPTION FOR RENEWAL, shall be amended as follows:

No Changes to previous option for renewal.



IV

Exhibi D MODIFICATIONS, shall be amended as follows:

No changes to previous modifications.

as set forth in the attached Exhibits, and by this reference made a part of this amendment.

If you concur with this amendment and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Kevin Cipoletti

---

DocuSigned by:  
*Kevin Cipoletti*

---

A9039B0193B14BA...

Consultant Signature

By: Kelley Cochran (Mayor Designee)

---

DocuSigned by:  
*Kelley Cochran (Mayor Designee)*

---

3D9FC672714C4E4...

Approving Authority Signature

12/15/2023

Date

## **Exhibit A - Scope of Work**

---

### Benefit Strategy & Consulting

- Provide insurance brokerage and advisory services associated with self-insured, employee benefit plans. This includes, but is not limited to, negotiating with insurance providers, analyzing options, and making recommendations
- Contribute to the development of objectives and initiatives through strategic planning
- Advise the City regarding plan design issues, plan management, wellness, potential cost savings, and reducing health plan expenditures while retaining a competitive benefits program

### Actuarial Analysis & Reporting

- Conduct annual underwriting analysis of Medical, Dental and Vision financial experience, claims experience, and future funding requirements and provide oversight of the following:
  - Data collection
  - Analysis of data and validation of trends
  - Projection of expenses for the next fiscal year
  - Recommendations regarding funding reserves
  - Determination of funding rates and COBRA rates for the following plan year
  - Calculation of prospective employee and employer contributions
  - Assist with annual report to Office of Financial Management
  - Includes actuarial review and sign-off of underwriting analysis
- Competitively market stop loss annually or other lines of coverage, as needed

### Compliance & Regulatory Consulting

- Communicate information regarding changes in statutes, rules and regulations regarding our responsibility under federal and state laws, the Affordable Care Act (ACA), the management of benefits and the self-funded plan to the Mayor, an executive team, labor representatives, EBAC, employees and elected officials
- Provide legislative updates, including Technical Bulletins and Directions newsletters
- Review benefit plan documents, including summary plan descriptions, contracts, employee summaries, and policies/procedures
- Conduct periodic seminars on regulatory issues

### Account Management

- Manage plan changes with vendors as necessary
- Provide leadership and management of carrier relationships
- Review, coordinate and implement Client agreed upon plan "best practices" to help limit plan liability and increase participant satisfaction
- Help identify opportunities for streamlining and improving administration procedures

### Employee Education, Communications & Advocacy



- Provide custom open enrollment and new employee orientation benefit planners and/or bulletins and other communications pertaining to the health and welfare program
- Facilitate open enrollment with in-person meetings, benefits fair(s), webcasts (recorded or live)
- Build custom online self-service employee benefits portal
- Support HR, employees, and family members with employee advocacy
- Provide quarterly call log reporting of benefit advocacy center activity
- Assist with participant wellness initiatives, as directed by Client
- Provide monthly employee education flyer for distribution to employees

#### Employee Benefits Advisory Committee (EBAC)

- Meet with City representative and the Employee Benefits Advisory Committee (EBAC) monthly to communicate with employees and educate regarding statutory and/or legal requirements and the financial status of the program
- Collaboratively participate in agenda setting

#### Provide Administrative Services

- Single billing services



## Exhibit B - Payment Schedule

---

Based on Scope of Services outlined in Exhibit A we propose a monthly fee of \$9,004.50 per month. Gallagher will guarantee the fee for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years.

For Billing and COBRA administration services, Gallagher proposes continuation of the following fee schedule and will guarantee fees for full six-year agreement.

- Single Billing Services \$6.25 PEPM fee, or \$3 PEPM while Premera is the TPA beginning 1/1/2024



## Exhibit C - Option for Renewal

---

The City reserves the right to renew this contract for one (1) additional two-year renewal terms, for a potential maximum total term of six (6) years, upon serving notice to Consultant within thirty (30) calendar days prior to expiration. If a renewal provision is exercised, all terms and conditions of original contract shall remain in full force and effect. A renewal will be accomplished through a separate contract with reference to the original contract. Acceptance of a renewal offer will be by mutual agreement of both parties. The Mayor or designee is authorized to exercise this renewal option.

Should the City exercise a renewal option, the City and Consultant may discuss any necessary changes to services and will confirm price/rates prior to each renewal. The Consultant has agreed to guarantee the fees for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years for the scope of work outlined in Exhibit A. Any changes to the scope of work may result in price/rates and acceptance of such a request will be at the sole discretion of the City.



## Exhibit D - Modifications

---

### **Consulting Services Agreement**

Page 4, Section 6 'Ownership of Work Product' which reads "Any and all documents, drawings, reports, and other work product produced by the CONSULTANT under this agreement shall become the property of the CITY upon payment of the CONSULTANT'S fees and charges therefore. The CITY shall have the complete right to use and re-use such work product in any manner deemed appropriate by the CITY, provided, that use on any project other than that for which the work product is prepared shall be at the CITY'S risk unless such use is agreed to by the CONSULTANT" is amended read: **"Gallagher will retain sole and exclusive ownership of all right, title and interest in and to its intellectual property and derivatives thereof which no data or confidential information of City was used to create and which was developed entirely using Gallagher's own resources. To the extent Gallagher's intellectual property is necessary for City to use the services provided, Gallagher will grant to City a non-exclusive, royalty-free license to Gallagher's intellectual property solely for City's use of such services."**

Page 5, Section 9 'Insurance,' which reads "Excepting the professional liability insurance, the City will be named on all insurance as additional insured" is amended to read: **"Gallagher will name the City as primary non-contributory additional insured on its Commercial General Liability Policy (not Worker's Compensation and Employer's Liability) and it will be via Certificate of Insurance, not an endorsement."**

Page 5, Section 9 'Insurance' - Insurance amounts for both general public liability & property damage, and professional liability insurance shall be increased from \$2,000,000 each to **\$5,000,000** each.

Page 5, Section 9 'Insurance,' which reads "No cancellation, reduction or modification of the foregoing policies shall be effective without thirty (30) days prior written notice to the City" is amended to read: **"Gallagher's insurers are not required to provide advance notice of cancellation/non-renewal via the terms of the policies. Therefore, Gallagher will not provide 30 days prior notice to its clients of changes in policy. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City."**

### **Redmond Business Associate Agreement**

Page 2, Section 2.4(b) 'Reporting Non-Permitted Use, Disclosure, or Breach.' - The agreement will constitute notice of unsuccessful security incident.

Page 2, Section 2.4(c) 'Reporting Non-Permitted Use, Disclosure, or Breach' - The term "potential breach" in this section, which reads "Business Associate shall report to Covered Entity a Breach or potential Breach of Unsecured PHI without unreasonable delay..." shall be removed.

Page 6, Section 6.4 'Insurance' incorporates the following changes:

- Gallagher can only agree to name the City as primary non-contributory additional insured on its Commercial General Liability policy.
- Gallagher will not provide clients with copies of actual policies. It will evidence via Certificates of Insurance.



- Gallagher's insures are not required to provide advance notice of cancellation/non-renewal via the terms of the policies, so Gallagher cannot agree to provide two (2) days prior notice to its clients. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City.



RECEIVED

JUL 26 2023

HR City of Redmond

MDG2023 00061780 01



City of Redmond  
15670 NE 85th Street  
Redmond, WA 98052



We are providing you with a Certificate of Insurance confirming our client's coverage.

Want to get certificates of insurance faster? "Go Green with Gallagher" by receiving digital copies of certificates via e-mail in the future. Or, do you no longer require a certificate of insurance for our client? Please contact us at [COI.UpdateMyEmail@AJG.com](mailto:COI.UpdateMyEmail@AJG.com) and provide the following information for processing:

1. Confirmation that a certificate of insurance is no longer required; or
2. E-mail address to send future certificates of insurance in lieu of U.S. Mail delivery
3. Insured Code: CORPOFT-01
4. This Certificate Number: 522100993

To learn more about the Insurance and Risk Management Services offered by Gallagher, please visit us at [www.ajg.com/us/about-us/how-we-work/core-360](http://www.ajg.com/us/about-us/how-we-work/core-360).

Gallagher does not share your e-mail as detailed in our privacy policy found at <https://www.ajg.com/us/privacy-policy/>.





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/5/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, LLC 777 108th Ave NE #200 Bellevue WA 98004	<b>CONTACT NAME:</b> Ahlai Narcisse <b>PHONE (A/C, No, Ext):</b> <b>FAX (A/C, No):</b> 425-586-1028 <b>E-MAIL ADDRESS:</b> Ahlai_Narcisse@ajg.com
<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURER A:</b> Underwriters at Lloyd's London	
<b>INSURER B:</b> Old Republic Union Insurance Company	
<b>INSURER C:</b> Zurich American Insurance Company	
<b>INSURER D:</b>	
<b>INSURER E:</b>	
<b>INSURER F:</b>	

**COVERAGES** **CERTIFICATE NUMBER:** 522100993 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Liquor Liability GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		BP1023023	7/1/2023	7/1/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ Nil PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY			BP1023023	7/1/2023	7/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			8223000785428	7/1/2023	7/1/2024	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	EWS8741411-02	7/1/2023	7/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Limits shown are inclusive of defense and insured retention. Coverage for Additional Insureds is restricted to the amount of insurance required by contract or permit. Retention under policy #BP1023023 (A XV, Non-Admitted) is \$500,000 for Liability. The applicable location maintenance deductible that applies to this Certificate is \$0 for Liability.  
 City of Redmond, including its officers, officials, employees, and volunteers are included as Additional Assured as required by contract, agreement, or permit.

**CERTIFICATE HOLDER**

City of Redmond 15670 NE 85th Street Redmond WA 98052	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. <b>AUTHORIZED REPRESENTATIVE</b> 
---	---

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NAMED ASSURED:** Corporation of Catholic Archbishop of Seattle

Policy Number: **BP1023023**

Effective Date: **July, 01 2023**

Endorsement No. 14

**CERTIFICATES OF INSURANCE ENDORSEMENT**



**CERTIFICATES OF INSURANCE:**

It is hereby understood and agreed that holders of Certificates of Insurance issued against this Policy that are shown as Additional **ASSUREDS** are added to this Policy pursuant to the terms of this Policy as described in **GENERAL POLICY DEFINITION 1**.

Where Certificates of Insurance are requested for Additional **ASSUREDS** who do not fall within **GENERAL POLICY DEFINITION 1**, prior agreement of Underwriters and subsequent endorsement of this Policy is required

**GENERAL POLICY DEFINITION 1. ASSURED** is stated as follows -

1. **ASSURED** means not only the **NAMED ASSURED** as stated on the Declaration Page, but also includes any past, present or future: agencies, subsidiaries, affiliates, institutions and societies owned by or operated by the **NAMED ASSURED**, officials, members of boards or commissions, trustees, directors, officers, partners, volunteers, student teachers, or employees of the **NAMED ASSURED** while acting within the scope of their duties as such, and any person, organization, trustee or estate to whom the **NAMED ASSURED** is obligated by virtue of a written contract or agreement to provide insurance such as is offered by this policy, but only in respect of operations by or on behalf of the **NAMED ASSURED**.

**GENERAL POLICY CONDITION 20. WAIVER OF SUBROGATION** is stated as follows -

20. **WAIVER OF SUBROGATION:** This policy shall not be invalidated if the **ASSURED**, by written agreement, has waived or shall waive its right of recovery from any party for loss or damage covered hereunder; provided that any such waiver is made prior to the occurrence of said loss or damage.

**MORTGAGORS, LOSS PAYEES & LENDER LOSS PAYEES:**

It is understood and agreed that **GENERAL POLICY CONDITION 12** of this policy is deleted and replaced with the following:

12. **MORTGAGORS, CREDITORS & LOSS PAYEES:** Where required by written contract, the interest of any mortgagor, creditor or loss payee on property covered by this policy is included as if a separate endorsement were attached hereto to the extent of the amount Except as amended in this Endorsement, this insurance is subject to all coverage terms, clauses and conditions in the policy to which this Endorsement is attached.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NAMED ASSURED:** Corporation of Catholic Archbishop of Seattle

Policy Number: BP1023023

Effective Date: July 01, 2023

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of mortgage, loan or interest in property held by the **ASSURED** as of the date of loss subject to the limits of liability set forth in this policy.

**PRIMARY NON-CONTRIBUTORY:**

It is also agreed that, only where required by written contract between the **NAMED ASSURED** and the Certificate holder, this insurance shall be considered primary to any insurance held by the Certificate holder and theirs shall be excess.

**MUNICIPALITY PERMITS:**

Further, where required by written contract or evidenced in the insurance requirements of a permit issued by a municipality at the request of the **NAMED ASSURED**, that municipality shall be added to this policy as an Additional **ASSURED** but only as respects liabilities arising out of the subject matter of the written contract or issued permit and then only for liabilities arising from actions by or on behalf of the **NAMED ASSURED**.

Except as amended in this Endorsement, this insurance is subject to all coverage terms, clauses and conditions in the policy to which this Endorsement is attached.



## City Contract Routing Form

City Contract #: 9763-1

## 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: 10/3/2023 Department: Human Resources Division: Human Resources Mail Stop: 3NHRProject Administrator Name: Nicole Bruce Extension: 2124

Project Manager Name (if different than above): \_\_\_\_\_ Extension: \_\_\_\_\_

Contract Type: Consulting Services If other, please indicate: \_\_\_\_\_Contract Title: Gallagher Processional Services Amendment 1Contractor/Consultant Business Name: Arthur J. Gallagher & Co.Contract Description: Healthcare BrokerProject ID #: \_\_\_\_\_ Project Category: \_\_\_\_\_ Budget/Account #: 511.32006.00410.5137Council Approval Date: 10/5/2023 Agenda Memo #: 21-151 RFP/IFB/RFQ #: 10733-2 Procurement Category: \_\_\_\_\_☐ New Contract

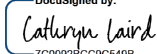
Total Amount: \_\_\_\_\_

Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

Renewal Option (Y/N): \_\_\_\_\_ If yes, how many? \_\_\_\_\_

☒ Amendment/Renewal/Change Order #: 1 Original CC #: 9763New Start Date: 10/1/2023 New End Date: 9/30/2025Current Contract Amount (including all previous amendments/change orders): \$360,000 for two yearsAmount of this Amendment/Change Order (proposed increase/decrease): 0New/Cumulative Contract Amount: \$360,000 for two years

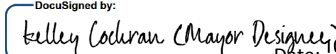
## Section 3 – Route Contract for Signatures and Approvals

☒ Department Director:  Date: 10/3/2023 Comments: \_\_\_\_\_

☐ TIS Director: \_\_\_\_\_ Date: \_\_\_\_\_ Comments: \_\_\_\_\_

☒ City Attorney:  Date: 10/13/2023 Comments: \_\_\_\_\_

☒ Risk Manager:  Date: 10/18/2023 Comments: \_\_\_\_\_

☒ Mayor or Designee:  Date: 10/18/2023 Comments: \_\_\_\_\_

☒ City Clerk's Office:  Date: 10/18/2023 Comments: Electronic Original - in Hummingbird

☒ Purchasing: no signature required – for copy only





<b>Amendment No.</b> <u>1</u>		Organization and Address Arthur J. Gallagher & Co. 777 108th AVE NE, Ste 200 Bellevue, WA 98004	
Original Agreement Number 9763		Phone:	
Project Number NA	Execution Date 10/1/2023	Completion Date 9/30/2025	
Project Title <b>Healthcare Broker</b>		New Maximum Amount Payable \$ 360,000 for two years	
Description of Work Executing the first of two two-year renewal extensions.			

The Local Agency of City of Redmond

desires to amend the agreement entered into with Arthur J. Gallagher & Co.

and executed on 10/1/2021 and identified as Agreement No. 9763

All provisions in the basic agreement remain in effect except as expressly modified by this amendment.

The changes to the agreement are described as follows:

I

Exhibit A, SCOPE OF WORK, is hereby changed to read:

No changes to previous scope.

II

Exhibit B, PAYMENT SCHEDULE, shall be amended as follows:

Based on Scope of Services outlined in Exhibit A we propose a monthly fee of \$9,004.50 per month. Gallagher will guarantee the fee for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years.

For Billing and COBRA administration services, Gallagher proposes continuation of the following fee schedule and will guarantee fees for full six-year agreement.

- Single Billing Services \$6.25 PEPM fee, **or \$3 PEPM while Premera is the TPA, beginning 1/1/2024**
- COBRA administration \$1.00 PEPM fee, **or through Flex at \$.90 PEPM**
- COBRA renewal fee \$40 per line of COBRA eligible coverage (billed at renewal), **no longer applicable 1/1/2024 through Flex.**
- COBRA general notice fee \$4 per notification

III

Exhibit C, OPTION FOR NEWEWAL, shall be amended as follows:

The City reserves the right to renew this contract for **one (1)** additional two-year renewal term, for a potential maximum total term of six (6) years, upon serving notice to Consultant within thirty (30) calendar days prior to expiration. If a renewal provision is exercised, all terms and conditions of original contract shall remain in full force and effect. A renewal will be accomplished through a separate contract with reference to the original contract. Acceptance of a renewal offer will be by mutual agreement of both parties. The Mayor or designee is authorized to exercise this renewal option.

Should the City exercise a renewal option, the City and Consultant may discuss any necessary changes to services and will confirm price/rates prior to each renewal. The Consultant has agreed to guarantee the fees for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years for the scope of work outlined in Exhibit A. Any changes to the scope of work may result in price/rates and acceptance of such a request will be at the sole discretion of the City.

IV

Exhibi D MODIFICATIONS, shall be amended as follows:

No changes to previous modifications.

as set forth in the attached Exhibits, and by this reference made a part of this amendment.

If you concur with this amendment and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Kevin Cipoletti, Area President

Kevin Cipoletti

Digitally signed by Kevin Cipoletti  
Date: 2023.10.03 11:48:05 -07'00'

Consultant Signature

By: Kelley Cochran (Mayor Designee)

DocuSigned by:

Kelley Cochran (Mayor Designee)

3D9FC072714C4E4...

Approving Authority Signature

10/18/2023

Date

## **Exhibit A - Scope of Work**

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### Benefit Strategy & Consulting

- Provide insurance brokerage and advisory services associated with self-insured, employee benefit plans. This includes, but is not limited to, negotiating with insurance providers, analyzing options, and making recommendations
- Contribute to the development of objectives and initiatives through strategic planning
- Advise the City regarding plan design issues, plan management, wellness, potential cost savings, and reducing health plan expenditures while retaining a competitive benefits program

### Actuarial Analysis & Reporting

- Conduct annual underwriting analysis of Medical, Dental and Vision financial experience, claims experience, and future funding requirements and provide oversight of the following:
  - Data collection
  - Analysis of data and validation of trends
  - Projection of expenses for the next fiscal year
  - Recommendations regarding funding reserves
  - Determination of funding rates and COBRA rates for the following plan year
  - Calculation of prospective employee and employer contributions
  - Assist with annual report to Office of Financial Management
  - Includes actuarial review and sign-off of underwriting analysis
- Competitively market stop loss annually or other lines of coverage, as needed

### Compliance & Regulatory Consulting

- Communicate information regarding changes in statutes, rules and regulations regarding our responsibility under federal and state laws, the Affordable Care Act (ACA), the management of benefits and the self-funded plan to the Mayor, an executive team, labor representatives, EBAC, employees and elected officials
- Provide legislative updates, including Technical Bulletins and Directions newsletters
- Review benefit plan documents, including summary plan descriptions, contracts, employee summaries, and policies/procedures
- Conduct periodic seminars on regulatory issues

### Account Management

- Manage plan changes with vendors as necessary
- Provide leadership and management of carrier relationships
- Review, coordinate and implement Client agreed upon plan "best practices" to help limit plan liability and increase participant satisfaction
- Help identify opportunities for streamlining and improving administration procedures

### Employee Education, Communications & Advocacy



- Provide custom open enrollment and new employee orientation benefit planners and/or bulletins and other communications pertaining to the health and welfare program
- Facilitate open enrollment with in-person meetings, benefits fair(s), webcasts (recorded or live)
- Build custom online self-service employee benefits portal
- Support HR, employees, and family members with employee advocacy
- Provide quarterly call log reporting of benefit advocacy center activity
- Assist with participant wellness initiatives, as directed by Client
- Provide monthly employee education flyer for distribution to employees

#### Employee Benefits Advisory Committee (EBAC)

- Meet with City representative and the Employee Benefits Advisory Committee (EBAC) monthly to communicate with employees and educate regarding statutory and/or legal requirements and the financial status of the program
- Collaboratively participate in agenda setting

#### Provide Administrative Services

- Single billing services
- COBRA Administration





## Exhibit B - Payment Schedule

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Based on Scope of Services outlined in Exhibit A we propose a monthly fee of \$9,004.50 per month. Gallagher will guarantee the fee for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years.

For Billing and COBRA administration services, Gallagher proposes continuation of the following fee schedule and will guarantee fees for full six-year agreement.

- Single Billing Services \$6.25 PEPM fee, or \$3 PEPM while Premera is the TPA beginning 1/1/2024
- COBRA administration \$1.00 PEPM fee, or through Flex at \$.90 PEPM
- COBRA renewal fee \$40 per line of COBRA eligible coverage (billed at renewal), no longer applicable 1/1/2024 through Flex.
- COBRA general notice fee \$4 per notification



## **Exhibit C - Option for Renewal**

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The City reserves the right to renew this contract for one (1) additional two-year renewal terms, for a potential maximum total term of six (6) years, upon serving notice to Consultant within thirty (30) calendar days prior to expiration. If a renewal provision is exercised, all terms and conditions of original contract shall remain in full force and effect. A renewal will be accomplished through a separate contract with reference to the original contract. Acceptance of a renewal offer will be by mutual agreement of both parties. The Mayor or designee is authorized to exercise this renewal option.

Should the City exercise a renewal option, the City and Consultant may discuss any necessary changes to services and will confirm price/rates prior to each renewal. The Consultant has agreed to guarantee the fees for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years for the scope of work outlined in Exhibit A. Any changes to the scope of work may result in price/rates and acceptance of such a request will be at the sole discretion of the City.



## Exhibit D - Modifications

### **Consulting Services Agreement**

Page 4, Section 6 'Ownership of Work Product' which reads "Any and all documents, drawings, reports, and other work product produced by the CONSULTANT under this agreement shall become the property of the CITY upon payment of the CONSULTANT'S fees and charges therefore. The CITY shall have the complete right to use and re-use such work product in any manner deemed appropriate by the CITY, provided, that use on any project other than that for which the work product is prepared shall be at the CITY'S risk unless such use is agreed to by the CONSULTANT" is amended read: **"Gallagher will retain sole and exclusive ownership of all right, title and interest in and to its intellectual property and derivatives thereof which no data or confidential information of City was used to create and which was developed entirely using Gallagher's own resources. To the extent Gallagher's intellectual property is necessary for City to use the services provided, Gallagher will grant to City a non-exclusive, royalty-free license to Gallagher's intellectual property solely for City's use of such services."**

Page 5, Section 9 'Insurance,' which reads "Excepting the professional liability insurance, the City will be named on all insurance as additional insured" is amended to read: **"Gallagher will name the City as primary non-contributory additional insured on its Commercial General Liability Policy (not Worker's Compensation and Employer's Liability) and it will be via Certificate of Insurance, not an endorsement."**

Page 5, Section 9 'Insurance' - Insurance amounts for both general public liability & property damage, and professional liability insurance shall be increased from \$2,000,000 each to **\$5,000,000** each.

Page 5, Section 9 'Insurance,' which reads "No cancellation, reduction or modification of the foregoing policies shall be effective without thirty (30) days prior written notice to the City" is amended to read: **"Gallagher's insurers are not required to provide advance notice of cancellation/non-renewal via the terms of the policies. Therefore, Gallagher will not provide 30 days prior notice to its clients of changes in policy. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City."**

### **Redmond Business Associate Agreement**

Page 2, Section 2.4(b) 'Reporting Non-Permitted Use, Disclosure, or Breach.' - The agreement will constitute notice of unsuccessful security incident.

Page 2, Section 2.4(c) 'Reporting Non-Permitted Use, Disclosure, or Breach' - The term "potential breach" in this section, which reads "Business Associate shall report to Covered Entity a Breach or potential Breach of Unsecured PHI without unreasonable delay..." shall be removed.

Page 6, Section 6.4 'Insurance' incorporates the following changes:

- Gallagher can only agree to name the City as primary non-contributory additional insured on its Commercial General Liability policy.
- Gallagher will not provide clients with copies of actual policies. It will evidence via Certificates of Insurance.



- Gallagher's insures are not required to provide advance notice of cancellation/non-renewal via the terms of the policies, so Gallagher cannot agree to provide two (2) days prior notice to its clients. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City.





## City Contract Routing Form

City Contract #: 9763

## 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: 10/8/21 Department: Human Resources Division: Human Resources Mail Stop: 3NHRProject Administrator Name: Nicole Bruce Extension: 2124

Project Manager Name (if different than above): \_\_\_\_\_ Extension: \_\_\_\_\_

Contract Type: Consulting Services If other, please indicate: \_\_\_\_\_Contract Title: Gallagher Professional Services AgreementContractor/Consultant Business Name: Arthur J. Gallagher & Co.Contract Description: Healthcare BrokerProject ID #: \_\_\_\_\_ Budget/Account #: 511.32006.00410.5137Council Approval Date: 10/5/2021 Council Agenda Memo #: 21-151 RFP/IFB/RFQ #: 10733-21 NIGP #: \_\_\_\_\_☒ New ContractTotal Amount: \$360,000 for two yearsStart Date: 10/1/2021 End Date: 9/30/2023Renewal Option (Y/N): Y If yes, how many? Two, two year terms☐ 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: Cathryn Laird Date: 10/11/2021 Comments: \_\_\_\_\_  
DocuSigned by: 7C0092BCC9C549B...
☐ TIS Director: \_\_\_\_\_ Date: \_\_\_\_\_ Comments: \_\_\_\_\_

☒ City Attorney: Jim Haney Date: 10/11/2021 Comments: \_\_\_\_\_  
DocuSigned by: 85394CE98994B5...
☒ Risk Manager: Charles Corder Date: 10/11/2021 Comments: \_\_\_\_\_  
DocuSigned by: 581CDD1AF985491...
☒ Mayor or Designee: Charles Corder (Mayor Designee) Date: 10/11/2021 Comments: \_\_\_\_\_  
DocuSigned by: 5D9FC672714C4E4...
☒ City Clerk's Office: Cheryl Xanthos Date: 10/13/2021 Comments: Electronic Original - in Hummingbird  
DocuSigned by: E725E589818E4E1...
☒ Purchasing: no signature required – for copy only

## Consulting Services Agreement [Non-Public Work]

<b>PROJECT TITLE</b> Benefits Broker	<b>EXHIBITS</b> <i>(List all attached exhibits - Scope of Work, Work Schedule, Payment Schedule, Renewal Options, etc.)</i> Exhibit A - Scope of Work Exhibit B - Payment Schedule Exhibit C - Option for Renewal
<b>CONTRACTOR</b> Arthur J Gallagher & Co.	<b>CITY OF REDMOND PROJECT ADMINISTRATOR</b> <i>(Name, address, phone #)</i>  City of Redmond Nicole Bruce 15670 NE 85th ST PO Box 97010 Redmond, WA 98073-9710 425-556-2124
<b>CONTRACTOR'S CONTACT INFORMATION</b> <i>(Name, address, phone #)</i> Kristen Brace 777 108th Avenue NE, Suite 200 Bellevue, WA 98004 425-974-4453	<b>BUDGET OR FUNDING SOURCE</b> 511.32006.00410.51737
<b>CONTRACT COMPLETION DATE</b> 9/30/2023 with two, two year renewal options through 9/30/2027	<b>MAXIMUM AMOUNT PAYABLE</b> \$360,000 for the two year term

**page 2 – Consulting Services Agreement, Non-Public Work  
City of Redmond, standard form**

**THIS AGREEMENT is entered into on October 11, 20<sup>21</sup> between the City of Redmond, Washington, hereinafter called "the CITY", and the above person, firm or organization, hereinafter called "the CONSULTANT".**

**WHEREAS, the CITY desires to accomplish the above-referenced project; and**

**WHEREAS, the CITY does not have sufficient staff or expertise to meet the required commitment and therefore deems it advisable and desirable to engage the assistance of a CONSULTANT to provide the necessary services for the project; and**

**WHEREAS, the CONSULTANT has represented to the CITY that the CONSULTANT is in compliance with the professional registration statutes of the State of Washington, if applicable, and has signified a willingness to furnish consulting services to the CITY, now, therefore,**

**IN CONSIDERATION OF the terms and conditions set forth below, or attached and incorporated and made a part hereof, the parties agree as follows:**

**1. Retention of Consultant - Scope of Work. The CITY hereby retains the CONSULTANT to provide professional services as defined in this agreement and as necessary to accomplish the scope of work attached hereto as Exhibit A and incorporated herein by this reference as if set forth in full. The CONSULTANT shall furnish all services, labor and related equipment necessary to conduct and complete the work, except as specifically noted otherwise in this agreement.**

**2. Completion of Work. The CONSULTANT shall not begin any work under the terms of this agreement until authorized in writing by the CITY. The CONSULTANT shall complete all work required by this agreement according to the schedule attached as Exhibit B and incorporated herein by this reference as if set forth in full. A failure to complete the work according to the attached schedule, except where such failure is due to circumstances beyond the control of the CONSULTANT, shall be deemed a breach of this agreement. The established completion time shall not be extended because of any delays attributable to the CONSULTANT, but may be extended by the CITY, in the event of a delay attributable to the CITY, or because of unavoidable delays caused by circumstances beyond the control of the CONSULTANT. All such extensions shall be in writing and shall be executed by both parties.**

**3. Payment. The CONSULTANT shall be paid by the CITY for satisfactorily completed work and services satisfactorily rendered under this agreement as provided in Exhibit C, attached hereto and incorporated herein by this reference as if set forth in full. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work specified in the Scope of Work attached. The CONSULTANT shall be entitled to invoice**

**page 3 – Consulting Services Agreement, Non-Public Work  
City of Redmond, standard form**

the CITY no more frequently than once per month during the course of the completion of work and services by the CONSULTANT. Invoices shall detail the work performed or services rendered, the time involved (if compensation is based on an hourly rate) and the amount to be paid. The CITY shall pay all such invoices within 30 days of submittal, unless the CITY gives notice that the invoice is in dispute. In no event shall the total of all invoices paid exceed the maximum amount payable set forth above, if any, and the CONSULTANT agrees to perform all services contemplated by this agreement for no more than said maximum amount.

**4. Changes in Work.** The CONSULTANT shall make such changes and revisions in the complete work provided by this agreement as may be necessary to correct errors made by the CONSULTANT and appearing therein when required to do so by the CITY. The CONSULTANT shall make such corrective changes and revisions without additional compensation from the CITY. Should the CITY find it desirable for its own purposes to have previously satisfactorily completed work or parts thereof changed or revised, the CONSULTANT shall make such revisions as directed by the CITY. This work shall be considered as Extra Work and will be paid for as provided in Section 5.

**5. Extra Work.**

**A.** The CITY may, at any time, by written order, make changes within the general scope of the agreement in the services to be performed. If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work or services under this agreement, whether or not changed by the order, or otherwise affects any other terms or conditions of the agreement, the CITY shall make an equitable adjustment in the (1) maximum amount payable; (2) delivery or completion schedule or both; and (3) other affected terms, and shall modify the agreement accordingly.

**B.** The CONSULTANT must submit any "proposal for adjustment" under this clause within 30 days from the date of receipt of the written order to make changes. However, if the CITY decides that the facts justify it, the CITY may receive and act upon a proposal submitted before final payment of the agreement.

**C.** Failure to agree to any adjustment shall be a dispute under the Disputes clause of this agreement, as provided in Section 13. Notwithstanding any such dispute, the CONSULTANT shall proceed with the agreement as changed.

**D.** Notwithstanding any other provision in this section, the maximum amount payable for this agreement shall not be increased or considered to be increased except by specific written amendment of this agreement.



**page 4 – Consulting Services Agreement, Non-Public Work  
City of Redmond, standard form**

**6. Ownership of Work Product.** Any and all documents, drawings, reports, and other work product produced by the CONSULTANT under this agreement shall become the property of the CITY upon payment of the CONSULTANT'S fees and charges therefore. The CITY shall have the complete right to use and re-use such work product in any manner deemed appropriate by the CITY, provided, that use on any project other than that for which the work product is prepared shall be at the CITY'S risk unless such use is agreed to by the CONSULTANT.

**7. Independent Contractor.** The CONSULTANT is an independent contractor for the performance of services under this agreement. The CITY shall not be liable for, nor obligated to pay to the CONSULTANT, or any employee of the CONSULTANT, sick leave, vacation pay, overtime or any other benefit applicable to employees of the CITY, nor to pay or deduct any social security, income tax, or other tax from the payments made to the CONSULTANT which may arise as an incident of the CONSULTANT performing services for the CITY. The CITY shall not be obligated to pay industrial insurance for the services rendered by the CONSULTANT.

**8. Indemnity.** The CONSULTANT agrees to hold harmless, indemnify and defend the CITY, its officers, agents, and employees, from and against any and all claims, losses, or liability, for injuries, sickness or death of persons, including employees of the CONSULTANT, or damage to property, arising out of any willful misconduct or negligent act, error, or omission of the CONSULTANT, its officers, agents, subconsultants or employees, in connection with the services required by this agreement, provided, however, that:

A. The CONSULTANT's obligations to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole willful misconduct or sole negligence of the CITY, its officers, agents or employees; and

B. The CONSULTANT's obligations to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from the concurrent negligence or willful misconduct of the CONSULTANT and the CITY, or of the CONSULTANT and a third party other than an officer, agent, subconsultant or employee of the CONSULTANT, shall apply only to the extent of the negligence or willful misconduct of the CONSULTANT.

**9. Insurance.** The CONSULTANT shall provide the following minimum insurance coverages:

A. Worker's compensation and employer's liability insurance as required by the State of Washington;

**page 5 – Consulting Services Agreement, Non-Public Work  
City of Redmond, standard form**

**B. General public liability and property damage insurance in an amount not less than a combined single limit of two million dollars (\$2,000,000) for bodily injury, including death, and property damage per occurrence.**

**C. Professional liability insurance, if commercially available in CONSULTANT's field of expertise, in the amount of two million dollars (\$2,000,000) or more against claims arising out of work provided for in this agreement.**

**The amounts listed above are the minimum deemed necessary by the CITY to protect the CITY'S interests in this matter. The CITY has made no recommendation to the CONSULTANT as to the insurance necessary to protect the CONSULTANT'S interests and any decision by the CONSULTANT to carry or not carry insurance amounts in excess of the above is solely that of the CONSULTANT.**

**All insurance shall be obtained from an insurance company authorized to do business in the State of Washington. Excepting the professional liability insurance, the CITY will be named on all insurance as an additional insured. The CONSULTANT shall submit a certificate of insurance to the CITY evidencing the coverages specified above, together with an additional insured endorsement naming the CITY, within fifteen (15) days of the execution of this agreement. The additional insured endorsement shall provide that to the extent of the CONSULTANT's negligence, the CONSULTANT's insurance shall be primary and non-contributing as to the City, and any other insurance maintained by the CITY shall be excess and not contributing insurance with respect to the CONSULTANT's insurance. The certificates of insurance shall cover the work specified in or performed under this agreement. No cancellation, reduction or modification of the foregoing policies shall be effective without thirty (30) days prior written notice to the CITY.**

**10. Records. The CONSULTANT shall keep all records related to this agreement for a period of three years following completion of the work for which the CONSULTANT is retained. The CONSULTANT shall permit any authorized representative of the CITY, and any person authorized by the CITY for audit purposes, to inspect such records at all reasonable times during regular business hours of the CONSULTANT. Upon request, the CONSULTANT will provide the CITY with reproducible copies of any such records. The copies will be provided without cost if required to substantiate any billing of the CONSULTANT, but the CONSULTANT may charge the CITY for copies requested for any other purpose.**

**11. Notices. All notices required to be given by either party to the other under this Agreement shall be in writing and shall be given in person or by mail to the addresses set forth in the box for the same appearing at the outset of this Agreement. Notice by mail shall be deemed given as of the date the same is deposited in the United States mail, postage prepaid, addressed as provided in this paragraph.**

**page 6 – Consulting Services Agreement, Non-Public Work  
City of Redmond, standard form**

**12. Project Administrator.** The Project Administrator shall be responsible for coordinating the work of the CONSULTANT, for providing any necessary information for and direction of the CONSULTANT's work in order to ensure that it meets the requirements of this Agreement, and for reviewing, monitoring and approving the quality and quantity of such work. The CONSULTANT shall report to and take any necessary direction from the Project Administrator.

**13. Disputes.** Any dispute concerning questions of fact in connection with the work not disposed of by agreement between the CONSULTANT and the CITY shall be referred for resolution to a mutually acceptable mediator. The parties shall each be responsible for one-half of the mediator's fees and costs.

**14. Termination.** The CITY reserves the right to terminate this agreement at any time upon ten (10) days written notice to the CONSULTANT. Any such notice shall be given to the address specified above. In the event that this agreement is terminated by the City other than for fault on the part of the CONSULTANT, a final payment shall be made to the CONSULTANT for all services performed. No payment shall be made for any work completed after ten (10) days following receipt by the CONSULTANT of the notice to terminate. In the event that services of the CONSULTANT are terminated by the CITY for fault on part of the CONSULTANT, the amount to be paid shall be determined by the CITY with consideration given to the actual cost incurred by the CONSULTANT in performing the work to the date of termination, the amount of work originally required which would satisfactorily complete it to date of termination, whether that work is in a form or type which is usable to the CITY at the time of termination, the cost of the CITY of employing another firm to complete the work required, and the time which may be required to do so.

**15. Non-Discrimination.** The CONSULTANT agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, creed, color, national origin, sex, religion, honorable discharged veteran or military status, familial status, sexual orientation, age, or the presence of any sensory, mental, or physical disability or the use of a trained dog or service animal by a person with a disability, except for a bona fide occupational qualification. The CONSULTANT understands that if it violates this provision, this Agreement may be terminated by the CITY and that the CONSULTANT may be barred from performing any services for the CITY now or in the future.

**16. Compliance and Governing Law.** The CONSULTANT shall at all times comply with all applicable federal, state, and local laws, rules, ordinances, and regulations. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

**page 7 – Consulting Services Agreement, Non-Public Work  
City of Redmond, standard form**

**17. Subcontracting or Assignment.** The CONSULTANT may not assign or subcontract any portion of the services to be provided under this agreement without the express written consent of the CITY. Any sub-consultants approved by the CITY at the outset of this agreement are named on separate Exhibit attached hereto and incorporated herein by this reference as if set forth in full.

**18. Non-Waiver.** Payment for any part of the work or services by the CITY shall not constitute a waiver by the CITY of any remedies of any type it may have against the CONSULTANT for any breach of the agreement by the CONSULTANT, or for failure of the CONSULTANT to perform work required of it under the agreement by the CITY. Waiver of any right or entitlement under this agreement by the CITY shall not constitute waiver of any other right or entitlement.

**19. Litigation.** In the event that either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this agreement, the parties agree that such actions shall be initiated in the Superior Court of the State of Washington, in and for King County. The parties agree that all questions shall be resolved by application of Washington law and that parties to such actions shall have the right of appeal from such decisions of the Superior Court in accordance with the law of the State of Washington. The CONSULTANT hereby consents to the personal jurisdiction of the Superior Court of the State of Washington, in and for King County. The prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other award.

**20. Taxes.** The CONSULTANT will be solely responsible for the payment of any and all applicable taxes related to the services provided under this agreement and if such taxes are required to be passed through to the CITY by law, the same shall be duly itemized on any billings submitted to the CITY by the CONSULTANT.

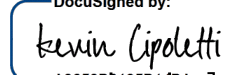
**21. City Business License.** The CONSULTANT has obtained, or agrees to obtain, a business license from the CITY prior to commencing to perform any services under this agreement. The CONSULTANT will maintain the business license in good standing throughout the term of this Agreement.

**22. Entire Agreement.** This agreement represents the entire integrated agreement between the CITY and the CONSULTANT, superseding all prior negotiations, representations or agreements, written or oral. This agreement may be modified, amended, or added to, only by written instrument properly signed by both parties hereto. These standard terms and conditions set forth above supersede any conflicting terms and conditions on any attached and incorporate exhibit. Where conflicting language exists, the CITY'S terms and conditions shall govern.

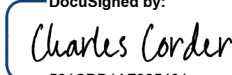
**page 8 – Consulting Services Agreement, Non-Public Work  
City of Redmond, standard form**

**IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the  
day and year first above written.**

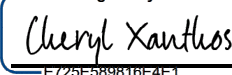
**CONSULTANT:**

DocuSigned by:  
  
\_\_\_\_\_  
By: Kevin Cipoletti  
\_\_\_\_\_  
Title: Area President  
\_\_\_\_\_

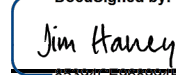
**CITY OF REDMOND:**

DocuSigned by:  
  
\_\_\_\_\_  
Angela Birney, Mayor  
DATED: 10/11/2021  
\_\_\_\_\_

**ATTEST/AUTHENTICATED:**

DocuSigned by:  
  
\_\_\_\_\_  
City Clerk, City of Redmond

**APPROVED AS TO FORM:**

DocuSigned by:  
  
\_\_\_\_\_  
Office of the City Attorney

## **Exhibit A - Scope of Work**

---

### Benefit Strategy & Consulting

- Provide insurance brokerage and advisory services associated with self-insured, employee benefit plans. This includes, but is not limited to, negotiating with insurance providers, analyzing options, and making recommendations
- Contribute to the development of objectives and initiatives through strategic planning
- Advise the City regarding plan design issues, plan management, wellness, potential cost savings, and reducing health plan expenditures while retaining a competitive benefits program

### Actuarial Analysis & Reporting

- Conduct annual underwriting analysis of Medical, Dental and Vision financial experience, claims experience, and future funding requirements and provide oversight of the following:
  - Data collection
  - Analysis of data and validation of trends
  - Projection of expenses for the next fiscal year
  - Recommendations regarding funding reserves
  - Determination of funding rates and COBRA rates for the following plan year
  - Calculation of prospective employee and employer contributions
  - Assist with annual report to Office of Financial Management
  - Includes actuarial review and sign-off of underwriting analysis
- Competitively market stop loss annually or other lines of coverage, as needed

### Compliance & Regulatory Consulting

- Communicate information regarding changes in statutes, rules and regulations regarding our responsibility under federal and state laws, the Affordable Care Act (ACA), the management of benefits and the self-funded plan to the Mayor, an executive team, labor representatives, EBAC, employees and elected officials
- Provide legislative updates, including Technical Bulletins and Directions newsletters
- Review benefit plan documents, including summary plan descriptions, contracts, employee summaries, and policies/procedures
- Conduct periodic seminars on regulatory issues

### Account Management

- Manage plan changes with vendors as necessary
- Provide leadership and management of carrier relationships
- Review, coordinate and implement Client agreed upon plan "best practices" to help limit plan liability and increase participant satisfaction
- Help identify opportunities for streamlining and improving administration procedures

### Employee Education, Communications & Advocacy



- Provide custom open enrollment and new employee orientation benefit planners and/or bulletins and other communications pertaining to the health and welfare program
- Facilitate open enrollment with in-person meetings, benefits fair(s), webcasts (recorded or live)
- Build custom online self-service employee benefits portal
- Support HR, employees, and family members with employee advocacy
- Provide quarterly call log reporting of benefit advocacy center activity
- Assist with participant wellness initiatives, as directed by Client
- Provide monthly employee education flyer for distribution to employees

#### Employee Benefits Advisory Committee (EBAC)

- Meet with City representative and the Employee Benefits Advisory Committee (EBAC) monthly to communicate with employees and educate regarding statutory and/or legal requirements and the financial status of the program
- Collaboratively participate in agenda setting

#### Provide Administrative Services

- Single billing services
- COBRA Administration



## **Exhibit B - Payment Schedule**

---

Based on Scope of Services outlined in Exhibit A we propose a monthly fee of \$9,004.50 per month. Gallagher will guarantee the fee for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years.

For Billing and COBRA administration services, Gallagher proposes continuation of the following fee schedule and will guarantee fees for full six-year agreement.

- Single Billing Services \$6.25 PEPM fee
- COBRA administration \$1.00 PEPM fee
- COBRA renewal fee \$40 per line of COBRA eligible coverage (billed at renewal)
- COBRA general notice fee \$4 per notification





## **Exhibit C - Option for Renewal**

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The City reserves the right to renew this contract for two (2) additional two-year renewal terms, for a potential maximum total term of six (6) years, upon serving notice to Consultant within thirty (30) calendar days prior to expiration. If a renewal provision is exercised, all terms and conditions of original contract shall remain in full force and effect. A renewal will be accomplished through a separate contract with reference to the original contract. Acceptance of a renewal offer will be by mutual agreement of both parties. The Mayor or designee is authorized to exercise this renewal option.

Should the City exercise a renewal option, the City and Consultant may discuss any necessary changes to services and will confirm price/rates prior to each renewal. The Consultant has agreed to guarantee the fees for the initial two-year agreement and two optional two-year renewal terms for a maximum total term of six years for the scope of work outlined in Exhibit A. Any changes to the scope of work may result in price/rates and acceptance of such a request will be at the sole discretion of the City.



## Exhibit D - Modifications

### **Consulting Services Agreement**

Page 4, Section 6 'Ownership of Work Product' which reads "Any and all documents, drawings, reports, and other work product produced by the CONSULTANT under this agreement shall become the property of the CITY upon payment of the CONSULTANT'S fees and charges therefore. The CITY shall have the complete right to use and re-use such work product in any manner deemed appropriate by the CITY, provided, that use on any project other than that for which the work product is prepared shall be at the CITY'S risk unless such use is agreed to by the CONSULTANT" is amended read: "Gallagher will retain sole and exclusive ownership of all right, title and interest in and to its intellectual property and derivatives thereof which no data or confidential information of City was used to create and which was developed entirely using Gallagher's own resources. To the extent Gallagher's intellectual property is necessary for City to use the services provided, Gallagher will grant to City a non-exclusive, royalty-free license to Gallagher's intellectual property solely for City's use of such services."

Page 5, Section 9 'Insurance,' which reads "Excepting the professional liability insurance, the City will be named on all insurance as additional insured" is amended to read: "Gallagher will name the City as primary non-contributory additional insured on its Commercial General Liability Policy (not Worker's Compensation and Employer's Liability) and it will be via Certificate of Insurance, not an endorsement."

Page 5, Section 9 'Insurance' - Insurance amounts for both general public liability & property damage, and professional liability insurance shall be increased from \$2,000,000 each to \$5,000,000 each.

Page 5, Section 9 'Insurance,' which reads "No cancellation, reduction or modification of the foregoing policies shall be effective without thirty (30) days prior written notice to the City" is amended to read: "Gallagher's insurers are not required to provide advance notice of cancellation/non-renewal via the terms of the policies. Therefore, Gallagher will not provide 30 days prior notice to its clients of changes in policy. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City."

### **Redmond Business Associate Agreement**

Page 2, Section 2.4(b) 'Reporting Non-Permitted Use, Disclosure, or Breach.' - The agreement will constitute notice of unsuccessful security incident.

Page 2, Section 2.4(c) 'Reporting Non-Permitted Use, Disclosure, or Breach' - The term "potential breach" in this section, which reads "Business Associate shall report to Covered Entity a Breach or potential Breach of Unsecured PHI without unreasonable delay..." shall be removed.

Page 6, Section 6.4 'Insurance' incorporates the following changes:

- Gallagher can only agree to name the City as primary non-contributory additional insured on its Commercial General Liability policy.
- Gallagher will not provide clients with copies of actual policies. It will evidence via Certificates of Insurance.



- Gallagher's insures are not required to provide advance notice of cancellation/non-renewal via the terms of the policies, so Gallagher cannot agree to provide two (2) days prior notice to its clients. Rather, any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City.





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/8/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, Inc. 300 S. Riverside Plaza, Suite 1500 Chicago IL 60606	<b>CONTACT</b> NAME: Direct All Inquiries to Email PHONE (A/C, No. Ext): FAX (A/C, No): E-MAIL ADDRESS: Chi_Certificates@ajg.com														
<b>INSURED</b> Gallagher Benefit Services, Inc. 777 - 108th Avenue NE, Suite 200 Bellevue, WA 98004	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A : Arch Insurance Company</td> <td>11150</td> </tr> <tr> <td>INSURER B :</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Arch Insurance Company	11150	INSURER B :		INSURER C :		INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A : Arch Insurance Company	11150														
INSURER B :															
INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															

**COVERAGES****CERTIFICATE NUMBER:** 1330105674**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> CLAIMS-MADE  <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER:  <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC  <input type="checkbox"/> OTHER:           </div> <div> <input checked="" type="checkbox"/> OCCUR           </div> </div>	Y		41GPP4938414	10/1/2021	10/1/2022	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 \$
	<b>AUTOMOBILE LIABILITY</b> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> ANY AUTO  <input type="checkbox"/> OWNED AUTOS ONLY  <input type="checkbox"/> HIRED AUTOS ONLY           </div> <div> <input type="checkbox"/> SCHEDULED AUTOS  <input type="checkbox"/> NON-OWNED AUTOS ONLY           </div> </div>						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <b>EXCESS LIAB</b> DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N					<div style="display: flex; justify-content: space-between;"> <div>PER STATUTE</div> <div>OTH-ER</div> </div> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

General Liability:  
 General Aggregate Per Location Subject to \$10 Mil Policy aggregate.

The Certholder is shown as an Additional Insured solely with respects to General Liability as evidenced herein as required by written contract per form 00 GL0596 00 04 10.

Additional Insured: City of Redmond Washington

**CERTIFICATE HOLDER****CANCELLATION**

City of Redmond Washington Attn: Nicole Bruce 15670 NE 85th St Redmond WA 98052	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p>
--	--

© 1988-2015 ACORD CORPORATION. All rights reserved.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BLANKET ADDITIONAL INSURED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

LIQUOR LIABILITY FORM

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

**SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person or organization who is required under a written contract with you to be included as an insured under this policy, but only with respect to liability arising out of your operations or premises owned by or rented to you.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number: **41GPP4938414**

Named Insured: ARTHUR J GALLAGHER & COMPANY

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: **10/01/2021**

**Certificate Of Completion**

Envelope Id: 236689D5BFC24BC5A9413390505EA07F

Status: Completed

Subject: Please DocuSign: City of Redmond Contract

Source Envelope:

Document Pages: 17

Signatures: 9

Envelope Originator:

Certificate Pages: 3

Initials: 0

Nicole Bruce

AutoNav: Enabled

15670 Ne 85th St

Enveloped Stamping: Enabled

Redmond, WA 98052

Time Zone: (UTC-08:00) Pacific Time (US &amp; Canada)

nbruce@redmond.gov

IP Address: 76.22.116.112

**Record Tracking**

Status: Original

Holder: Nicole Bruce

Location: DocuSign

10/8/2021 1:31:18 PM

nbruce@redmond.gov

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: City of Redmond, WA

Location: DocuSign

**Signer Events****Signature****Timestamp**

Nicole Bruce

**Completed**

Sent: 10/8/2021 1:34:21 PM

nbruce@redmond.gov

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City of Redmond

Signed: 10/8/2021 1:45:28 PM

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Kevin Cipoletti

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Kevin\_Cipoletti@AJG.com

Viewed: 10/8/2021 2:38:45 PM

Area President

Signed: 10/11/2021 2:59:35 PM

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(None)

Signature Adoption: Pre-selected Style

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Cathryn Laird

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claird@redmond.gov

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Signature Adoption: Pre-selected Style

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Jim Haney

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jhaney@omwlaw.com

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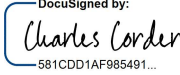


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Not Offered via DocuSign

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Charles Corder (Mayor Designee) MayorContracts@redmond.gov Finance Director city of Redmond Security Level: Email, Account Authentication (None)	<div>DocuSigned by:  5D9FC672714C4E4...</div> Signature Adoption: Pre-selected Style Using IP Address: 204.152.61.20	Sent: 10/11/2021 4:34:38 PM Viewed: 10/11/2021 4:35:31 PM Signed: 10/11/2021 4:36:02 PM
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Editor Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
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Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	10/13/2021 6:51:01 PM
Completed	Security Checked	10/13/2021 6:51:03 PM
Payment Events	Status	Timestamps





## Memorandum

**Date:** 1/20/2026  
**Meeting of:** City Council

**File No.** AM No. 26-007  
**Type:** Consent Item

**TO:** Members of the City Council  
**FROM:** Mayor Angela Birney  
**DEPARTMENT DIRECTOR CONTACT(S):**

Human Resources	Cathryn Laird	425-556-2125
-----------------	---------------	--------------

**DEPARTMENT STAFF:**

Human Resources	Adrienne Steinert	Adrienne Steinert
-----------------	-------------------	-------------------

**TITLE:**

Approval of the Correction of Two Classifications (grade FS30 and grade FS40) within the 2026 Fire Support “FS” Pay Plan

**OVERVIEW STATEMENT:**

This memo seeks approval to correct a scrivener’s error to the 2026 Fire Support “FS” Pay Plan. The 2026-2028 Fire Support Union Collective Bargaining Agreement (CBA) and the associated 2026 pay plan was approved by Council on December 2, 2025. The pay plan presented to Council at that time included the incorrectly agreed upon pay range for the Fire Mechanic (FS30) and the Fire Apparatus Program Supervisor (FS40). Council approved a lower pay range for both classifications than was agreed to or intended. All other classification pay ranges within the pay plan are correct.

☒ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☐ **Receive Information**      ☐ **Provide Direction**      ☒ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
N/A
- **Required:**  
RCW 35A.11.020
- **Council Request:**  
N/A
- **Other Key Facts:**  
The current CBA was effective January 1, 2026.

**OUTCOMES:**

Correcting the 2026 Fire Support “FS” Pay Plan for grades FS30 and FS40 will be in alignment with the negotiated and agreed upon pay plan for the Fire Support CBA. Seeking Council approval for full transparency to ensure Council is aware of this change to the pay plan, which is a higher amount for these two classifications, than what Council approved in December 2025.

**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 to implement the increase to grades FS30 and FS40 was factored into the budget through the market data analysis, which was included when costing the CBA. The scrivener’s error only impacts the published pay plan and does not change the budgeted amount.

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

**Budget Offer Number:**

0000277, 0000278, 0000281, 0000283, 0000291, 0000303

**Budget Priority:**

Safe & Resilient, Strategic & Responsive, Vibrant & Connected

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

*If yes, explain:*

N/A

**Funding source(s):**

General Fund, Development Fees, King County EMS Levy

**Budget/Funding Constraints:**

N/A

☐ **Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
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11/3/2025	Special Meeting	Receive Information
12/2/2025	Business Meeting	Approve
1/20/2026	Committee of the Whole - Public Safety and Human Services	Receive Information

**Proposed Upcoming Contact(s)**

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

**Time Constraints:**

None.

**ANTICIPATED RESULT IF NOT APPROVED:**

The 2026 "FS" Pay Plan Council approved in December 2025, incorrectly reflects the salary ranges for the Fire Mechanic (FS30) and the Fire Apparatus Program Supervisor (FS40) classifications. This was an unintentional clerical error by the City. The pay plan needs to be corrected to be in alignment with the negotiated and approved CBA between the City and Union. Failure to correct the pay plan as agreed during negotiations and through the approval process will result in a grievance by the affected employees due to a loss of pay and likely a Public Employment Relations Commission (PERC) ruling against the City resulting in legal action taken by the Union.

**ATTACHMENTS:**

Attachment A: 2026 Fire Support "FS" Pay Plan Redline

Attachment B: 2026 Fire Support "FS" Pay Plan



### 2026 Pay Plan "FS" - Fire Support

Ordinance No.  
 Redmond Fire Fighters Union - Representing the Fire Support Bargaining Unit  
 Effective January 1, 2026

			<u>Monthly</u>			<u>Annually</u>		
Grade	FLSA	Position Title	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
FS20	NE	Fire Support Administrative Assistant	\$5,910.81	\$6,945.21	\$7,979.60	\$70,929.77	\$83,342.48	\$95,755.19
FS21	NE	Fire Support Administrative Specialist	\$6,263.24	\$7,359.30	\$8,455.37	\$75,158.85	\$88,311.64	\$101,464.44
FS35	NE	Fire Support Department Administrative Coordinator	\$7,007.39	\$8,233.68	\$9,459.97	\$84,088.65	\$98,804.16	\$113,519.67
FS25	NE	Fire Support Program Coordinator	\$7,546.41	\$8,867.03	\$10,187.65	\$90,556.92	\$106,404.38	\$122,251.84
FS30	NE	Fire Mechanic	<del>\$7,354.44</del>	<del>\$8,641.46</del>	<del>\$9,928.49</del>	<del>\$88,253.25</del>	<del>\$103,697.57</del>	<del>\$119,141.89</del>
			\$7,678.32	\$8,828.56	\$9,978.80	\$92,139.84	\$105,942.72	\$119,745.60
FS40	NE	Fire Apparatus Program Supervisor	<del>\$8,641.45</del>	<del>\$9,937.66</del>	<del>\$11,233.88</del>	<del>\$103,697.36</del>	<del>\$119,251.96</del>	<del>\$134,806.57</del>
			\$8,828.56	\$10,152.48	\$11,476.40	\$105,942.72	\$121,829.76	\$137,716.80



### 2026 Pay Plan "FS" - Fire Support

Ordinance No.

Redmond Fire Fighters Union - Representing the Fire Support Bargaining Unit

Effective January 1, 2026

			<u>Monthly</u>			<u>Annually</u>		
Grade	FLSA	Position Title	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
FS20	NE	Fire Support Administrative Assistant	\$5,910.81	\$6,945.21	\$7,979.60	\$70,929.77	\$83,342.48	\$95,755.19
FS21	NE	Fire Support Administrative Specialist	\$6,263.24	\$7,359.30	\$8,455.37	\$75,158.85	\$88,311.64	\$101,464.44
FS35	NE	Fire Support Department Administrative Coordinator	\$7,007.39	\$8,233.68	\$9,459.97	\$84,088.65	\$98,804.16	\$113,519.67
FS25	NE	Fire Support Program Coordinator	\$7,546.41	\$8,867.03	\$10,187.65	\$90,556.92	\$106,404.38	\$122,251.84
FS30	NE	Fire Mechanic	\$7,678.32	\$8,828.56	\$9,978.80	\$92,139.84	\$105,942.72	\$119,745.60
FS40	NE	Fire Apparatus Program Supervisor	\$8,828.56	\$10,152.48	\$11,476.40	\$105,942.72	\$121,829.76	\$137,716.80



## Memorandum

**Date:** 1/20/2026  
**Meeting of:** City Council

**File No.** AM No. 26-008  
**Type:** Consent Item

**TO:** Members of the City Council  
**FROM:** Mayor Angela Birney  
**DEPARTMENT DIRECTOR CONTACT(S):**

Executive	Malisa Files	425-556-2166
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**DEPARTMENT STAFF:**

Executive	Cheryl Xanthos	City Clerk
Executive	Kalli Biegel	Deputy City Clerk

**TITLE:**

Appointment of Lodging Tax Advisory Committee Member

**OVERVIEW STATEMENT:**

Lodging Tax Advisory Committee Members are appointed by the City Council and includes one member of the City Council who serves as chair.

**Appointment:**

Former Councilmember Steve Field's term on the Lodging Tax Advisory Committee ended on December 31, 2025. The Council President has nominated Councilmember Vanessa Kritzer for appointment to fill this seat.

☐ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☐ **Receive Information**      ☐ **Provide Direction**      ☒ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
N/A
- **Required:**  
RMC 4. 37.010.B: Lodging Tax Advisory Committee members are appointed by the City Council.
- **Council Request:**  
Nomination from Council President Stuart
- **Other Key Facts:**  
N/A

**OUTCOMES:**

If Councilmember Vanessa Kritzer is appointed by Council, she will serve until the term expiration date listed below:

Vanessa Kritzer              First Term to Expire: March 31, 2030

**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
N/A	None proposed at this time	N/A

**Time Constraints:**

The seat is currently vacant.

**ANTICIPATED RESULT IF NOT APPROVED:**

Council President Stuart would need to nominate another Councilmember for appointment.

**ATTACHMENTS:**

None.





## Memorandum

**Date:** 1/20/2026  
**Meeting of:** City Council

**File No.** AM No. 26-009  
**Type:** Consent Item

**TO:** Members of the City Council  
**FROM:** Mayor Angela Birney  
**DEPARTMENT DIRECTOR CONTACT(S):**

Planning and Community Development	Carol Helland	425-556-2107
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**DEPARTMENT STAFF:**

Planning and Community Development	Jeff Churchill	Long-Range Planning Manager
Planning and Community Development	Glenn Coil	Senior Planner
Planning and Community Development	Seraphie Allen	Deputy Director

**TITLE:**

Adoption of a Resolution Documenting Completion of Redmond 2050, the Periodic Update of the Comprehensive Plan

- a. Resolution No. 1619: A Resolution of the City of Redmond, Washington, Completing the Redmond 2050 Comprehensive Plan Periodic Update

**OVERVIEW STATEMENT:**

The Redmond 2050 Comprehensive Plan was adopted on Nov. 19, 2024, by ordinances 3181 through 3190. A 10-day notice of adoption was submitted to WA Dept. of Commerce on Nov. 27, 2024.

In November 2025, Commerce staff notified the city that per WAC 365-196-610, the city must also take legislative action declaring that the periodic review is complete. Furthermore, if the city took multiple legislative actions as part of the periodic update process, the final ordinance or resolution should reference all prior legislative actions.

This resolution declares the Redmond 2050 comprehensive plan periodic update complete and references all legislative actions taken to complete the periodic update.

☐ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☐ **Receive Information**      ☐ **Provide Direction**      ☒ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**

n/a

- **Required:**  
RCW 36.70A.130, WAC 365-196-610
- **Council Request:**  
n/a
- **Other Key Facts:**  
n/a

**OUTCOMES:**

Adoption of the resolution will complete the Redmond 2050 periodic update and allow the WA Dept. of Commerce to track eligibility for state grants and loans.

**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:**  
\$5,350,743

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

**Budget Offer Number:**  
0000304 - Community and Economic Development

**Budget Priority:**  
Vibrant and Connected

**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
1/6/2026	Committee of the Whole - Planning and Public Works	Provide Direction

**Proposed Upcoming Contact(s)**

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

**Time Constraints:**

The Washington State Department of Commerce requests prompt adoption of the resolution in order to properly document the completion of Redmond 2050.

**ANTICIPATED RESULT IF NOT APPROVED:**

The Redmond 2050 Comprehensive Plan will not be formally considered complete and may impact the City's eligibility for state programs, grants, and funds that rely on the adoption of an approved comprehensive plan.

**ATTACHMENTS:**

Resolution - Completing the Redmond 2050 Comprehensive Plan Periodic Update

**REDMOND CITY COUNCIL**  
**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE CITY OF REDMOND,  
WASHINGTON, COMPLETING THE REDMOND 2050  
COMPREHENSIVE PLAN PERIODIC UPDATE

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WHEREAS, the Growth Management Act (GMA) requires that comprehensive plans and development regulations shall be subject to continuing evaluation and review; and

WHEREAS, the GMA requires that Redmond complete a periodic update of its comprehensive plan by December 31, 2024; and

WHEREAS, the City of Redmond last completed a periodic update on December 6, 2011, Ord. No. 2638; and

WHEREAS, the Redmond Comprehensive Plan has been amended several times through annual docket processes since 2011; and

WHEREAS, the City began the work of updating the Redmond Comprehensive Plan in late 2020 and refers to the update as Redmond 2050; and

WHEREAS, the purpose of updating the Comprehensive Plan is to extend the planning horizon from 2030 to 2050; to incorporate the themes of equity and inclusion, sustainability, and resilience; to reflect changes in the GMA, regional, and countywide planning documents since 2011; and to reflect City actions or studies since the 2011 Comprehensive Plan update; and

WHEREAS, on October 6, 2020, the City Council adopted Resolution No. 1538, which established the scope, timeline, and community involvement plan for Redmond 2050; and

WHEREAS, throughout Redmond 2050 the City executed a multifaceted community involvement program to engage Redmond's diverse community, using methods such as a digital city hall lobby, online questionnaires, virtual workshops, in-person workshops, social media, videos, yard signs, utility bill inserts, newsletters, over 20 focus groups, contracting with community-based organizations, office hours, tabling at community events, pop-up engagement around the city, translating materials, a community advisory committee, a technical advisory committee, and attending board and commission meetings, that ultimately engaged thousands of community members; and

WHEREAS, on October 12, 2020, the City of Redmond issued determination of significance for Redmond 2050 under the State Environmental Policy Act; and

WHEREAS, the City of Redmond issued a Draft Environmental Impact Statement (EIS) on June 16, 2022, a Supplemental Draft EIS on September 20, 2023, and a Final EIS on December 15, 2023, for Redmond 2050; and

WHEREAS, state agencies were sent 60-day notices of Redmond's proposed Comprehensive Plan amendments on several occasions during

the plan development process, and were sent the entire Comprehensive Plan on July 3, 2024; and

WHEREAS, from May 27, 2020, to July 31, 2024, the Planning Commission conducted study sessions and held public hearings for all portions of Redmond 2050 and subsequently transmitted recommendations to the City Council for consideration; and

WHEREAS, from November 17, 2020, to September 24, 2024, the City Council received staff reports and held study sessions, first to review early drafts of the Comprehensive Plan and later to study the Planning Commission's recommendations; and

WHEREAS, having considered the Planning Commission's recommendations and community input, the City Council desired to repeal and replace the Redmond Comprehensive Plan; and

WHEREAS, on November 19, 2024, the City Council adopted Ordinances 3181, 3182, 3183, 3184, 3185, 3186, 3187, 3188, 3189 and 3190 to implement Redmond 2050, the periodic update of the comprehensive plan; and

WHEREAS, the City submitted to the Department of Commerce a 10-day notice of adoption on November 27, 2024; and

WHEREAS, Washington Administrative Code 365-196-610 requires that cities take legislative action declaring that the periodic update process is complete.

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

The Redmond 2050 Comprehensive Plan, the periodic update of  
the comprehensive plan, is complete with the adoption of ordinances  
3181 through 3190 on November 19, 2024.

ADOPTED by the Redmond City Council this 20th day of January,  
2026.

CITY OF REDMOND

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ANGELA BIRNEY, MAYOR

ATTEST:

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CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

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



## Memorandum

**Date:** 1/20/2026  
**Meeting of:** City Council

**File No.** AM No. 26-010  
**Type:** Staff Report

**TO:** Members of the City Council  
**FROM:** Mayor Angela Birney  
**DEPARTMENT DIRECTOR CONTACT(S):**

Public Works	Aaron Bert	425-556-2786
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**DEPARTMENT STAFF:**

Public Works	Ernest Fix	Operations Manager
Public Works	Aaron Moldver	Environmental Programs Manager

**TITLE:**

PFAS Regulations and Redmond's Drinking Water

**OVERVIEW STATEMENT:**

PFAS (per- and polyfluoroalkyl substances) are a group of human-made chemicals that have the potential to adversely affect human health and the environment. Over the last few years federal and state PFAS regulations have been evolving as more is learned about this emerging contaminant. Redmond has been monitoring the groundwater since 2014 to assess risks to the City's supply wells. Recent sampling efforts, required under federal Unregulated Contaminant Monitoring Rule (UCMR), have detected PFAS in Redmond's supply wells over the state and federal requirements. This informational presentation will provide a high-level overview of PFAS, current and evolving regulations, impacts in Redmond and actions the City will need to take.

☐ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☒ **Receive Information**      ☐ **Provide Direction**      ☐ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
Water System Plan, Utilities Strategic Plan
- **Required:**  
N/A
- **Council Request:**  
N/A
- **Other Key Facts:**



### **Redmond System**

Redmond operates a hybrid water system, where approximately 40% of drinking water comes from the City's five municipal supply wells. The other 60% of water is purchased from Cascade Water Alliance.

Public Works strives to provide safe and reliable drinking water today and for future generations. Redmond's municipal supply wells are deemed moderately and highly vulnerable to surface contamination and requires diligence to protect this valuable resource.

### **Regulatory Changes**

PFAS regulations have been evolving in recent years, both at the state and federal level. On April 10, 2024, the U.S. Environmental Protection Agency (EPA) finalized the first-ever maximum contaminant levels (MCLs) for six PFAS chemicals, which takes effect in 2029. Effective on January 15, 2026, the Washington State Department of Health (DOH) will decrease the State Action Levels for six PFAS chemicals to align with EPA's MCLs.

### **Sampling Results**

Sampling of Redmond's municipal supply wells has been conducted to comply with both the EPA and DOH requirements. City testing results first showed PFAS were potentially present in Supply Wells 1 and 2 in January 2024. Additional testing in April 2024 confirmed that PFAS was present in Wells 1 and 2. PFAS levels have remained consistent in all subsequent testing.

Based on results at Supply Wells 1 and 2 treatment will be needed by 2029 to meet the EPA MCL for perfluorooctanesulfonic acid (PFOS). Public Works has developed a scope of work and is actively seeking a consultant to evaluate treatment options. Staff are actively working with the selected consultant to have a negotiated contract ready to be presented at the February 3, 2026, Committee of the Whole meeting.

### **Proactive Measures**

In addition to the testing requirements at our drinking water supply wells, Redmond's Groundwater Protection Program has a network of groundwater monitoring wells where testing occurs twice per year. This groundwater monitoring network acts as an early warning system to identify new contaminants in our aquifer before they reach our drinking water supply wells. Since 2018, a small number of these monitoring wells have detected PFAS. These wells continue to be monitored for PFAS and other chemicals. As changes in state and federal regulations occur, the Groundwater Protection Program uses new testing protocols to make sure the most up-to-date methods are used to protect our drinking water.

### **Communication to Date**

In June 2025, the city published its annual Water Quality Report with PFAS testing results included and added the testing results to the city website [redmond.gov/PFAS](https://redmond.gov/PFAS). All water customers were notified of the availability of the Water Quality Report with a utility bill insert and through a print newsletter, the Summer 2025 Focus on Redmond, which was mailed to every residence in the city. The report was also advertised on social media and through email newsletters, and staff were made available to discuss it with residents at Redmond's annual summer festival, Derby Days.

### **OUTCOMES:**

Receive information on PFAS regulations and detections in Redmond's drinking water, and actions the City will need to take.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
Future communication will include notification to customers within the well service area based on DOH requirements.
- **Outreach Methods and Results:**  
Current Communication: Results of PFAS detections have been shared via the city website redmond.gov/PFAS, the Water Quality Report with a utility bill insert, and in multiple social media posts.  
Future Communication: public notification of PFOS detections in Wells 1 and 2 to customers in the well service area will likely be required by DOH in Q1 2027.
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:**

**Total Cost:**  
N/A

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

**Budget Offer Number:**  
0000267 and 0000268

**Budget Priority:**  
Healthy and Sustainable

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

**If yes, explain:**  
N/A

**Funding source(s):**  
Utility rates

**Budget/Funding Constraints:**  
N/A

☐ Additional budget details attached

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
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N/A	Item has not been presented to Council	N/A
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**Proposed Upcoming Contact(s)**

Date	Meeting	Requested Action
2/3/2026	Committee of the Whole - Planning and Public Works	Provide Direction
2/27/2026	Business Meeting	Approve

**Time Constraints:**

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

N/A

**ATTACHMENTS:**

Attachment A: PFAS Regulations and Redmond's Drinking Water Staff Report PPT

Attachment B: Executive Summary PFAS Detection in Drinking Water

# PFAS Regulations and Redmond's Drinking Water

January 20th, 2026

Aaron Bert, Public Works Director



# PFAS in Redmond's Groundwater

PFAS compounds have been detected in Redmond's groundwater sources of drinking water.

This presentation will provide a high-level overview of PFAS, current and evolving regulations, and actions the City will need to take.

1. PFAS Background
2. Regulations
3. Redmond's Detections
4. Actions Required
5. Next Steps



# PFAS Background

- PFAS, “**Per-and polyfluoroalkyl substances**” are a group of human-made chemicals with the potential to adversely affect human health
- Sometimes referred to as “**forever chemicals**” because they do not break down in the environment.
- PFAS were invented in the 1930s and have been used in a variety of products.
- PFAS can have health impacts in humans when they build up in our bodies over an extended time, including higher cholesterol levels, blood pressure problems during pregnancy, lower birthweights, and increased risk of some cancers.
- Over time, PFAS chemicals have been released into the air, soil, and water – including groundwater – through the use and disposal of PFAS-containing products and waste.



[Source: Washington State Department of Health](#)

# PFAS Regulations

## Federal: Environmental Protection Agency (EPA)

Set Maximum Contaminant Levels (**MCLs**) that are enforceable limits drinking water can't exceed.

- April 2024: EPA established MCLs for six PFAS in drinking water that go into effect in 2029.
- Four quarters of “initial monitoring” required by 2027.
- May 2025: EPA announced planned revisions to the 2024 rule, adjusting and eliminating some MCLs and extending the compliance date to 2031. These adjustments have not been adopted yet.

## State: Washington Department of Health (DOH)

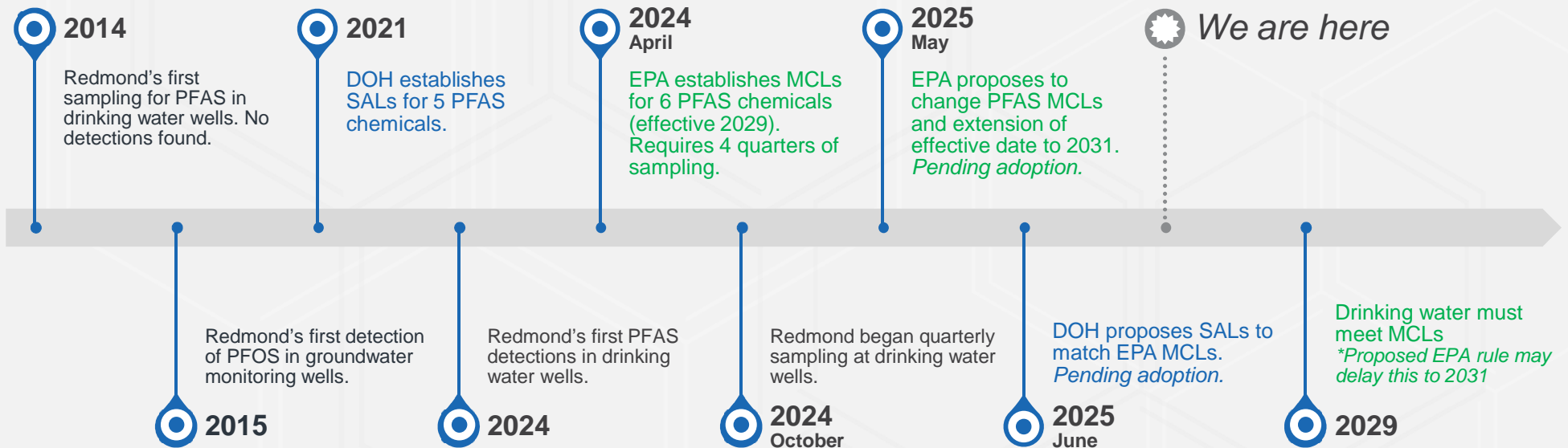
Set State Action Levels (**SALs**) that require direct public notification when exceeded.

- 2021: Washington first established SALs for drinking water for five types of PFAS.
- 2025: State announced plans to reduce SALs to match Federal MCLs; expected to go into effect Q1 2026.

Compliance with both MCLs and SALs is determined on a Rolling Annual Average (RAA) consisting of at least four quarterly samples.



# PFAS Regulation and Sampling Timeline



## Federal

EPA: Environmental Protection Agency  
MCL: maximum contaminant level (enforceable limits drinking water can't exceed)

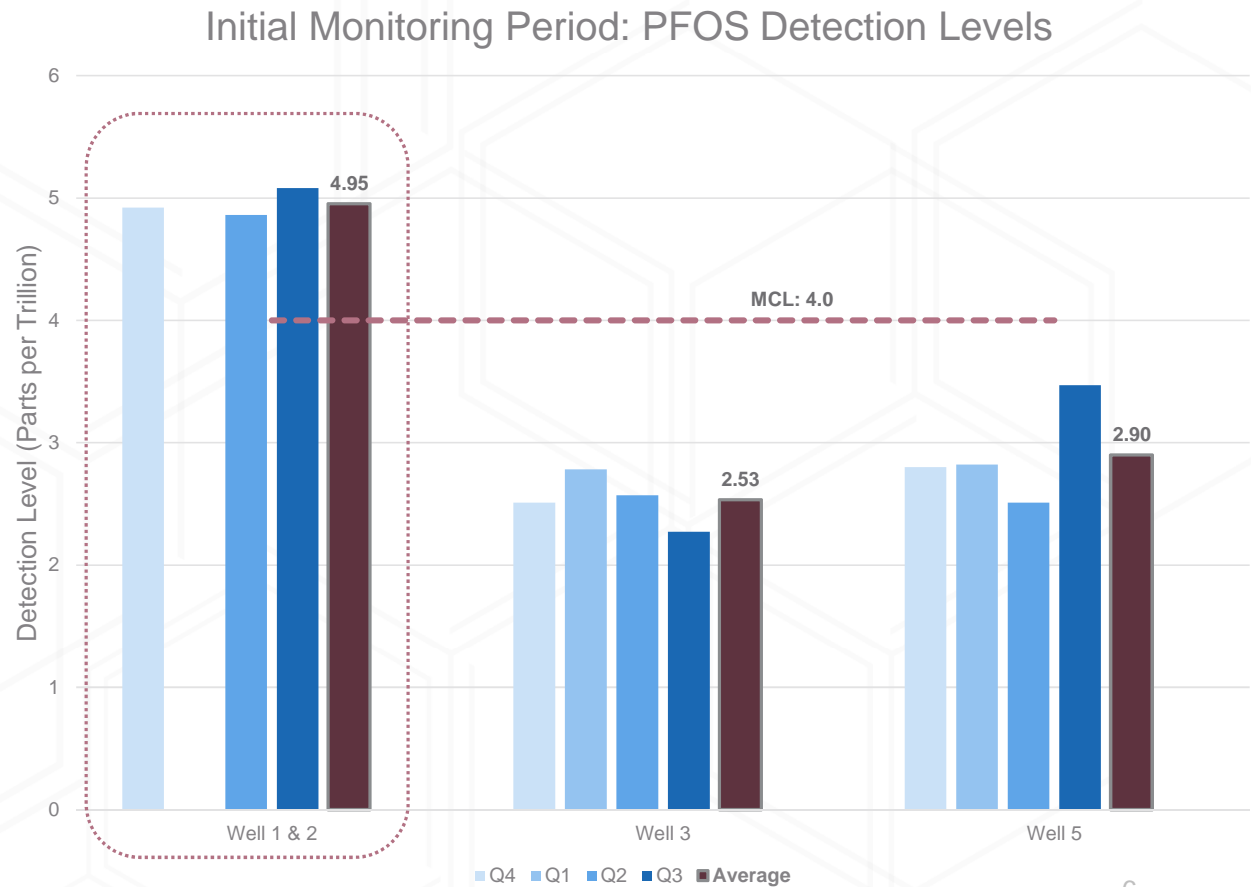
## State

DOH: Washington Department of Health  
SAL: state action level (require direct public notification when exceeded)



# Redmond's Detections

- Results show detections at all tested wells.
- Well 1 & 2 (one well source) indicates an expected exceedance of the MCL for PFOS.
- Well 1 & 2 were out of service for maintenance in Q1 2025. The make-up sample scheduled for January 2026 will establish the RAA against the MCL.

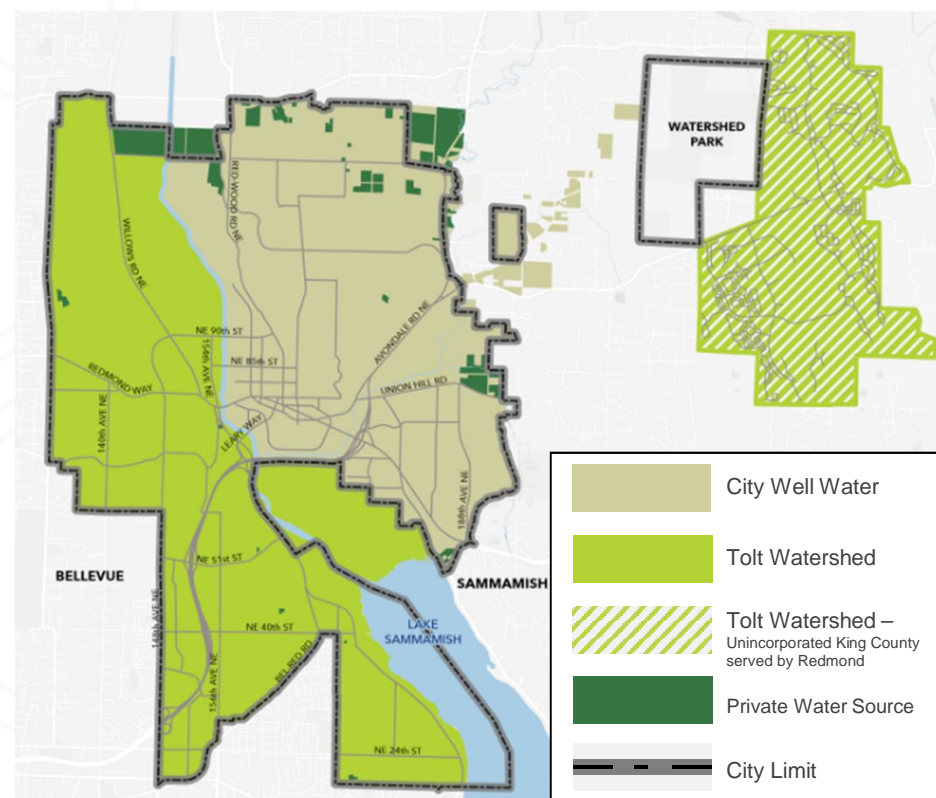


# Actions Required

If January 2026 PFOS sample results remain consistent, as expected, the City will need to take the following actions to meet State and Federal regulations:

Timeframe	Action	Regulatory Driver
Ongoing:	Continue conducting quarterly monitoring	Federal Requirement (EPA)
By 2027:	Initiate “Tier 2” Public Notification directly to customers in the Well Service Area	State Requirement
By 2029:	Reduce PFOS levels at Well 1 & 2 below MCLs through treatment	Federal Requirement

## Drinking Water Service Area



The well service area receives drinking water blended from all well sources as well as purchase water from Seattle Public Utilities’ Tolt Watershed.

**Customers outside the tan area do not receive well water from Redmond’s groundwater sources.**

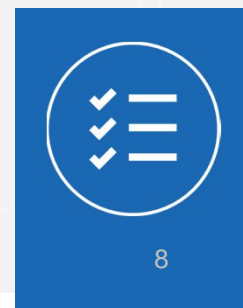
# Current & Upcoming Actions

## Current Actions

- Ongoing quarterly sampling at all wells
- Public-facing PFAS webpage established: [Redmond.gov/PFAS](https://redmond.gov/PFAS)
- Communications plan developed
- Engaging with consulting firm to develop high-level estimate of treatment needs

## Future Actions

- Initiate “Tier 2” public notification to customers in the well service area (expected Q1 2027)
- Construction of PFAS treatment facility for Wells 1 & 2 by 2029
- Establish temporary agreement with Cascade Water Alliance to purchase additional water during treatment facility construction (if needed due to treatment construction extending beyond 2029)



# Thank you

Any Questions?



## M E M O R A N D U M

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**DATE:** July 1, 2025, updated January 14, 2026

**TO:** Redmond City Council

**FROM:** Aaron L. Bert, Director, Public Works

**SUBJECT:** **Executive Summary: PFAS Detection in Drinking Water**

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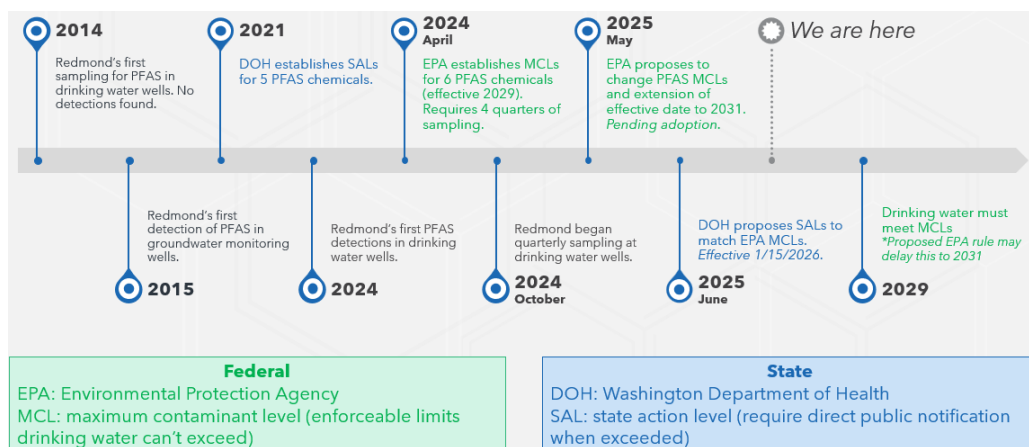
### Background:

This memo provides an update on recent per- and polyfluoroalkyl substances (PFAS) detections in the City of Redmond's drinking water supply and outlines the City's proactive approach to ensure continued compliance with water quality standards and evolving federal regulations.

PFAS are human-made chemicals with potential links to various health concerns, including increased cholesterol and decreased birth weights. In April 2024, the Environmental Protection Agency (EPA) finalized national Maximum Contaminant Levels (MCLs) for six PFAS compounds, with an initial monitoring phase required by 2027 and compliance, based on the average of samples, by 2029. Washington State adopted these federal MCLs as State Action Levels (SALs) on January 15, 2026.

It's important to note that in May 2025, the EPA announced its intent to revise this rule. The agency plans to rescind MCLs for three regulated PFAS compounds and the hazard index. Additionally, the compliance deadline for the remaining MCLs (PFOA and PFOS) is expected to be extended by two years, from 2029 to 2031.

Key dates of PFAS regulatory actions and Redmond supply well sampling are shown below.



### Key Issue:

Recent sampling has detected PFAS in Redmond's drinking water supply wells, specifically perfluorononanoic acid (PFOS) in Wells 1 and 2. Importantly, compliance with the EPA's new MCLs for individual PFAS compounds, which takes effect in June 2029 (anticipated to be extended to 2031), is determined on a rolling annual average (RAA) consisting of at least four quarterly samples. Results from Wells 1 and 2 indicate that the RAA will exceed the MCL for PFOS. The fourth quarter sample was collected on January 5, 2026, and results are expected from the laboratory in the near future. All PFAS detections in Supply Wells 3 and 5 are below MCLs.

#### **State of Redmond's Groundwater:**

- **Drinking Water Supply:** Groundwater from five wells provides up to 40% of Redmond's drinking water.
- **Monitoring:** Regular sampling of supply wells is conducted to comply with federal and state regulations. Semi-annual sampling of groundwater monitoring wells provides an early warning system for the supply wells.
- **Detections:**
  - **Wells 1 & 2:** Individual PFOS sample results have exceeded the future federal MCL in recent sampling (April, May, and October 2024, and May and August 2025). The RAA will be calculated after data is received from the laboratory from the January 5, 2026, sample collection.
  - **Well 4:** Investigatory sampling in 2020 indicated likely MCL exceedances. This well is currently offline due to ongoing issues related to iron and manganese and is not part of Redmond's current PFAS Initial Monitoring phase. Public Works is evaluating the best path forward to bring Well 4 back into service, including the potential to move Well 4 to a new location.
  - **Wells 3 & 5:** PFOS has been detected in recent sampling (October 2024, January, May, and August 2025) but are below the MCL. The PFOS RAA for both Wells 3 and 5 is 0 parts per trillion. Note that detections less than the MCL are counted as 0 towards the RAA.
  - **Groundwater Monitoring Wells:** Groundwater monitoring wells near Supply Wells 1, 2, 3, and 4 have shown PFAS exceedances of the federal MCLs. Groundwater monitoring wells near Supply Well 5 consistently remain below the PFAS MCLs.
- **PFAS Source:** The source of PFAS detections in the supply wells and monitoring wells is unknown. Due to the historic ubiquitous use of PFAS containing materials, the contamination likely resulted from poor management of PFAS containing chemicals (such as pesticides, paints, floor polishes, and cleaning supplies) or historic spills. Concentrations of PFAS in monitoring wells and supply wells have consistently been detected just above the EPA MCL. PFAS concentrations within Redmond's water supply are very low compared to drinking water supplies located near chemical manufacturing facilities, textile mills, or facilities that used high amounts of firefighting foams containing PFAS (military bases and fire training stations). There is no clear indication that firefighting foam is the cause of PFAS contamination of the groundwater within

Redmond or the surrounding region. Due to enhanced regulatory and programmatic actions take by the City to protect groundwater resources, PFAS contamination is believed to be a result of these historic activities, and not an ongoing issue.

- **Purchased Water:** Redmond's remaining drinking water demand (currently about 60% of total demand) is purchased from Cascade Water Alliance (CWA) through the City's membership in CWA. CWA has a contract with Seattle Public Utilities (SPU) to supply water to CWA members. SPU is responsible for monitoring their supply sources. The most recent samples collected from SPU's two primary sources – the Tolt and Cedar River reservoirs – have not shown any detections of regulated PFAS compounds. Results are published on the [SPU website](#).

### Current Actions:

The following actions are currently underway:

- **PFAS Treatment Feasibility:** A consultant has been engaged to provide technical expertise with a PFAS Treatment Feasibility Study. This study will result in a high-level estimate of treatment needs and initial treatment designs. The contract for this work will be presented at the February 3, 2026, Planning and Public Works Committee of the Whole meeting.
- **Continue Intensive Monitoring:** Maintain quarterly PFAS sampling at all active supply wells through the initial monitoring phase and beyond to accurately determine the average PFAS concentrations for compliance. Additionally, groundwater monitoring wells located upgradient of the supply wells are tested for PFAS twice a year.
- **Track Federal Guidance and Regulations:** In May 2025, the EPA announced plans to develop a rulemaking to provide additional time for compliance, including a proposal to extend the compliance date to 2031. EPA plans to issue a proposed rule and finalize in the Spring of 2026.
- **Communication Strategy:** Public Works has created a communication plan to inform City leadership, the City Council, and Redmond drinking water customers about PFAS detections and planned actions. Results of PFAS detections have been shared via the city website [redmond.gov/PFAS](http://redmond.gov/PFAS), the Water Quality Report with a utility bill insert, and in multiple social media posts. A dedicated QAlert request type has been created for PFAS questions.

### Future Actions:

To strategically address PFAS contamination and ensure compliance with upcoming federal regulations, Public Works will take the following actions:

- **Tier 2 public notification:** Initiate Tier 2 public notification to customers in the well service area as required by Washington State Department of Health if concentrations continue to exceed the RAA. Notifications are expected to occur in Quarter 1 of 2027.
- **Proceed with Well 4 Investigation:** Continue the project to evaluate options to utilize Well 4 full water rights, given the historical iron, manganese and PFAS detections, and production issues.

- **Develop Capital Improvement Plans (CIP):** Begin the CIP process for implementing PFAS treatment at Wells 1 and 2 to ensure that the average PFAS concentrations meet the June 2029 compliance deadline.  
[Note: in May 2025, the EPA announced plans to extend this compliance deadline to 2031.]
- **Temporary Water Agreement:** Establish a temporary agreement with Cascade Water Alliance to purchase additional water during treatment facility construction, if needed due to treatment construction extending beyond 2029.

### **Fiscal Implications:**

Significant capital investments will likely be required for PFAS treatment. Results from January 5, 2026, sample from Wells 1 and 2 will inform capital investment needs. Funding mechanisms and cost projections need to be a key component of the treatment evaluation and CIP development.

### **Timeline:**

Initial monitoring for federal compliance was completed on January 5, 2026 (pending analytical results). Quarterly PFAS sampling required by Washington State will occur in 2026, based on the RAA from this sampling public notification of SAL exceedances will begin in the first quarter of 2027. Treatment to reduce PFAS levels below MCLs is required to be in place by 2029 to serve water from impacted sources. Acting now is crucial to meet these deadlines and ensure the continued safety and customer confidence in Redmond's drinking water.





# City of Redmond

15670 NE 85th Street  
Redmond, WA

## Memorandum

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**Date:** 1/20/2026  
**Meeting of:** City Council

**File No.** SPC 25-104  
**Type:** Executive Session

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To Consider the Selection of a Site or the Acquisition of Real Estate by Lease or Purchase [RCW 42.30.110(1)(b)] - 15 minutes

City of Redmond  
Payroll Check Approval Register  
Pay period: 11/16 - 11/30/2025  
Check Date: 12/01/2025

Check Total:	\$	2,525.88
Direct Deposit Total:	\$	6,311.57
Wires & Electronic Funds Transfers:	\$	181.10
Grand Total:	\$	9,018.55

We, the undersigned Council members, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Redmond, and that we are authorized to authenticate and certify to said claim.

All Checks numbered **188855** through **188855** ,  
Direct deposits numbered **196030** through **196031** , and  
Electronic Fund transfers - through -  
are approved for payment in the amount of **\$9,018.55**  
on this **01st day of December 2025**.

**Note:**

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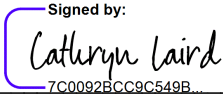
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City of Redmond  
Payroll Final Check List  
Pay period: 11/16 - 11/30/2025  
Check Date: 12/01/2025

Total Checks and Direct deposit:	\$	8,837.45
Wire Wilmington Trust RICS (MEBT):	\$	181.10
Grand Total:	\$	9,018.55

I, the Human Resources Director, do hereby certify to the City Council, that the checks and direct deposits presented are true and correct to the best of my knowledge.

Signed by:  
  
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Human Resources Director, City of Redmond  
Redmond, Washington

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