

City of Redmond



Agenda

Tuesday, September 9, 2025

4:30 PM

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

Committee of the Whole - Finance, Administration, and Communications

Committee Members

Steve Fields, Presiding Officer

Jeralene Anderson

Jessica Forsythe

Vanessa Kritzer

Angie Nuevacamina

Osman Salahuddin

Melissa Stuart

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

AGENDA

ROLL CALL

A. Action Items

1. Approval of the Gartner, Inc Subscription in the Amount of [CM 25-487](#)
\$50,749

[Attachment A: City of Redmond Gartner Agreement](#)

Department: Technology and Information Services, 5 minutes

Requested Action: Consent, September 16th

2. Benefits Update – Potential RedMed Plan Changes for 2026 [CM 25-489](#)

[Attachment A: Draft Resolution](#)

[Attachment A, Exhibit 1: 2025 Plan Changes](#)

Department: Human Resources, 10 minutes

Requested Action: Consent, September 16th

3. Adoption of an Ordinance Amending Redmond Municipal [CM 25-471](#)
Code (RMC) Subsection 5.04.080.F Increasing the Business
License Model Minimum Threshold for Out-of-City
Businesses, and Implementing Adjustments to the Threshold
Every Four Years

[Attachment A: Ordinance](#)

[Attachment B: FAC November 12, 2024 Memo to Council and PowerPoint](#)

[Attachment C: AWC Fact Sheet-2026 Business License Model Minimum
Threshold](#)

[Attachment D: AWC Notice to Update Business License Model Threshold,
Threshold History & Timeline](#)

Department: Finance, 5 minutes

Requested Action: Consent, September 16th

4. Purchasing Process Improvements: Council Signing Authority [CM 25-472](#)
Limits for Professional Services, Professional Services -
Technology, Architectural and Engineering Services, and
Public Works Agreements

[Attachment A: Presentation](#)

Department: Finance, 10 minutes

Requested Action: Consent, September 16th

5. Washington State Opioid Settlement with Purdue Pharma and [CM 25-486](#)
Generic Manufacturers

[Attachment A: Allocation Agreement](#)

[Attachment B: Participation Agreement](#)

[Attachment C: Opioid Expenditures to Date](#)

Department: Executive, 10 minutes

Requested Action: Consent, September 16th

6. King County District Court ILA Amendment [CM 25-469](#)

[Attachment A: Amendment to the ILA for Provision of District Court
Service 2025](#)

[Exhibit A: Contract Reconciliation 2025](#)

Department: Executive, 5 minutes

Requested Action: Consent, September 16th

B. Feedback for Study Session

1. City of Redmond 2026 State Legislative Agenda [CM 25-488](#)

[Attachment A: Redmond 2026 State Legislative Agenda](#)

[Attachment B: Redmond 2025 State Legislative Agenda](#)

Department: Executive, 15 minutes

Requested Action: Study Session, October 14th

C. Informational

1. Budget Process Update [CM 25-473](#)

Department: Finance, 5 minutes

Requested Action: Informational

D. Read Only

ADJOURNMENT

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



Memorandum

Date: 9/9/2025

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

File No. CM 25-487

Type: Committee Memo

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

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Technology and Information Services	Director Michael Marchand	425-556-2173
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DEPARTMENT STAFF:

Technology and Information Services	Nicole Beerman	Department Administrative Coordinator
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TITLE:

Approval of the Gartner, Inc Subscription in the Amount of \$50,749

OVERVIEW STATEMENT:

Approve the Mayor to sign a one-year contract with Gartner, Inc. for the amount of \$50,749. Gartner is a vendor that specializes in helping organizations evaluate technologies, vendors, and investments for enterprise success. Gartner is an industry leader in providing research, advice, and tools to help inform strategic decisions.

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

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
TIS Strategic Framework.
- **Required:**
N/A
- **Council Request:**
N/A
- **Other Key Facts:**
To inform TIS leadership evaluation and decision making.

OUTCOMES:

The City recently used Gartner to verify and reaffirm our commitment to partnering with a leader in workforce management, UKG, through flagship research methodology that provides graphical competitive positioning of

Date: 9/9/2025

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technology providers. By leveraging Gartner services, the City will achieve contract renewal savings and enable effective and data-driven support for interdepartmental technological investments in application modernization and optimization, enterprise content management, and strategic priorities.

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:

\$50,749.00

Approved in current biennial budget:

☐ Yes

☒ No

☐ N/A

Budget Offer Number:

294

Budget Priority:

Strategic and Responsive

Other budget impacts or additional costs:

☒ Yes

☐ No

☐ N/A

If yes, explain:

Service with annual cost, expected to be budgeted in next biennium.

Funding source(s):

520 Fund.

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
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Date: 9/9/2025

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

File No. CM 25-487

Type: Committee Memo

9/16/2025	Business Meeting	Approve
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Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

TIS anticipates an increase of necessary resources to gather information or a reduction in level of attainable information related to strategic technology initiatives.

ATTACHMENTS:

Attachment A - City of Redmond Gartner Agreement



GARTNER SERVICE ORDER (“SO”) Q-00377609

Gartner	Client (Sold To)	Client (Bill To)
GARTNER, INC. 56 TOP GALLANT ROAD STAMFORD, CT 06902-7700 UNITED STATES	CITY OF REDMOND 15965 NE 85TH ST REDMOND, WASHINGTON 98052-3593 UNITED STATES	ACCOUNTS PAYABLE CITY OF REDMOND PO BOX 97010 REDMOND, WA 98073-9710 UNITED STATES accountspayable@redmond.gov

1. ORDER SCHEDULE

Client agrees to subscribe to Gartner for the Services listed in the table below. Each Service Period is 12 months unless specified in the Order Schedule.

Service Name/ Level of Access	Quantity	Licensed User	Total Service Period (Months)	Service Start/End	Early Access Start	Service Period 1
IT Leadership Team Leader	1	Michael Marchand	12	01-Oct-2025 30-Sep-2026	01-Aug-2025	
IT Leadership Team Essentials Member	1	Chad Marsh	12	01-Oct-2025 30-Sep-2026	01-Aug-2025	
Total Service Period Fee Exclusive Of Applicable Tax						USD 50,749.00

2. SERVICE DESCRIPTIONS

Service Name/Level of Access	Service Description URLs
IT Leadership Team Leader	See Attached
IT Leadership Team Essentials Member	See Attached

3. PAYMENT TERMS

Payment Terms	Billing Schedule	PO Number Required on Invoice
Net 30	Annual in advance	Select Yes/No: _____ PO Number: _____

If Client requires a Purchase Order (“PO”) number to be included on Gartner’s invoice for payment, “yes” must be checked and the PO number entered in the table above. Failure to do so may result in delayed access to Services. Should Client require an annual PO number for multi-year Service Orders, Client must provide the new PO number at least 30 days prior to the beginning of each subsequent Service Period. The original PO number will be used for subsequent invoices if a new PO number is not provided. Regardless of whether Client provides a PO number, Client remains obligated to pay the Total Fee for all Service Periods in Section 1. Any pre-printed or additional terms included on the PO shall be inapplicable and of no force or effect. Any notices, notifications, or subsequent POs are to be sent to americascontracts@gartner.com.

Client agrees to pay any sales, use, value-added, or other tax or charge imposed or assessed by any governmental entity upon the sale, use or receipt of Services, with the exception of any taxes imposed on the net income of Gartner.

4. SERVICE TERMS

This Service Order is governed by the Participating Addendum #08321 to NASPO #186840 between Gartner, Inc. and State of Washington dated 01-Oct-2021 (“Agreement”) and constitutes the entire agreement between Gartner, on behalf of itself and its Affiliates, and Client for the Services. All defined terms not defined in this Service Order are defined in the Agreement. For the purposes of this Service Order, all references to “Service Agreement” in the Agreement shall be a reference to this Service Order.

CITY OF REDMOND

GARTNER, INC.

Client Signature

Gartner Signature

Print Name

Print Name

Title

Title

Date

Date

SERVICE DESCRIPTION**Attachment to the Service Agreement****GARTNER FOR IT LEADERSHIP TEAM: TEAM LEADER**

Gartner for IT Leadership Team: Team Leader (the “Service”) enables access to research related to specific IT roles in a team environment. The Service provides client (“Client”) with an ongoing advisory relationship with Gartner.

DELIVERABLES

Gartner for IT Leadership Team is comprised of two sets of users: (i) the “Team Leader”, and (ii) “Team Members” designated by Client and listed in the Service Agreement. Collectively, the Team Leader and Team Members are “Licensed Users”.

1. The Deliverables for the Team Leader are set forth below.

- Gartner for IT Leaders Research (includes Core IT Research and Role-specific IT Research)
- Peer & Practitioner Research
- IT Key Metrics Data
- Diagnostic Tools, Templates, and Case Studies
- Selected Vendor Reports
- Weekly Picks and News Analysis
- Key Insights Document Share
- Webinars
- Peer Experiences
- IT Podcast Series
- Individual Inquiry
- Team Inquiry
- IT Summit Conference Ticket

2. Additional information on the Deliverables listed above include the following:

The Team Leader may use Key Insights Document Share on gartner.com to forward to others in the Client organization Key Insights summaries of up to 25 (twenty-five) Gartner research documents per contract year. This forwarding may not be done in a manner that has the intent or effect of avoiding the purchase of additional User licenses.

ADDITIONAL USAGE INFORMATION

Participation in inquiry calls is limited to Licensed User(s) and Gartner research expert only (i.e., non-Users, either inside or outside of the client company, may not attend or otherwise participate on the call). Team Leader is entitled to two types of inquiry: (i) inquiry sessions with an expert (“Individual Inquiry”), which may be scheduled and attended independent of Team Members; and (ii) inquiry sessions with an expert and the team (“Team Inquiry”). For Team Inquiry sessions: (i) Team Leader must schedule and attend the sessions, and (ii) Team Members may lead discussions or pose questions to expert on behalf of the team, provided all such questions and discussions advance the Leader’s agenda.

The Ticket is a numbered identifier (e.g., 424562) that entitles Licensed User to register for one (1) conference as specified in the Ticket Letter emailed to Client. Tickets are valid for 12 (twelve) months from date of issue, per the expiration date on the Ticket Letter. Tickets provided as part of a Gartner research service are valid only for conferences during the contract term of that service; one (1) Ticket is issued per 12-month (twelve-month) contract term – a shorter contract term does not entitle Client to a Ticket. Tickets are transferable within the client company but may not be transferred to another company. A single Ticket may not be used by more than one (1) individual and may not be used for admission to any conference other than an IT Summit.

Client companies around the world trust Gartner to be objective and independent in its research and advice, and Gartner takes that responsibility seriously. To preserve the objectivity of research, Gartner does not promise Clients favorable coverage or leads from its research experts. Gartner does not provide access to confidential client information, offer aid to secure capital funding, or sell any product for use in litigation. There are no exceptions. If you have questions, please email ombuds@gartner.com.

Use of this Service is governed by the [Gartner Usage Policy](#) and the [Gartner Content Compliance Policy](#) which are accessible on the Policies section of [gartner.com](#).

SERVICE DESCRIPTION

Attachment to the Service Agreement

GARTNER FOR IT LEADERSHIP TEAM: ESSENTIALS TEAM MEMBER

Gartner for IT Leadership Team: Essentials Team Member (the “Service”) enables access to research related to specific IT roles in a team environment. The Service provides client (“Client”) with an ongoing advisory relationship with Gartner.

DELIVERABLES

Gartner for IT Leadership Team is comprised of two (2) sets of users: (i) the “Team Leader”, and (ii) “Team Members” designated by Client and listed in the Service Agreement. Collectively, the Team Leader and Team Members are “Licensed Users”.

1. The Deliverables for the Essentials Team Member are set forth below.

- Core IT Research
- Role-specific IT Research
- Peer & Practitioner Research
- IT Key Metrics Data
- Diagnostic Tools, Templates, and Case Studies
- Selected Vendor Reports
- Weekly Picks and News Analysis
- IT Podcast Series
- Webinars
- Peer Experiences
- Team Inquiry

2. Additional information on the Deliverables listed above include the following:

The Essentials Team Member (i) may open an unmetered number of Weekly Picks, News Analysis, and Webinars; and (ii) is entitled to access Gartner research documents from the Deliverables listed above, as follows:

- (a) **Shared Document Allocation:** Shared access to a total document allocation equal to 20 (twenty) research documents times the number of Essentials Team Members on the Team.
- (b) **Reversals:** Up to 20 (twenty) reversals (to reverse a debit of specific research documents) during the contract term.

ADDITIONAL USAGE INFORMATION

Participation in inquiry calls is limited to Licensed User(s) and Gartner research expert only (i.e., non-Users, either inside or outside of the client company, may not attend or otherwise participate on the call). Team Members are entitled to inquiry sessions with an expert and the Team Leader (“Team Inquiry”). For Team Inquiry sessions: (i) Team Leader must schedule and attend the sessions, and (ii) Team Members may lead the discussion or pose questions to the expert on behalf of the team, provided all such questions and discussions advance the Leader’s agenda.

Client companies around the world trust Gartner to be objective and independent in its research and advice, and Gartner takes that responsibility seriously. To preserve the objectivity of research, Gartner does not promise Clients favorable coverage or leads from its research experts. Gartner does not provide access to confidential client information, offer aid to secure capital funding, or sell any product for use in litigation. There are no exceptions. If you have questions, please email ombuds@gartner.com.

Use of this Service is governed by the [Gartner Usage Policy](#) and the [Gartner Content Compliance Policy](#) which are accessible on the Policies section of [gartner.com](https://www.gartner.com).



Memorandum

Date: 9/9/2025

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

File No. CM 25-489

Type: Committee Memo

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

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

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

Human Resources	Nicole Bruce	Benefits Program Manager
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TITLE:

Benefits Update - Potential RedMed Plan Changes for 2026

OVERVIEW STATEMENT:

The Red-Med Plan is the self-insured medical plan that is provided by the City for employees, spouses, state registered domestic partners, and eligible dependents. Periodically, the City's third-party administrator and broker recommend plan changes. In addition to ensuring that the Plan is legally compliant, these recommendations address evolving treatment options and protocols, as well as other issues and benefit clarifications that these parties deem necessary. Proposed changes in benefits are reviewed and discussed with the Employee Benefits Advisory Committee (EBAC) and any recommendations will be brought forward to Council for their approval. The changes that are being considered for 2026 are outlined in Exhibit 1 - 2026 Plan Change Summary.

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

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Any changes to Red-Med benefits are incorporated into a Summary Plan Description, which is the definitive description of the benefits that are covered by Red-Med. The Summary Plan Description for the Self-Insured Employee Health Benefits Plan, was adopted by Resolution No. 913 and last amended by Resolution No. 1589.
- **Required:**
The City of Redmond Personnel Manual, Section 1.40, requires Council approval of changes in the medical plan that add or delete benefits to employees.
- **Council Request:**
N/A
- **Other Key Facts:**

Date: 9/9/2025

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

File No. CM 25-489

Type: Committee Memo

These changes are negotiated with bargaining units before they are incorporated into the Summary Plan Description as plan amendments.

OUTCOMES:

The Red-Med changes being considered for 2026, 1) align our plan with recent law changes and 2) incorporate new programs offered by Premera that assist employee and dependents who have complex healthcare needs.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

EBAC meetings are held monthly and discussions regarding 2026 plan changes were/are to be discussed at the following meetings:

- July 23, 2025
- August 27, 2025 (Vote)

- **Outreach Methods and Results:**

EBAC meetings are held on a monthly basis and discussion around plan changes occur annually with a vote regarding recommendations to Council occurring at the August meeting.

- **Feedback Summary:**

Feedback from this outreach will occur through a vote on recommendations. This vote took place at the August 27, 2025 EBAC meeting and is included on Exhibit 1.

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

☐ Yes

☐ No

☒ N/A

Budget Offer Number:

N/A

Budget Priority:

Responsible Government

Other budget impacts or additional costs:

☐ Yes

☒ No

☐ N/A

If yes, explain:

The plan changes are anticipated to have a cost neutral impact to the medical plan.

Funding source(s):

Medical Self-Insurance Fund (511)

Budget/Funding Constraints:

N/A

☐ **Additional budget details attached**

Date: 9/9/2025

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

File No. CM 25-489

Type: Committee Memo

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
9/16/2025	Business Meeting	Approve

Time Constraints:

For Plan Changes to take effect at the beginning of a new plan year (January 1, 2026), the recommendations will need to be approved at the September 16, 2025, meeting to allow for appropriate lead time for the Benefits Plan Administrator to make adjustments for an effective date of January 1, 2026.

ANTICIPATED RESULT IF NOT APPROVED:

Our Red-Med plan would be out of alignment with the latest law changes; please note that our fully insured health plan, Kaiser, will automatically incorporate these changes as required by law. Also, valuable programs offered by Premiera would not be available to members of the Red-Med Plan.

ATTACHMENTS:

Attachment A: Draft Resolution Amending the Red-Med Plan

Exhibit 1: 2026 Plan Change Summary

**CITY OF REDMOND
RESOLUTION NO. XXXX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF REDMOND, WASHINGTON, ADOPTING A REVISED
SUMMARY PLAN DESCRIPTION FOR THE CITY OF
REDMOND SELF-INSURED MEDICAL PLAN

WHEREAS, the City Council desires that the City of Redmond maintain a self-insured employee healthcare program that is fiscally sound and legally compliant; and

WHEREAS, since adoption of the City's self-insured employee healthcare program, the City has approved and adopted amendments that are reflected in the Summary Plan Description for the healthcare program; and

WHEREAS, the City Council desires to update the Summary Plan Description to incorporate changes deemed necessary by the third-party administrator, Premera, to clarify benefits and to address evolving treatment options, protocols and other issues; and

WHEREAS, City of Redmond Personnel Manual, Section 1.40, requires Council approval of changes in the medical plan that add or delete benefits to employees.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO RESOLVE AS FOLLOWS.

Section 1. Adoption of Changes. The Summary Plan Description for the Self-Insured Employee Health Benefits Plan,

adopted by Resolution No. 913 and amended by Resolution No. 1589 and referenced in Section 8.30 of the City of Redmond Personnel Manual, is hereby amended to include those benefit changes set forth in Exhibit 1 to this Resolution and incorporated herein by this reference as if set forth in full.

Section 2. Implementation. The Mayor is authorized and directed to implement the changes adopted in Section 1 and execute any contracts and/or agreements to do so.

Section 3. Effective Date of Benefit Changes. The effective date of the benefits adopted by this resolution shall be January 1, 2026.

Section 4. Conflicts -- Severability. If any provision of this resolution conflicts with any provision of the City of Redmond Personnel Manual or any other resolution or policy of the City of Redmond, the provisions of this resolution shall govern. If any section, sentence, clause or phrase of this resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

Section 5. Effective Date. This resolution shall take effect upon adoption of the Redmond City Council.

ADOPTED by the Redmond City Council this ____ day of
_____, 2025.

CITY OF REDMOND

Angela Birney, MAYOR

ATTEST/AUTHENTICATED:

CITY CLERK, CHERYL XANTHOS

(SEAL)

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

Summary of 2026 Benefit Recommendations/Modifications
Proposed for Redmond Medical Plan

Source	Type of Change	Effective Date	Description	Purpose	Cost Impact	EBAC Recommendation	HR Recommendation
Premiera Recommendation	Benefit Enhancement - Medical Plan	January 1, 2026	Add Personal Health Support & Cancer Support programs	These opt-in programs provide one-on-one clinical case management support for members with complex, high-risk, and chronic conditions and cancer diagnoses. These programs not only offer support to members navigate their health conditions, but it can also provide better adherence to treatments and avoid drug interactions as well as other barriers to health care.	Each enrolled member's program fee would be billed to the plan at \$300 per month for Health Support & \$415 per month for Cancer Support. This will be a negligible cost and is not anticipated to have an actuarial impact on the claims costs as we will only be billed if a member enrolls into the program.	Yes	Yes
Legal Change	Benefit Enhancement - Medical Plan	January 1, 2026	Set a \$35 copay maximum for Asthma Inhalers & EpiPens	These two prescriptions are currently covered at 20% up to the out-of-pocket maximum of the plan, the same as other prescriptions. WA House Bill 1979, passed in 2024, sets a \$35 copay for a 30-day supply for at least one covered inhaled corticosteroid and at least one covered inhaled corticosteroid combination that is FDA approved for the treatment of asthma. It also sets a \$35 cap for at least one covered epinephrine autoinjector product containing at least two autoinjectors. Although we are self-insured and do not have to implement this change, our plan typically follows state mandates. Please note, that our fully-insured health plan (Kaiser) will adopt these changes as required by law.	Setting the \$35 cap will increase the medical plan costs by \$.19 PMPM (per member per month). The annual increase would be approximately \$350 from employee contributions and \$2,650 from City contributions for a total of \$3,000 per year to the cost of the plan which is less than a .025% increase.	Yes	Yes
Legal Change	Benefit Enhancement - Medical Plan	January 1, 2026	Waive Cost-sharing & prior authorization for inpatient HIV post-exposure drugs and therapies	These services are covered under the plan, but claims apply to deductibles and cost shares. WA Senate Bill 6127, passed in 2024, prohibits cost-sharing & prior authorization for HIV post-exposure drugs and therapies. Although we are self-insured and do not have to implement this change, our plan typically follows state mandates. Please note, that our fully-insured health plan (Kaiser) will adopt these changes as required by law.	Waiving cost sharing is anticipated to increase the medical plan costs by \$.94 PMPM (per member per month). The annual increase would be approximately \$1,800 from employee contributions and \$13,700 from City contributions for a total of \$15,500 per year to the cost of the plan which is less than a .15% increase.	Yes	Yes



Memorandum

Date: 9/9/2025

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

File No. CM 25-471

Type: Committee Memo

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

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

Finance	Haritha Narra	Deputy Finance Director
Finance	Adam O'Sullivan	Finance Manager
Finance	Denise Shinoda	Program Coordinator, Business Licensing

TITLE:

Adoption of an Ordinance Amending Redmond Municipal Code (RMC) Subsection 5.04.080.F Increasing the Business License Model Minimum Threshold for Out-of-City Businesses, and Implementing Adjustments to the Threshold Every Four Years

OVERVIEW STATEMENT:

In 2024, the Association of Washington Cities (AWC) coordinated a workgroup of cities and business stakeholders to review and update the model minimum threshold to \$4,000, effective January 1, 2026, with inflationary adjustments every four years.

Currently, per RMC 5.04.080.F, businesses or individuals whose annual value of products, gross proceeds of sales, or gross income within the City of Redmond is equal to or less than \$2,000, and who do not maintain a physical place of business within the City, are exempt from the City's business license fee. This model minimum threshold of \$2,000 was developed and adopted in 2019.

Cities are required to adopt the new threshold, and those who partner with the state's Business Licensing Service (BLS) must adopt the new threshold by mid-October to comply with the BLS 75-day notification requirement for any changes to city business license programming.

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

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
RCW 35.90 - Municipal Business Licensing
Redmond Municipal Code (RMC) Section 5.04 - General Business Regulations
- **Required:**
Changes to the Business License Model Minimum Threshold in RMC 5.04 are required to be adopted by Council via Ordinance.
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

Approval of the ordinance will update the model minimum threshold to \$4,000, implement automatic adjustments to the threshold every four years based on inflation, and maintain city compliance with RCW 35.90, effective January 1, 2026.

The inflationary calculations will be calculated by AWC every four years using Consumer Price Index-U (CPI-U) Western (Attachment C). The threshold will be adjusted based on the cumulative change in the Consumer Price Index, subject to annual caps of five percent and floors of zero percent, and rounded to the nearest \$100. Council will be asked to approve changes to the model minimum threshold accordingly.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
2025 - 2026
- **Outreach Methods and Results:**
Business Licensing already shares the upcoming model minimum threshold change with affected businesses by phone. The city website will be updated to communicate the model minimum threshold change. City Business Licensing staff will coordinate with city communications and economic development staff, as well as OneRedmond staff to notify businesses. The change will be seamless to businesses as it is programmed into the fee calculation by BLS.
- **Feedback Summary:**
Small businesses have provided positive feedback to business licensing staff when this upcoming change has been shared during phone calls.

BUDGET IMPACT:**Total Cost:**

This increase will result in a revenue reduction of \$47,376. This revenue loss is accounted for in the 2025-2026 biennial budget, as implementation of this change was anticipated.

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

Date: 9/9/2025

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

File No. CM 25-471

Type: Committee Memo

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
11/12/2024	Committee of the Whole - Finance, Administration, and Communications	Receive Information

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/16/2025	Business Meeting	Approve

Time Constraints:

Cities that partner with the state's BLS for business licensing administration are required to adopt the updated model minimum threshold of \$4,000 for out-of-city businesses by mid-October 2025. Jurisdictions must provide BLS a 75-day notice of any changes to their business licenses.

ANTICIPATED RESULT IF NOT APPROVED:

The City would be out of compliance with RCW 35.90 and would not be allowed to enforce its general business licensing requirements until the updated model ordinance takes effect (RCW 35.90.090).

ATTACHMENTS:

Attachment A: Ordinance

Attachment B: FAC November 12, 2024, Memo to Council and PowerPoint

Attachment C: AWC Fact Sheet_2026 Business License Model Minimum Threshold

Attachment D: AWC Notice to Update Business License Model Threshold, Threshold History & Timeline

CODE

CITY OF REDMOND
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, AMENDING REDMOND MUNICIPAL CODE (RMC) SUBSECTION 5.04.080.F TO IMPLEMENT A ONE-TIME INCREASE TO THE BUSINESS LICENSE MODEL MINIMUM THRESHOLD FOR OUT-OF-CITY BUSINESSES, WITH ADJUSTMENTS TO THE THRESHOLD EVERY FOUR YEARS BASED ON CUMULATIVE INFLATION, AS REQUIRED BY RCW 35.90, MUNICIPAL BUSINESS LICENSING; PROVIDING FOR SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the 2017 Washington State Legislature passed Engrossed House Bill (EHB) 2005, now codified as Chapter 35.90 RCW, requiring Washington cities and towns with a business licensing program to partner with the Business Licensing Service (BLS) for administration of general business licenses; and

WHEREAS, city staff and Washington State Department of Revenue staff reviewed the business licensing process and procedures set forth in RMC Chapter 5, Business Licenses and Regulations, for required updates; and

WHEREAS, beginning January 1, 2026, the threshold amount for business licensing under RCW 35.90 will be \$4,000, with the threshold to be adjusted every forty-eight months based on the cumulative change in the Consumer Price Index, subject to annual

caps of five percent and floors of zero percent, and rounded to the nearest \$100; and

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

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City Code.

Section 2. Amendment of Subsection. RMC 5.04.080.F, Fees - Payment., is hereby amended to read as follows:

5.04.080 FEES - PAYMENT.

(F) The minimum fee for any license issued under this chapter is \$153.00 in 2025.

(1.) *Exemptions.* The following entities may claim an exemption from the City's license application and renewal fees, but if so exempt under this subsection such entities must still register and obtain a City business license under this chapter, unless otherwise indicated.

(a) Any nonprofit entity exempt from taxation under a provision of [26](#) U.S.C. § [501\(c\)](#), provided they submit a copy of their Internal Revenue Service tax exemption status determination letter.

(b) Governmental entities that engage solely in activities which are not exclusively governmental, such as some activities of a hospital or medical clinic.

(c) A nonprofit organization operated exclusively for a religious purpose and deemed by the Internal Revenue Service as exempt from Federal taxation under 26 U.S.C. § 501(c)(3), even without the issuance of a tax exemption determination letter, is fully exempt from all requirements of this chapter. Such a religious organization conducting any actual commercial business activity beyond their core religious purpose is fully liable for complying with all licensing requirements of this chapter for such other business activities.

(d) Civic groups, service clubs, and social organizations that are not engaged in any profession, trade, or occupation, but are organized to provide civic, service or social activities in the City. Examples of such organizations may include but are not limited to: Soroptimists; Kiwanis; Lions; Rotary; American Legion; children's and adults' athletic organizations; and similar types of groups, clubs or organizations.

(e) For purposes of the license by this chapter, any person or business whose annual value of products, gross proceeds of sales, or gross income of the business in the City is equal to or less than ~~[\$2,000]~~ **\$4,000,** **beginning January 1, 2026,** and who does not maintain a place of business within the City, shall submit a business license registration to the Director or designee, but be exempt from the City license fee therefor. The threshold does not apply to regulatory license requirements or activities that require a specialized permit.

i. The threshold amount will be adjusted every forty-eight months on January 1, by an amount equal to

the increase in the Consumer Price Index ("CPI") for "West Urban, All Urban Consumers" (CPI-U) for each 12-month period ending on June 30 as published by the United States Department of Labor Bureau of Labor Statistics or successor agency. To calculate this adjustment, the current rate will be multiplied by one plus the cumulative four-year (forty-eight month) CPI increase using each 12-month period ending on June 30 of each prior year, and rounded to the nearest \$100. However, if any of the annual CPI increases are more than five (5) percent, a five (5) percent increase will be used in computing the annual basis and if any of the annual CPI decreased during the forty-eight-month period, a zero (0) percent increase will be used in computing the annual basis. The Association of Washington Cities (AWC) will calculate the updated threshold amount and will partner with the Business Licensing Service and the Municipal Research and Services Center (MSRC) to communicate the updated minimum threshold to cities.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Effective date. This ordinance shall take effect and be in full force on January 1, 2026, provided five days have passed since the date of publication of a summary in the City's official newspaper or as otherwise provided by law.

ADOPTED by the Redmond City Council this _____ day of
_____, 20XX.

CITY OF REDMOND

ANGELA BIRNEY, MAYOR

ATTEST:

CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

REBECCA MUELLER, CITY ATTORNEY

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

To: Members of the City Council

From: Haritha Narra, Deputy Finance Director

Date: 11/12/2024

Subject: Recommendation to Increase City of Redmond's Business License Threshold

I am writing to address the recommendation concerning the increase in the City of Redmond's business license threshold.

Currently, businesses or individuals whose annual value of products, gross proceeds of sales, or gross income within the City of Redmond is equal to or less than \$2,000, and who do not maintain a physical place of business within the City, are exempt from the City's business license fee. This threshold exemption was first adopted in 2019, and since that time, no adjustments have been made to the threshold.

In early 2024, the Association of Washington Cities (AWC) convened with cities and business stakeholders to discuss potential updates to the current threshold. After consultations with various cities, AWC is recommending the following adjustments:

- A one-time increase of the threshold to \$4,000, with the option for the City to set a higher amount if desired.
- Effective date January 1, 2026
- The threshold should be adjusted every 48 months based on the Consumer Price Index (CPI).
- To determine the adjustment,
 - o the cumulative CPI over each 48-month period would be applied.
 - o If the annual CPI decreases, no increase will be applied (0%).
 - o If the annual CPI increases by more than 5%, a 5% increase will be applied.

AWC is in the process of finalizing the model threshold language to incorporate the above changes. The timeline for adoption is currently unknown.

Based on AWC's recommendations and other identified limitations (outlined below), the following recommendations are made regarding the threshold increase:

1. One-Time Increase of the Threshold to \$4,000

- o Financial Impact: This increase will result in a revenue reduction of \$47,376. However, given that the impact is not substantial, it can be offset by the General Fund surplus.
- o Considerations: Any threshold increase beyond \$4,000 would lead to more significant revenue losses, which would need to be compensated by raising the business license fee per FTE (highlighted in the attached PPT)

2. Effective Date: January 1, 2026

The recommended effective date is based on the following limitations:

- o The state will not accept changes until January 31, 2025.
- o The state requires at least seven to eight months to process and implement the change in their system.

- If implemented on January 1, 2025, before the state has time to implement the change in their systems, there would be a significant increase in staff time due to the need for manual refunds.

3. Update threshold every four years

- In alignment with AWC recommendations and in consideration of the limitations regarding the time required for programming updates to the state software.

4. Adjust the threshold using AWC's recommended methodology

- Every four years, updating the threshold by using four-year CPI increase using each 12-month period ending from on June 30 of each prior year, and rounded to the nearest \$100.
- This approach ensures the city remains in alignment with AWC's recommended methodology.
- The adjustment will help the city keep pace with inflation over time.

Other recommendations

- Business License Audit

- Conduct the proposed business license audit outlined in the 2025-2026 preliminary budget to assess and gain a comprehensive understanding of the full inventory of businesses, providing insights for policy and program improvements.
- Review and update the entire business license program after the completion of the proposed audit.

Please let me know if you have any questions. The recommendation will be presented at Finance, Administration and Communications committee on November 12, 2024.



Business License Program Exemption Threshold Update

Haritha Narra, Deputy Finance Director
November 2024



Agenda

- Council request
- Current ordinance
- Background and research
- Exemption Threshold comparison
- Financial impact of increases
- Implementation challenges
- Recommendation

Council Request

Evaluate the current ordinance and determine if an increase in the exemption threshold is warranted and can be implemented for the 2025-2026 biennial budget.



Current Ordinance

Ordinance 3131 (year 2024)

(e) For purposes of the license by this chapter, any person or business whose annual value of products, gross proceeds of sales, or gross income of the business in the City is equal to or less than \$2,000 and who does not maintain a place of business within the City, shall submit a business license registration to the Director or designee, but be exempt from the City license fee therefor. The threshold does not apply to regulatory license requirements or activities that require a specialized permit.



Background and Research

- The threshold first was adopted in 2018 with effective date of January 1, 2019 as part of an effort by AWC.
- The City is allowed to increase the threshold annually.
- Per RCW 35.90.080, the City's threshold cannot be below the minimum threshold established by AWC. Currently \$2,000 and will likely increase to \$4,000 effective January 1, 2026



Background and Research - Continued

AWC Activity:

- In 2024, Association of Washington Cities (AWC) met with the cities and the business community to discuss updates to the threshold.
- Recommended effective date January 1, 2026
- One-time increase to a higher threshold to \$4,000 for out-of-city businesses (City can determine higher threshold)
- The threshold amount will be adjusted every forty-eight months on January 1, by an amount equal to the increase in the Consumer Price Index ("CPI")

Exemption Threshold Comparison

City	Threshold
Bellevue	\$2,000
Kirkland	\$12,000
Bothell	\$12,000
Renton	\$2,000
Redmond	\$2,000

Financial Impact of Threshold Increase

Threshold	# Exempt Businesses	Uncollected Revenue	Increased Uncollected	Required Business License Fee Increase
\$2,000 (Current)	1,728	\$255,915		
\$4,000	1,922	\$303,291	\$47,376	N/A
\$6,000	2,135	\$329,940	\$74,025	\$0.78
\$8,000	2,228	\$344,463	\$88,548	\$0.94
\$10,000	2,431	\$373,932	\$118,017	\$1.25
\$12,000	2,520	\$390,852	\$134,937	\$1.38
\$20,000	2,814	\$429,768	\$173,853	\$1.84

Implementation Challenges

- State will not accept changes to business license programs until January 31, 2025.
- State will take at least six to eight months to implement the programming change in system
- Threshold increase effective date of January 1, 2025, would create significant amount of refunds.
- Threshold increase effective date of January 1, 2025, would conflict with ACW process.

Recommendation

- Threshold increase to \$4,000
- Increase effective January 1, 2026
- Update threshold every four years (recommended by AWC)
- Complete the proposed business license audit included in the preliminary budget to identify and understand the full inventory of business and to inform policy and program improvements.
- Evaluate and update entire business license program once the proposed audit is complete.

Thank you

Any Questions?





2026 City Business License Model Threshold update

Effective January 1, 2026

What are the main changes to the model threshold?

The main change in the update would make a one-time increase to a higher threshold to \$4000 for out-of-city businesses from the current \$2,000 threshold, effective January 1, 2026.

Other changes include:

- Every four years thereafter, the threshold would have an automatic periodic increase based on cumulative inflation.
- The rates of inflation would be calculated using the Consumer Price Index-U (CPI-U) Western for June of each year compared to the previous year for the previous four years.
- The rate of inflation would be calculated as zero in any year in which inflation was negative and capped at 5% per year or 20% over four years if inflation exceeded those amounts.
- To make the threshold easier to administer, the cumulative inflation amount would be rounded to the nearest \$100.

Could my city still require a no fee registration for out-of-city businesses below the threshold?

Cities retain the local option of requiring a no-fee registration for out-of-city businesses below the threshold.

Was the definition of “engaging in business” changed?

No, the definition of engaging in business has not changed since the 2018 model was adopted.

What are the deadlines for all cities with business licenses to adopt the 2026 model threshold?

Cities with a business license **must** adopt the model by **January 1, 2026**.

However, cities that currently partner with the state’s Business Licensing Service (BLS) for business licensing administration must adopt it by mid-October 2025, because they must **provide BLS 75-day notice** of any changes to their business licenses, including this mandatory change.

What if my city has a higher threshold?

Cities can choose to enact a higher threshold. The \$4,000 city threshold for out-of-city businesses is the minimum level that every city must enact.

What if my city wants to have a threshold that applies to in-city businesses in addition to the out-of-city business threshold?

The \$4,000 threshold level for out-of-city businesses is a mandatory minimum threshold that every city business license city must adopt, but the law does not impact the city’s authority to have exemptions or other thresholds.

Cities can continue to require a license for businesses located in the city without regard to the threshold (unless the city chose to exempt these businesses).

Cities can also choose to enact a separate threshold exemption that applies to in-city businesses.

Who should my city notify when the model is adopted?

BLS partner cities: Send a completed Change Request Form to BLS notifying them of the update
All other cities: Email Sheila Gall, AWC (sheilag@awcnet.org) so we can track updates.

How will businesses find out about the changes?

Consider providing information on changes to your business license by adding information to your license renewal letter, sending a letter to your potentially impacted businesses, updating information on your city’s website or presenting to your local chamber.

Background on the 2018 model threshold

In the 2017 session, EHB 2005 (RCW 35.90) passed requiring three actions by cities with business licenses and local B&O taxes. The law required cities to make changes to business licensing, including requiring cities with business licenses to establish a workgroup to create a model business license threshold by July 2018 for adoption by all business license cities by January 1, 2019.

**2018 model ordinance for local business licenses
– minimum threshold**

The 2018 model included a mandatory definition of “engaging in business” and a \$2000 minimum threshold (or occasional sale) exemption to establish when out-of-town or transient businesses are required to be licensed. All business license cities adopted the model by January 1, 2019 (RCW 35.90.080).

Contact

Sheila Gall

General Counsel

sheilag@awcnet.org

wacities.org

Published on Aug 14, 2025

Time to update your Business License Model Threshold ordinances

Contact: [Sheila Gall](#), [Emma Shepard](#)

New Business License Model ordinance updates require changes to city ordinances to increase business license thresholds for out-of-city businesses that conduct commerce within cities.

If your city is one of the more than 200 that partners with the state's Department of Revenue Business License Service (BLS), you should aim to get those updates done as soon as you can, ideally this summer.

Deadlines

The changes to the model license are set to take effect on January 1, 2026. While the state's deadline to adopt the threshold for BLS cities is **October 1** (to provide the required 75-days' notice of the change before they take effect) due to system upgrades, the BLS team is encouraging cities to complete the task as soon possible—by **August 26** if feasible.

Resources

Read more information, materials, and FAQ in the article below and then take these three steps to complete your city's update. We will be sending reminders and keeping in touch with cities to help reach the deadline.

Actions to take:

1. **Step one:** Review our materials, including AWC's [fact sheet](#) and the [model threshold ordinance language](#) that a group of cities produced. The change to the model ordinance increases the threshold for out-of-city business from the current minimum of

language for an automatic increase to that minimum by inflation every four years thereafter;

2. **Step two:** Schedule the ordinance to be passed at an upcoming council meeting;
3. **Step three:** Once passed (if you are a BLS city), close the loop by submitting a [Partner Change Request](#) form to BLS at dorblspartner@dor.wa.gov. Remember to attach the language as adopted by council.

Not a BLS city?

Notify your city's tax and license system [FileLocal](#) of the change.

Questions?

Reach out to [Sheila](#) or [Emma](#) by email or calling us at AWC (360) 753-4137.

You can also reach out to BLS at dorblspartner@dor.wa.gov or (360) 705-6777.

2026 City Business License Model Threshold update

March 11, 2025

[Printable fact sheet on 2026 model threshold](#)

[Updated 2026 model threshold](#)

In 2018, cities were required to develop a model minimum threshold for business licensing, which cities adopted by January 1, 2019. The ordinance includes a mandatory definition of “engaging in business” and a minimum threshold (or occasional sale) exemption to establish when out-of-town or transient businesses are required to be licensed.

The model threshold was reviewed and updated by a work group of cities in 2024. Cities must adopt the updated threshold by January 1, 2026.

What are the main changes to the [model threshold](#)?

The main change in the update would make a one-time increase to a higher threshold to \$4,000 for out-of-city businesses from the current \$2,000 threshold, effective January 1, 2026.

- Every four years thereafter, the threshold would have an automatic periodic increase based on cumulative inflation.
- The rates of inflation would be calculated using the Consumer Price Index-U (CPI-U) Western for June of each year compared to the previous year for the previous four years.
- The rate of inflation would be calculated as zero in any year in which inflation was negative and capped at 5% per year or 20% over four years if inflation exceeded those amounts.
- To make the threshold easier to administer, the cumulative inflation amount would be rounded to the nearest \$100.

Could my city still require a no-fee registration for out-of-city businesses below the threshold?

Cities retain the local option of requiring a no-fee registration for out-of-city businesses below the threshold.

Was the definition of “engaging in business” changed?

No, the definition of engaging in business has not changed since the 2018 model was adopted.

What are the deadlines for all cities with business licenses to adopt the 2026 model threshold?

Cities with a business license must adopt the model by January 1, 2026.

However, cities that currently partner with the state’s Business Licensing Service (BLS) for business licensing administration must adopt it by mid-October 2025, because they must provide BLS 75-day notice of any changes to their business licenses, including this mandatory change. Due to system upgrades, BLS is requesting that BLS partner cities work to complete it as soon as is feasible (before the October deadline).

What if my city has a higher threshold?

Cities can choose to enact a higher threshold. The \$4,000 city threshold for out-of-city businesses is the minimum level that every city must enact.

However, higher-threshold-cities will still be impacted by the four-year inflation factor, which

to be calculated in fall 2029 for city adoption by January 1, 2030. AWC will partner with BLS and MRSC to communicate the updated minimum threshold in 2029.

Because of the four-year inflation factor, we recommend that cities with thresholds higher than \$4,000 adopt the indexing language, but also add some language to their ordinance that when the city's threshold is exceeded by the minimum, the city will use the statewide minimum threshold indexed as provided in the model.

What if my city wants to have a threshold that applies to in-city businesses in addition to the out-of-city business threshold?

The \$4,000 threshold level for out-of-city businesses is a mandatory minimum threshold that every city business license city must adopt, but the law does not impact the city's authority to have exemptions or other thresholds.

Cities can continue to require a license for businesses located in the city without regard to the threshold (unless the city chose to exempt these businesses).

Cities can also choose to enact a separate threshold exemption that applies to in-city businesses.

Who should my city notify when the model is adopted?

BLS partner cities: Send a completed [Partner Change Request Form](#) to BLS notifying them of the update.

FileLocal partner cities: Notify your city's tax and license system [FileLocal](#) of the change.

Questions? Email Sheila Gall, AWC (sheilag@awcnet.org).

How will businesses find out about the changes?

Consider providing information on changes to your business license by adding information to your license renewal letter, sending a letter to your potentially impacted businesses, updating information on your city's website or presenting to your local chamber.

Background on the 2018 model threshold

In the 2017 session, EHB 2005 (RCW 35.90) passed requiring three actions by cities with business licenses and local B&O taxes. The law required cities to make changes to business licensing, including requiring cities with business licenses to establish a workgroup to create a model business license threshold by July 2018 for adoption by all business license cities.

2018 model ordinance for local business licenses – minimum threshold

The 2018 model included a mandatory definition of “engaging in business” and a \$2000 minimum threshold (or occasional sale) exemption to establish when out-of-town or transient businesses are required to be licensed. All business license cities adopted the model by January 1, 2019 (RCW 35.90.080).

2018 final city business license model threshold

July 18, 2018

[Printable version](#)

Business license and city B&O tax simplification

In the 2017 session, **EHB 2005** (RCW 35.90) passed requiring three actions by cities with business licenses and local B&O taxes. The law:

1. Requires cities with business licenses to establish a workgroup to create a model business license with a licensing threshold by July 2018 for adoption by all business license cities by January 1, 2019 (October 17, 2018 for BLS partner cities);
2. Requires all cities with business license to administer their business license through the state’s Business Licensing System (BLS) by 2022 or FileLocal by 2020; and
3. Establishes a task force on local B&O tax service apportionment under RCW 35.102.130 to report to the Legislature by October 31, 2018.

Final model ordinance for local business licenses – minimum threshold

Cities were required to develop a model ordinance for business licensing by July 1, 2018. The ordinance includes a mandatory definition of “engaging in business” and a minimum threshold (or occasional sale) exemption to establish when out-of-town or transient businesses are required to be licensed. All business license cities must adopt it by the end of the year ([RCW 35.90.080](#)).

[Model threshold language](#)

What is in the model?

The [model threshold](#) has two pieces: a model threshold and a definition of “engaging in business.”

1. The model business license threshold language would:

- Apply a minimum threshold of \$2,000 per year in the city for businesses that do not have a location in the city;
- Continue to require a license for businesses located in the city without regard to the threshold (unless the city chooses to exempt these businesses – see in-city business question below);
- Allow cities the option to require registration with no fee for businesses under the threshold; and
- Only apply to general business licenses, not regulatory licenses or local taxes.

2. The definition of “engaging in business” includes examples of what constitutes business activities in cities that would subject a business to license requirements, as well as those activities that would not. The model language is adapted from the definition that the 45 cities with local B&O taxes have already adopted for the definition of “engaging in business” in the B&O tax model ordinance.

What are the deadlines for all cities with business licenses to adopt the model?

Cities with a business license must adopt the model by January 1, 2019. However, cities that currently partner with the state’s Business Licensing Service (BLS) for business licensing administration have a deadline of October 17, 2018, because they must provide BLS 75-day notice of any changes to their business licenses (including this mandatory change).

Where can I learn more about implementing the threshold?

AWC hosted a webinar to tell you everything you need to know to comply with the mandatory model threshold in August.

[Prepare to streamline your business license](#) webinar recording

AWC also held a presentation on this topic at its [Annual Conference](#) in June and presented at the WFOA Annual Conference in September.

What happens if we don’t enact the threshold by the deadline?

RCW 35.90.090 provides that a city cannot enforce its business license after January 1, 2019, until it has adopted the mandatory threshold.

RCW 35.90.090: “A city that has not complied with the requirements of this section by January 1, 2019, may not enforce its general business licensing requirements on any person until the date that the mandatory provisions of the model ordinance take effect within the city.”

What if my city wants a higher threshold?

Cities can choose to enact a higher threshold. The \$2,000 threshold level per city per year for out-of-city businesses is the minimum level that every city must enact.

What if my city wants to have a threshold that applies to in-city businesses in addition to the out-of-city business threshold?

The \$2,000 threshold level per city per year for out-of-city businesses is mandatory minimum threshold language that every city business license city must adopt, but the law does not impact the city’s authority to have exemptions or other thresholds. Cities can choose to enact a separate threshold provision that applies to in-city businesses.

How will my city track compliance with the threshold?

The law does not change the city’s authority to enforce business licenses, and the city will continue to use its current enforcement processes to track business license compliance.

Who should my city notify when the model is adopted?

BLS partner cities (by October 17): Send a completed change request form to [BLS](#) notifying them which threshold option your city adopted, with a link to the adopted ordinance.

- [Option 1 form](#) for threshold exemption
- [Option 2 form](#) for no-fee license/registration

All other cities: Email [AWC](#) for our report to the Legislature due January 1, 2019.

How will businesses find out about the changes?

Consider providing information on changes to your business license by adding information to your license renewal letter, sending a letter to your potentially impacted businesses, updating information on your city’s website, or presenting to your local chamber.

How was the business license threshold developed?

Section 8 of **EHB 2005** required cities to work through the Association of Washington Cities (AWC) to develop a model business license threshold by July 1, 2018 with a focus on determining a threshold for when a license should be required for out-of-city businesses. The bill also required input from the business community.

AWC convened a task force of city business license officials to begin drafting a model license threshold in August 2017. The group met monthly in person or via conference call to research city business license systems and existing options for establishing a model threshold and to review feedback on the proposed model from cities and the business community. AWC sent a survey to cities last fall on preferences for approaching the model threshold and sent a draft for review to cities in March 2018. In April-June 2018, AWC sent drafts of the model to the business community for comment, and the task force met in person with business community representatives.

In response to business community concerns about the level of the threshold, the committee proposed doubling its initial proposed level to \$2,000 per year in the city for businesses without a location in the city. The committee agreed to review the threshold level in four years when the model B&O tax model ordinance will also be due for review and more information on impacts of the license threshold is known. In late June, the committee finalized the model language.

Business license model threshold implementation timeline

July 2017 – EHB 2005 takes effect

August 2017 – First meeting of city workgroup

July 1, 2018 – Deadline for city work group to develop model ordinance with minimum threshold to get a license

August 8, 2018 – AWC webinar on implementing model threshold

October 17, 2018 – Deadline for current BLS partner cities to adopt model minimum threshold and notify DOR of changes to business license for threshold adoption (Cities on BLS plan but not yet onboarded would have later deadline of January 1, 2019)

January 1, 2019 – Deadline for all other cities to adopt model minimum threshold

How many cities does this impact?

Where can I find more information on the Business Licensing Service or FileLocal?

[Business licensing service](#)

[FileLocal](#)

What about the provision of EHB 2005 and the scope of work for the B&O service apportionment task force?

The two-factor formula for B&O tax service apportionment was required by RCW 35.102.130, effective in 2008. The two factors, payroll and service income, have complicated multi-part tests to determine how much of business service revenues should be apportioned to a city.

EHB 2005 created a seven-member task force to make recommendations to simplify two-factor service apportionment by October 2018 with the following members:

- One Department of Revenue, non-voting chair
- Three cities with local B&O taxes
- Three business representatives

The task force has been meeting monthly since August 2017, and the deadline to submit a report to the Legislature is October 31, 2018. The city representatives are:

- Chris Bothwell, Lake Forest Park
- Joseph Cunha, Seattle
- Danielle Larson, Tacoma

How did this legislation come about?

During the 2016 legislative session, lawmakers passed [HB 2959](#), establishing a task force to evaluate options to continue local business tax and licensing simplification. On December 30, 2016, the task force released its final report on local tax and licensing simplification with four main recommendations. The task force did not recommend that all cities with a business license be required to participate in the state's Business Licensing Service, nor did it recommend any centralized collection of city B&O tax at the state level. However, some of the items recommended represented a significant compromise on the part of cities.

The report included four recommendations related to licensing, establishing a business license threshold, recommending a task force on service income apportionment, and providing for data sharing between DOR and FileLocal. Read the [full report](#).

Budget & finance Advocacy



Memorandum

Date: 9/9/2025

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

File No. CM 25-472

Type: Committee Memo

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

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

Finance	Haritha Narra	Deputy Finance Director
Finance	Adam O'Sullivan	Financial Services Manager

TITLE:

Purchasing Process Improvements: Council Signing Authority Limits for Professional Services, Professional Services - Technology, Architectural and Engineering Services, and Public Works Agreements

OVERVIEW STATEMENT:

Council will be presented with a detailed rationale for updating the current signing limits for Professional Services, Professional Services - Technology, Architectural and Engineering Services, and Public Works Agreements, including cost trends, administrative impacts, and efficiency gain.

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

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Purchasing Policy, Resolution Nos. 1503, 1604, 1608, 1609
- **Required:**
N/A
- **Council Request:**
Council requested the City review its purchasing policies and procedures.
- **Other Key Facts:**
N/A

OUTCOMES:

Date: 9/9/2025

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

File No. CM 25-472

Type: Committee Memo

Recommended updates would require Council approval of Professional Services, Professional Services - Technology, and Architectural and Engineering Services when the total project cost would exceed \$150,000, and for Public Works Agreements when the total project cost would exceed \$700,000. Process and policy improvements will bring efficiencies for staff, City Council, and vendors.

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:

\$200,000 (this is the amount allocated specifically for Purchasing Process improvement work)

- \$75,000 in 2025
- \$125,000 in 2026

Approved in current biennial budget:

☒ Yes

☐ No

☐ N/A

Budget Offer Number:

297 (Fiscal Accountability)

Budget Priority:

Strategic and Responsive

Other budget impacts or additional costs:

☐ Yes

☐ No

☒ N/A

If yes, explain:

N/A

Funding source(s):

General Fund

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
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Date: 9/9/2025

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

File No. CM 25-472

Type: Committee Memo

3/25/2025	Study Session	Provide Direction
7/8/2025	Committee of the Whole - Finance, Administration, and Communications	Provide Direction
8/4/2025	Business Meeting	Approve

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/16/2025	Business Meeting	Approve

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

Attachment A: PowerPoint: Council Signing Authority Limits for Professional Services, Professional Services - Technology, Architectural and Engineering Services, and Public Works Agreements



Policy Review

Contract Signing Authority Limits – Proposed Changes

Agenda

- Council Signing Authority for:
 - Professional/Consulting Services
 - Technology Consulting Services
 - Architectural & Engineering
 - Public Works
- Key Drivers
 - Inflation
 - Service and Labor Cost
 - Administrative Cost
 - Jurisdiction Threshold Comparison
- Recommendation & Next Steps

Council Signing Authority and Proposed Changes

Type of Purchase	Current Threshold	Proposed Threshold	Approval Status
Operating Supplies & Equipment	None	None	No Change
Operating Services, Repair & Maintenance, and General Services	None	None	No Change
Professional Services (including Technology)	Over \$50,000 total project	Over \$150,000 total project	Pending Approval
Instructional & Artistic Services	Over \$75,000 total project	Over \$150,000 total project	Approved August 4, 2025
Architectural & Engineering Services	Over \$50,000 total project	Over \$150,000 total project	Pending Approval
Public Works	Over \$300,000 total project	Over \$700,000 total project	Pending Approval
Sole Source	Over \$50,000 total project	Over \$50,000 total project	No Change
Interlocal Agreements (including Grants)	All	All	No Change
Collective Bargaining Agreements	All	All	No Change

Types of Contracts

Professional Services (Not Technology)

- Consulting
- Human Services
- Legal Services
- Community Engagement

Architectural & Engineering

- Building Assessment
- Stormwater Engineering
- Modeling Services
- TP&E

Professional Services (Technology)

- IT Consulting and Project Management
- Training
- Database Administration
- Software Implementation

Public Works

- Construction
- Roadway Paving
- Building Repair/Upgrades

Professional Service Contracts Council Review

YEAR	Council Approval Not Required	Council Approval Current Signing Limit	Council Approval Proposed Signing Limit
	# of Contracts Under \$50K	# of Contracts \$50K - \$150K	# of Contracts Over \$150K
2020	25	15	4
2021	33	15	5
2022	27	8	5
2023	33	23	17
2024	17	6	9
2025 to Date	33	16	6

Routine agreements that would be handled administratively under the new proposed limit:

- Hazardous Waste Program
- Fire Department Promotional Examinations
- Tourism Strategic Plan Consulting

Professional Service Contracts (Technology) Council Review

YEAR	Council Approval Not Required	Council Approval Current Signing Limit	Council Approval Proposed Signing Limit
	# of Contracts Under \$50K	# of Contracts \$50K - \$150K	# of Contracts Over \$150K
2021	3	0	0
2022	1	2	0
2023	1	0	0
2024	6	2	1
2025 to Date	2	3	1

Routine agreements that would be handled administratively under the new proposed limit:

- SQL Server Database Administration
- ACFR Implementation
- Migration of FleetFocus and FuelFocus to the cloud

Architectural & Engineering Services Council Review

YEAR	Council Approval Not Required	Council Approval Current Signing Limit	Council Approval Proposed Signing Limit
	# of Contracts Under \$50K	# of Contracts \$50K - \$150K	# of Contracts Over \$150K
2020	6	1	12
2021	7	1	11
2022	6	0	7
2023	4	2	7
2024	7	3	7
2025 to date	4		19

Routine agreements that would be handled administratively under the new proposed limit:

- Development of Master Plan for SE Redmond Park
- Downtown Redmond Adaptive Signals Project
- Energy Audit Services Project

Public Works Council Review

YEAR	Council Approval Not Required	Council Approval Current Signing Limit	Council Approval Proposed Signing Limit
	# of Contracts - Under \$300K	# of Contracts - \$300K - \$700K	# of Contracts over \$700K
2020	9	2	5
2021	2	3	6
2022	4	0	9
2023	1	4	3
2024	1	0	5
2025 to Date	1	0	4

- Average cost of PW contracts between \$300K and \$700K is \$373K (9 contracts)
- Average cost of PW contracts over \$700K is \$4MM (32 contracts)

Routine agreements that would be handled administratively under the new proposed limit:

- Electric Vehicle Charging Stations
- Construction work on Bear Creek Keller Farms Project
- Construction of 520 Trail Grade Separation at NE 40th Steet

Key Drivers and Benefits of Policy Update

- Align with inflation (CPI-W) since 2018
- Expected tariff impacts
- SB 5814 – passed and enacted, now requires sales tax be applied to contracts where it didn't before
- Accounts for rising service and labor costs surpassing current signing limits
- Lower administrative overhead per contract
 - Reduces staff time preparing routine Council agenda items
 - Streamlines internal review and approval processes
- Avoids delays for vendors and service delivery

Inflation and Service Cost

- Overall cumulative inflation between 2018 and 2025 (Seattle-Tacoma-Bellevue CPI-W) is up by 32%
- Seattle area construction costs some of the highest in the US - soaring material and labor costs
- Labor and supply shortages

Administrative Cost

- Each Council-reviewed contract costs the City an average of \$3,200 in staff/council time

Per Agenda Item	No. of FTEs	Total Hours	Total Estimated Cost
Pre-Work	7	10	\$1,114.72
Meetings	19	11.5	\$1,493.99
<i>Internal Services</i>		4.5	\$588.13
<i>Committee of the Whole</i>		4.75	\$611.36
<i>Council Meetings</i>		2.25	\$294.50
Legistar System	6	5.9	\$678.33
Totals		27.4	\$3,287.04

Administrative Cost - 2024

Contract Type	No. of Contracts	Contract Amount Range	Estimated Administrative Cost
Professional Services	6	\$50,000 - \$150,000	\$19,000
Professional Services - Technology	2	\$50,000 - \$150,000	\$6,500
Architectural & Engineering	3	\$50,000-\$150,000	\$9,000
Public Works	10	\$300,000 - \$700,000	\$32,000

Contract Approval Thresholds by City

City Name	Professional Services Council Signing Authority Limit	Public Works Council Signing Authority Limit
City of Bellevue	>\$350,000	>\$350,000
City of Bothell	>\$100,000	>\$100,000
City of Issaquah	>\$300,000	>\$300,000
City of Kirkland	>\$75,000	>\$75,000
City of Redmond	>\$50,000	>\$300,000
City of Seattle	>\$789,000	>\$1,000,000
City of Woodinville	>\$50,000	>\$50,000

Information was gathered in 2025

Recommendation and Next steps

- Signing Limit increase for all Professional Services Agreements (Tech, Non-Tech, A&E) from \$75,000 to \$150,000 per project cost
- Signing Limit increase for Public Works Contracts from \$300,000 to \$700,000
- Report (monthly) the list of professional services contracts between \$75,000 and \$150,000 per project cost, and Public Works Contracts between \$300,000 and \$700,000
- Updated Resolution will be presented to Council on September 16, 2025

Thank You

Any Questions?

Kelley Cochran, Finance Director: 425-556-2748

Haritha Narra, Deputy Finance Director: 425-556-2163

Adam O'Sullivan, Financial Services Manager: 425-556-2199





Memorandum

Date: 9/9/2025

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

File No. CM 25-486

Type: Committee Memo

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

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Executive	Malisa Files, COO	425-556-2166
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DEPARTMENT STAFF:

N/A	N/A	N/A
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TITLE:

Washington State Opioid Settlement with Purdue Pharma and Generic Manufacturers

OVERVIEW STATEMENT:

On June 7, 2022, the City Council was briefed on the Attorney General's Washington State Opioid Settlement. At that time, the City signed the One Washington Memorandum of Understanding between Washington Municipalities to participate in the settlement agreement. Currently, Redmond has participated in four settlement agreements (see details below). The Attorney General has settled an additional nine opioid cases. The State of Washington entered into a \$105.6 million settlement with Purdue Pharma and the Sackler Family, payable over 15 years. Separately, the Attorney General's Office entered into settlement agreements with eight manufacturers of generic opioids for up to \$16.7 million, with payment periods that range from one year to ten years. The City is required to sign an allocation agreement (see Attachment A) and ten additional participation agreements (see example in Attachment B) to receive money from these settlement.

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

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
One Washington Memorandum of Understanding between Washington Municipalities
- **Required:**
The distribution of the opioid settlement is governed by the court approved settlement documents.
- **Council Request:**
N/A
- **Other Key Facts:**

Council has already approved Redmond's participation by signing the One Washington Memorandum of Understanding between Washington Municipalities. Signing the additional agreements will ensure the City is a part of the distribution of funds from the nine additional settlements.

OUTCOMES:

In June 2022, Redmond signed on to the One Washington Memorandum of Understanding that allowed the City to participate in the state opioid settlements. Redmond has participated in four opioid settlements, including:

- Amerisource Bergen Corporation, Cardinal Health, Inc, and McKesson Corporation
- CVS, Walgreens, Walmart, TEVA and Allergan
- Johnson & Johnson Corporation
- Kroger

The total the City is set to receive from the nine new settlements is \$2,800,852 over a number of years. Adding the past settlements, the City will receive approximately \$4.881 million in total to use for programs such as law enforcement expenditures relating to the opioid epidemic, education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs, connecting those who need help to the help they need (connections to care) as well as other abatement strategies.

For those municipalities over 10,000 population, the allocation formula is a combination of population and the effect of opioids on a community. The total allocation amount that will go to municipalities equals approximately \$105.6 million from Purdue Pharma and \$16.7 million from generic manufacturers. Redmond's portion would be 0.4839486007% or approximately \$2.8 million after legal fees are deducted. You can find the settlement documents and more details in the Attorney General's Office website here [Purdue Pharma and Generic Manufacturers Settlements <https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.atg.wa.gov%2Fpurdue-pharma-and-generic-manufacturers-settlements&data=05%7C02%7Cmfiles%40redmond.gov%7Cc0ff586855914c34182f08ddce12c344%7Ccb894d07355f495fb9c1a2a6d84a7468%7C0%7C0%7C638893302375957537%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIslAIiOiJXaW4zMilslkFOljoITWFpbClldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=T0IKxyI9qJc6oVn4QEwrTohooM53klyFSdKPsXWM754%3D&reserved=0>](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.atg.wa.gov%2Fpurdue-pharma-and-generic-manufacturers-settlements&data=05%7C02%7Cmfiles%40redmond.gov%7Cc0ff586855914c34182f08ddce12c344%7Ccb894d07355f495fb9c1a2a6d84a7468%7C0%7C0%7C638893302375957537%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIslAIiOiJXaW4zMilslkFOljoITWFpbClldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=T0IKxyI9qJc6oVn4QEwrTohooM53klyFSdKPsXWM754%3D&reserved=0).

To date the City has collected approximately \$735,000. The funds have been spent on a combination of Police equipment and grants to human service organizations specializing in connecting those who need help with the help they need. A list of the expenditures can be found in Attachment C.

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 City of Redmond will receive approximately \$2.8 million from the nine settlements over various years.

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

N/A

Budget Priority:

Safe and Resilient

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

N/A

Funding source(s):

Since July, the City has received approximately \$735,000 from previous opioid settlements.

Budget/Funding Constraints:

The funds are earmarked for law enforcement expenditures relating to the opioid epidemic, education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs, connecting those who need help to the help they need (connections to care) as well as other abatement strategies.

☐ 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
9/16/2025	Business Meeting	Approve

Time Constraints:

The documents related to the Purdue Pharma settlement must be signed by September 30, 2025. The settlements for the other eight generic manufacturers are later, however the State is encouraging localities to have everything approved by the September 30 date.

ANTICIPATED RESULT IF NOT APPROVED:

If the allocation and the participation agreements are not signed, Redmond will not receive the approximate \$2.8 million to spend on opioid abatement programs.

ATTACHMENTS:

Attachment A: Allocation Agreement

Attachment B: Participation Agreement

Attachment C: Opioid Program Expenditures

Attachment A

WASHINGTON STATE ALLOCATION AGREEMENT GOVERNING THE ALLOCATION OF FUNDS PAID BY THE PURDUE BANKRUPTCY, SACKLERS, AND CERTAIN OPIOID MANUFACTURERS

JULY 24, 2025

This Washington State Allocation Agreement Governing the Allocation of Funds Paid by the Purdue Bankruptcy, Sacklers, and Certain Opioid Manufacturers (the “Allocation Agreement IV”) governs the distribution of funds obtained from (1) the Purdue Bankruptcy and Sackler Direct Claims Settlement, (2) the Alvogen Settlement, (3) the Amneal Settlement, (4) the Apotex Settlement, (5) the Hikma Settlement, (6) the Indivior Settlement, (7) the Mylan Settlement, (8) the Sun Settlement, and (9) the Zydus Settlement in connection with the resolution of any and all claims by the State of Washington and the eligible counties, cities, and towns in Washington State (“Local Governments”) against the Settling Entities defined in the respective Settlement Agreements via the following settlements and bankruptcy plan of reorganization:

- (1) The 13th Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors (the “Purdue Plan”) , including and amendments thereto and all “Plan Documents” as defined therein, if the “Effective Date” as defined therein has occurred; (2) the Master Settlement Agreement By and Among the Master Disbursement Trust, Each of the Parties Listed On Exhibit A Hereto, Each of the Parties Listed on Exhibit B Hereto, the Sackler Parties’ Representative and PR L.P. and any subsequent amendments, and (3) Government Entity & Shareholder Direct Settlement Agreement and any subsequent amendments (collectively, the “Purdue Bankruptcy and Sackler Direct Claims Settlement”).
- Alvogen Settlement Agreement dated April 4, 2025 and any subsequent amendments (“Alvogen Settlement”).
- Amneal Settlement Agreement dated April 4, 2025 and any subsequent amendments (“Amneal Settlement”).
- Apotex Settlement Agreement dated April 4, 2025 and any subsequent amendments (“Apotex Settlement”).
- Hikma Settlement Agreement dated April 4, 2025 and any subsequent amendments (“Hikma Settlement”).
- Indivior Settlement Agreement dated April 4, 2025 and any subsequent amendments (“Indivior Settlement”).
- Mylan Settlement Agreement dated April 4, 2025 and any subsequent amendments (“Mylan Settlement”).
- Sun Settlement Agreement dated April 4, 2025 and any subsequent amendments (“Sun Settlement”).

- Zydus Settlement Agreement dated April 4, 2025 and any subsequent amendments (“Zydus Settlement”)

Collectively, the Purdue Bankruptcy and Sackler Settlement, Alvogen Settlement, Amneal Settlement, Apotex Settlement, Hikma Settlement, Indivior Settlement, Mylan Settlement, Sun Settlement, and the Zydus Settlement shall be referred to as “the Settlements”. The Settlements can be accessed at <https://nationalopioidsettlement.com/> and the Purdue Plan can be accessed at <https://restructuring.ra.kroll.com/purduepharma/Home-DocketInfo?DocAttribute=4218&DocAttrName=PlanDisclosureStatement&MenuID=9013&Attribute=Plan%20%26%20Disclosure%20Statement>. The terms and definitions of each of the respective Settlements are incorporated into this Allocation Agreement IV, and any undefined terms in this Allocation Agreement IV are as defined in the Settlements.

1. This Allocation Agreement IV is intended to be a State-Subdivision Agreement as defined in the Settlements. This Allocation Agreement IV shall be interpreted to be consistent with the requirements of a State-Subdivision Agreement in the Settlements.
2. This Allocation Agreement IV shall become effective with respect to a Settlement only if all of the following occur:
 - A. The State of Washington joins such Settlement and becomes a Settling State as provided for in the respective Settlement and, with respect to the Purdue Bankruptcy and Sackler Settlement the State of Washington votes in favor of the Purdue Plan or does not vote against the Purdue Plan, and does not object to the confirmation of the Purdue Plan.
 - B. Such Settlement becomes final and effective and a Consent Judgment that applies to Washington is filed and approved as provided for in the respective Settlement. For the Purdue Bankruptcy, the “Effective Date” as defined in the Purdue Plan has occurred.
 - C. The number of Local Governments that execute and return this Allocation Agreement IV satisfies the participation requirements for a State-Subdivision Agreement as specified in such Settlement.
3. *Requirements to become a Participating Local Government.* To become a Participating Local Government that can participate in this Allocation Agreement IV with respect to any one of the Settlements, a Local Government must do all of the following:
 - A. The Local Government must execute and return this Allocation Agreement IV.
 - B. The Local Government must do the following:
 - i. Release its claims against the Settling Entities identified in the respective Settlements and agree to be bound by the terms of the

Settlements by timely executing and returning the Participation Form for that Settlement and any other necessary documents.

- ii. Additionally, for the Purdue Bankruptcy and Sackler Direct Claims Settlement, either (1) vote in favor of or (2) abstain from voting on the Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors, and (3) not object to the confirmation of the Purdue Plan.
- C. Litigating Subdivisions, also referred to as Litigating Local Governments, must dismiss the Settling Entities identified in the respective Settlement with prejudice from their lawsuits.
- D. Each Local Government that is eligible to participate in this Allocation Agreement IV has previously executed and signed the One Washington Memorandum of Understanding Between Washington Municipalities (“MOU”) agreed to by the Participating Local Governments in Washington State, which is attached hereto as Exhibit 1. By executing this Allocation Agreement IV, the Local Government agrees and affirms that the MOU applies to and shall govern the LG Share, as defined below, as modified by this Allocation Agreement IV for each of the Settlements in which the Local Government participates.

A Local Government that meets all of the conditions in this paragraph for any of the Settlements shall be deemed a “Participating Local Government” for that Settlement. A Local Government can be a “Participating Local Government” for less than all of the Settlements. If a Local Government is a Participating Local Government for less than all of the Settlements, the Local Government can only receive a portion of the Washington Abatement Amount for the specific Settlement(s) for which it is a Participating Local Government.

- 4. The allocations set forth in this Allocation Agreement IV apply to the following, all of which collectively shall be referred to as the “Washington Abatement Amount”:
 - A. For the Purdue Bankruptcy and Sackler Settlement, all amounts (collectively, “Washington Distributions”) that are apportioned to Washington as Estate Distributions or from the Shareholder Direct Settlement Portion, including, without limitation, those to Washington’s State Fund, Remediation Accounts Fund, Subdivision Fund, Direct Payment, Earned Direct Payment, and Estate Distributions for Washington and all Participating Local Governments for the Purdue Bankruptcy and Sackler Settlement, *provided*, however, that for the purposes of the allocations set forth in this Allocation Agreement IV, Washington Distributions shall not include State’s Fees and Costs (as defined below). This Allocation Agreement IV shall be considered a State-Subdivision

Agreement under the Government Entity & Shareholder Direct Settlement Agreement.

- B. For the Alvogen Settlement, the State of Washington's (1) Statewide Payment Amount and (2) Additional Remediation Amount.
- C. For the Amneal Settlement, the State of Washington's (1) State Allocation and (2) Additional Remediation Amount.
- D. For the Apotex Settlement, the State of Washington's (1) Statewide Payment Amount and (2) Additional Remediation Amount.
- E. For the Hikma Settlement, the State of Washington's (1) Statewide Payment Amount and (2) Additional Remediation Amount.
- F. For the Indivior Settlement, the State of Washington's (1) Statewide Payment Amount and (2) Additional Remediation Amount.
- G. For the Mylan Settlement, the State of Washington's (1) Statewide Payment Amount and (2) Additional Remediation Amount.
- H. For the Sun Settlement, the State of Washington's (1) Statewide Payment Amount and (2) Additional Remediation Amount.
- I. For the Zydus Settlement, the State of Washington's (1) Statewide Payment Amount and (2) Additional Remediation Amount.

As specified in each of the Settlements, the Washington Abatement Amount will vary depending on the percentage of Participating Local Governments and whether there are any Later Litigating Subdivisions.

- 5. The (1) Amneal Settlement, (2) Hikma Settlement, and (3) Indivior Settlement each provide the option for Settling States to obtain Settlement Product or the discretion to convert any portion of the Settlement Product allocated to the Settling State into a cash value as specified in those Settlements of the Settling State's allocated Settlement Product in specified years. It shall be solely the decision of the State regarding whether to convert any portion of the Settlement Product allocated to Washington into a cash value or to obtain the Settlement Product for each of those Settlements. If the State elects to obtain Settlement Product for a particular Settlement, the State in its sole discretion shall make all decisions related to the Settlement Product, including but not limited to where, how, and to whom it shall be distributed. For purposes of calculating the division of the Washington Abatement Amount in Paragraph 10 of this Allocation Agreement IV, the Settlement Product allocated to Washington shall be considered "State Share" and shall have the cash conversion value assigned to it in the respective Settlement Agreements, *i.e.*, the "Settlement Product Cash Conversion Amount" or the "Cash Conversion Amount" identified in those settlements.

6. The allocations set forth in this Allocation Agreement IV do not apply to (i) the State Cost Fund, State AG Fees and Costs, State Expense Fund, State AG Fees, State Direct Expenses, or any attorneys' fees, fees, costs, or expenses referred to in the Settlement or via Fee Petitions or that are paid directly or indirectly via the Settlements or court order to the State of Washington and/or its outside counsels ("State's Fees and Costs") or to (ii) any payments made to Participating Subdivisions pursuant to section 5.9 of the Purdue Plan, which provides for a Local Government Fee Fund.
7. This Allocation Agreement IV and the MOU are a State Back-Stop Agreement. The Settling Entities are paying a portion of the Local Governments' attorneys' fees and costs as provided for in the Settlements. The total contingent fees an attorney receives from the Contingency Fee Fund in the Settlements, the MOU, and this Allocation Agreement IV combined cannot exceed 15% of the portion of the LG Share paid to the Litigating Local Government that retained that firm to litigate against the Settling Entities (i.e., if City X filed suit with outside counsel on a contingency fee contract and City X receives \$1,000,000 from the Walmart Settlement, then the maximum that the firm can receive is \$150,000 for fees as to the Walmart Settlement; if City X did not retain the same firm for potential litigation against CVS and City X receives \$1,000,000 from the CVS Settlement, then the firm receives no fees from the CVS Settlement.)
8. No portion of the State's Fees and Costs and/or the State Share as defined in Paragraphs 6 and 10 of this Allocation Agreement IV shall be used to fund the Government Fee Fund ("GFF") referred to in Paragraph 12 of this Allocation Agreement IV and Section D of the MOU, or in any other way to fund any Participating Local Government's attorneys' fees, costs, or common benefit tax.
9. The Washington Abatement Amount shall and must be used by the State and Participating Local Governments for future Opioid Remediation as defined in the Settlements, except as allowed by the Settlements.
10. The State and the Participating Local Governments agree to divide the Washington Abatement Amount as follows:
 - A. Fifty percent (50%) to the State of Washington ("State Share").
 - B. Fifty percent (50%) to the Participating Local Governments ("LG Share").
11. The LG Share shall be distributed to Participating Local Governments pursuant to the MOU attached hereto as Exhibit 1 as amended and modified in this Allocation Agreement IV.
12. For purposes of this Allocation Agreement IV only, the MOU is modified as follows and any contrary provisions in the MOU are struck:

- A. Exhibit A of the MOU is replaced by the Exhibit specifying the List of Opioid Remediation Uses for each of the respective Settlements, which generally can be found at Exhibit E of the respective Settlements.
- B. The definition of “Litigating Local Governments” in Section A.4 of the MOU shall mean Litigating Subdivisions as defined in each the respective Settlements and shall also include any local government that notified Judge Polster in Case No. 1:17-md-02804-DAP of its intent to sue any of the settling entities that are covered by this Allocation Agreement.
- C. The definition of “National Settlement Agreement” in Section A.6 of the MOU shall mean the Settlements.
- D. The definition of “Settlement” in Section A.14 of the MOU shall mean the Settlements and expressly includes the Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors.
- E. The MOU is amended to add new Section C.4.g.vIV, which provides as follows:

“If a Participating Local Government receiving a direct payment (a) uses Opioid Funds other than as provided for in the respective Settlements, (b) does not comply with conditions for receiving direct payments under the MOU, or (c) does not promptly submit necessary reporting and compliance information to its Regional Opioid Abatement Counsel (“Regional OAC”) as defined at Section C.4.h of the MOU, then the Regional OAC may suspend direct payments to the Participating Local Government after notice, an opportunity to cure, and sufficient due process. If direct payments to Participating Local Government are suspended, the payments shall be treated as if the Participating Local Government is foregoing their allocation of Opioid Funds pursuant to Section C.4.d and C.4.j.IV of the MOU. In the event of a suspension, the Regional OAC shall give prompt notice to the suspended Participating Local Government and the Settlement Fund Administrator specifying the reasons for the suspension, the process for reinstatement, the factors that will be considered for reinstatement, and the due process that will be provided. A suspended Participating Local Government may apply to the Regional OAC to be reinstated for direct payments no earlier than five years after the date of suspension.”

- F. The amounts payable to each law firm representing a Litigating Local Government from the GFF shall be consistent with the MOU and the process set forth in the *Order Appointing the Fee Panel to Allocate and Disburse Attorney’s Fees Provided for in State Back-Stop Agreements*, Case No. 1:17-md-02804-DAP Doc #: 4543 (June 17, 2022).

- G. The GFF set forth in the MOU shall be funded by the LG Share of the Washington Abatement Amount only. To the extent the common benefit tax is not already payable by the Settling Entities as contemplated by Section D.8 of the MOU, the GFF shall be used to pay Litigating Local Government contingency fee agreements and any common benefit tax referred to in Section D of the MOU, which shall be paid on a pro rata basis to eligible law firms as determined by the Settlement Administrator.
- H. To fund the GFF, fifteen percent (15%) of the LG Share shall be deposited in the GFF from each LG Share settlement payment until the Litigating Subdivisions' contingency fee agreements and common benefit tax (if any) referred to in Section D of the MOU are satisfied. Under no circumstances will any Primary Subdivision or Litigating Local Government be required to contribute to the GFF more than 15% of the portion of the LG Share allocated to such Primary Subdivision or Litigating Local Government. In addition, under no circumstances will any portion of the LG Share allocated to a Litigating Local Government be used to pay the contingency fees or litigation expenses of counsel for some other Litigating Local Government.
- I. The maximum amount of any Litigating Local Government contingency fee agreement (from the Contingency Fee Fund of the respective Settlements) payable to a law firm permitted for compensation shall be fifteen percent (15%) of the portion of the LG Share paid to the Litigating Local Government that retained that firm (i.e., if City X filed suit with outside counsel on a contingency fee contract and City X receives \$1,000,000 from a Settlement, then the maximum that the firm can receive is \$150,000 for fees.) The firms also shall be paid documented expenses due under their contingency fee agreements that have been paid by the law firm attributable to that Litigating Local Government. Consistent with Agreement on Attorneys' Fees, Costs, and Expenses, which is Exhibit R of the Settlements, as well as the Purdue Plan, amounts due to Participating Litigating Subdivisions' attorneys under this Allocation Agreement IV shall not impact (i) costs paid by the subdivisions to their attorneys pursuant to a State Back-Stop agreement, (ii) fees paid to subdivision attorneys from the Common Benefit Fund for common benefit work performed by the attorneys pursuant to Exhibit R of the Settlements, or (iii) costs paid to subdivision attorneys from the MDL Expense Fund for expenses incurred by the attorneys pursuant to the Settlements.
- J. Under no circumstances may counsel receive more for its work on behalf of a Litigating Local Government than it would under its contingency agreement with that Litigating Local Government. To the extent a law firm was retained by a Litigating Local Government on a contingency fee agreement that provides for compensation at a rate that is less than fifteen percent (15%) of that Litigating Local Government's recovery, the maximum amount payable to that law firm referred to in Section D.3 of

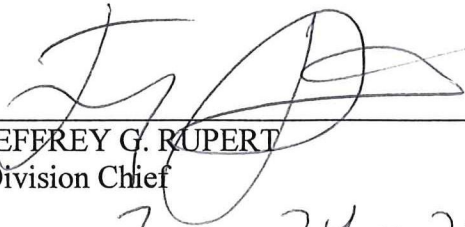
the MOU shall be the percentage set forth in that contingency fee agreement.

- K. For the avoidance of doubt, both payments from the GFF and the payment to the Participating Litigating Local Governments' attorneys from the Contingency Fee Fund in the respective Settlements as well as any payments made to Participating Subdivisions pursuant to section 5.9 of the Purdue Plan shall be included when calculating whether the aforementioned fifteen percent (15%) maximum percentage (or less if the provisions of Paragraph 10.J of this Allocation Agreement IV apply) of any Litigating Local Government contingency fee agreement referred to above has been met.
 - L. To the extent there are any excess funds in the GFF, the Settlement Administrator shall facilitate the return of those funds to the Participating Local Governments as provided for in Section D.6 of the MOU.
- 13. In connection with the execution and administration of this Allocation Agreement IV, the State and the Participating Local Governments agree to abide by the Public Records Act, RCW 42.56 *et seq.*
 - 14. All Participating Local Governments, Regional OACs, and the State shall maintain all non-transitory records related to this Allocation Agreement IV as well as the receipt and expenditure of the funds from the Settlements for no less than five (5) years.
 - 15. If any party to this Allocation Agreement IV believes that a Participating Local Government, Regional OAC, the State, an entity, or individual involved in the receipt, distribution, or administration of the funds from the Settlements has violated any applicable ethics codes or rules, a complaint shall be lodged with the appropriate forum for handling such matters, with a copy of the complaint promptly sent to the Washington Attorney General, Complex Litigation Division, Division Chief, 800 Fifth Avenue, Suite 2000, Seattle, Washington 98104.
 - 16. To the extent (i) a region utilizes a pre-existing regional body to establish its Opioid Abatement Council pursuant to the Section 4.h of the MOU, and (ii) that pre-existing regional body is subject to the requirements of the Community Behavioral Health Services Act, RCW 71.24 *et seq.*, the State and the Participating Local Governments agree that the Opioid Funds paid by the Settling Entities are subject to the requirements of the MOU and this Allocation Agreement IV.
 - 17. Upon request by any of the Settling Entities, the Participating Local Governments must comply with the Tax Cooperation and Reporting provisions of the respective Settlement.

18. Venue for any legal action related to this Allocation Agreement IV (separate and apart from the MOU or the Settlements) shall be in King County, Washington. Washington law shall govern any dispute.
19. Each party represents that all procedures necessary to authorize such party's execution of this Allocation Agreement IV have been performed and that such person signing for such party has been authorized to execute this Allocation Agreement IV.

FOR THE STATE OF WASHINGTON:

NICHOLAS W. BROWN
Attorney General



JEFFREY G. RUPERT
Division Chief

Date: 7-24-2025

FOR THE PARTICIPATING LOCAL GOVERNMENT:

Name of Participating Local Government: _____

Authorized signature: _____

Name: _____

Title: _____

Date: _____

EXHIBIT 1
One Washington Memorandum of Understanding Between Washington Municipalities

ONE WASHINGTON MEMORANDUM OF UNDERSTANDING BETWEEN WASHINGTON MUNICIPALITIES

Whereas, the people of the State of Washington and its communities have been harmed by entities within the Pharmaceutical Supply Chain who manufacture, distribute, and dispense prescription opioids;

Whereas, certain Local Governments, through their elected representatives and counsel, are engaged in litigation seeking to hold these entities within the Pharmaceutical Supply Chain of prescription opioids accountable for the damage they have caused to the Local Governments;

Whereas, Local Governments and elected officials share a common desire to abate and alleviate the impacts of harms caused by these entities within the Pharmaceutical Supply Chain throughout the State of Washington, and strive to ensure that principals of equity and equitable service delivery are factors considered in the allocation and use of Opioid Funds; and

Whereas, certain Local Governments engaged in litigation and the other cities and counties in Washington desire to agree on a form of allocation for Opioid Funds they receive from entities within the Pharmaceutical Supply Chain.

Now therefore, the Local Governments enter into this Memorandum of Understanding (“MOU”) relating to the allocation and use of the proceeds of Settlements described.

A. Definitions

As used in this MOU:

1. “Allocation Regions” are the same geographic areas as the existing nine (9) Washington State Accountable Community of Health (ACH) Regions and have the purpose described in Section C below.
2. “Approved Purpose(s)” shall mean the strategies specified and set forth in the Opioid Abatement Strategies attached as Exhibit A.
3. “Effective Date” shall mean the date on which a court of competent jurisdiction enters the first Settlement by order or consent decree. The Parties anticipate that more than one Settlement will be administered according to the terms of this MOU, but that the first entered Settlement will trigger allocation of Opioid Funds in accordance with Section B herein, and the formation of the Opioid Abatement Councils in Section C.
4. “Litigating Local Government(s)” shall mean Local Governments that filed suit against any Pharmaceutical Supply Chain Participant pertaining to the Opioid epidemic prior to September 1, 2020.

5. “Local Government(s)” shall mean all counties, cities, and towns within the geographic boundaries of the State of Washington.

6. “National Settlement Agreements” means the national opioid settlement agreements dated July 21, 2021 involving Johnson & Johnson, and distributors AmerisourceBergen, Cardinal Health and McKesson as well as their subsidiaries, affiliates, officers, and directors named in the National Settlement Agreements, including all amendments thereto.

7. “Opioid Funds” shall mean monetary amounts obtained through a Settlement as defined in this MOU.

8. “Opioid Abatement Council” shall have the meaning described in Section C below.

9. “Participating Local Government(s)” shall mean all counties, cities, and towns within the geographic boundaries of the State that have chosen to sign on to this MOU. The Participating Local Governments may be referred to separately in this MOU as “Participating Counties” and “Participating Cities and Towns” (or “Participating Cities or Towns,” as appropriate) or “Parties.”

10. “Pharmaceutical Supply Chain” shall mean the process and channels through which controlled substances are manufactured, marketed, promoted, distributed, and/or dispensed, including prescription opioids.

11. “Pharmaceutical Supply Chain Participant” shall mean any entity that engages in or has engaged in the manufacture, marketing, promotion, distribution, and/or dispensing of a prescription opioid, including any entity that has assisted in any of the above.

12. “Qualified Settlement Fund Account,” or “QSF Account,” shall mean an account set up as a qualified settlement fund, 468b fund, as authorized by Treasury Regulations 1.468B-1(c) (26 CFR §1.468B-1).

13. “Regional Agreements” shall mean the understanding reached by the Participating Local Counties and Cities within an Allocation Region governing the allocation, management, distribution of Opioid Funds within that Allocation Region.

14. “Settlement” shall mean the future negotiated resolution of legal or equitable claims against a Pharmaceutical Supply Chain Participant when that resolution has been jointly entered into by the Participating Local Governments. “Settlement” expressly does not include a plan of reorganization confirmed under Title 11 of the United States Code, irrespective of the extent to which Participating Local Governments vote in favor of or otherwise support such plan of reorganization.

15. “Trustee” shall mean an independent trustee who shall be responsible for the ministerial task of releasing Opioid Funds from a QSF account to Participating Local Governments as authorized herein and accounting for all payments into or out of the trust.

16. The “Washington State Accountable Communities of Health” or “ACH” shall mean the nine (9) regions described in Section C below.

B. Allocation of Settlement Proceeds for Approved Purposes

1. All Opioid Funds shall be held in a QSF and distributed by the Trustee, for the benefit of the Participating Local Governments, only in a manner consistent with this MOU. Distribution of Opioid Funds will be subject to the mechanisms for auditing and reporting set forth below to provide public accountability and transparency.

2. All Opioid Funds, regardless of allocation, shall be utilized pursuant to Approved Purposes as defined herein and set forth in Exhibit A. Compliance with this requirement shall be verified through reporting, as set out in this MOU.

3. The division of Opioid Funds shall first be allocated to Participating Counties based on the methodology utilized for the Negotiation Class in *In Re: National Prescription Opiate Litigation*, United States District Court for the Northern District of Ohio, Case No. 1:17-md-02804-DAP. The allocation model uses three equally weighted factors: (1) the amount of opioids shipped to the county; (2) the number of opioid deaths that occurred in that county; and (3) the number of people who suffer opioid use disorder in that county. The allocation percentages that result from application of this methodology are set forth in the “County Total” line item in Exhibit B. In the event any county does not participate in this MOU, that county’s percentage share shall be reallocated proportionally amongst the Participating Counties by applying this same methodology to only the Participating Counties.

4. Allocation and distribution of Opioid Funds within each Participating County will be based on regional agreements as described in Section C.

C. Regional Agreements

1. For the purpose of this MOU, the regional structure for decision-making related to opioid fund allocation will be based upon the nine (9) pre-defined Washington State Accountable Community of Health Regions (Allocation Regions). Reference to these pre-defined regions is solely for the purpose of

drawing geographic boundaries to facilitate regional agreements for use of Opioid Funds. The Allocation Regions are as follows:

- King County (Single County Region)
- Pierce County (Single County Region)
- Olympic Community of Health Region (Clallam, Jefferson, and Kitsap Counties)
- Cascade Pacific Action Alliance Region (Cowlitz, Grays Harbor, Lewis, Mason, Pacific, Thurston, and Wahkiakum Counties)
- North Sound Region (Island, San Juan, Skagit, Snohomish, and Whatcom Counties)
- SouthWest Region (Clark, Klickitat, and Skamania Counties)
- Greater Columbia Region (Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Walla Walla, Whitman, and Yakima Counties)
- Spokane Region (Adams, Ferry, Lincoln, Pend Oreille, Spokane, and Stevens Counties)
- North Central Region (Chelan, Douglas, Grant, and Okanogan Counties)

2. Opioid Funds will be allocated, distributed and managed within each Allocation Region, as determined by its Regional Agreement as set forth below. If an Allocation Region does not have a Regional Agreement enumerated in this MOU, and does not subsequently adopt a Regional Agreement per Section C.5, the default mechanism for allocation, distribution and management of Opioid Funds described in Section C.4.a will apply. Each Allocation Region must have an OAC whose composition and responsibilities shall be defined by Regional Agreement or as set forth in Section C.4.

3. King County's Regional Agreement is reflected in Exhibit C to this MOU.

4. All other Allocation Regions that have not specified a Regional Agreement for allocating, distributing and managing Opioid Funds, will apply the following default methodology:

- a. Opioid Funds shall be allocated within each Allocation Region by taking the allocation for a Participating County from Exhibit B and apportioning those funds between that Participating County and its Participating Cities and Towns. Exhibit B also sets forth the allocation to the Participating Counties and the Participating Cities or Towns within the Counties based on a default allocation formula. As set forth above in Section B.3, to determine the allocation to a county, this formula utilizes: (1) the amount of opioids shipped to the county; (2) the number of opioid deaths that occurred in that county; and (3) the number of people who suffer opioid use disorder in that county. To determine the allocation within a county, the formula utilizes historical federal data showing how the specific Counties and the Cities and Towns within the Counties have

made opioids epidemic-related expenditures in the past. This is the same methodology used in the National Settlement Agreements for county and intra-county allocations. A Participating County, and the Cities and Towns within it may enter into a separate intra-county allocation agreement to modify how the Opioid Funds are allocated amongst themselves, provided the modification is in writing and agreed to by all Participating Local Governments in the County. Such an agreement shall not modify any of the other terms or requirements of this MOU.

b. 10% of the Opioid Funds received by the Region will be reserved, on an annual basis, for administrative costs related to the OAC. The OAC will provide an annual accounting for actual costs and any reserved funds that exceed actual costs will be reallocated to Participating Local Governments within the Region.

c. Cities and towns with a population of less than 10,000 shall be excluded from the allocation, with the exception of cities and towns that are Litigating Participating Local Governments. The portion of the Opioid Funds that would have been allocated to a city or town with a population of less than 10,000 that is not a Litigating Participating Local Government shall be redistributed to Participating Counties in the manner directed in C.4.a above.

d. Each Participating County, City, or Town may elect to have its share re-allocated to the OAC in which it is located. The OAC will then utilize this share for the benefit of Participating Local Governments within that Allocation Region, consistent with the Approved Purposes set forth in Exhibit A. A Participating Local Government's election to forego its allocation of Opioid Funds shall apply to all future allocations unless the Participating Local Government notifies its respective OAC otherwise. If a Participating Local Government elects to forego its allocation of the Opioid Funds, the Participating Local Government shall be excused from the reporting requirements set forth in this Agreement.

e. Participating Local Governments that receive a direct payment maintain full discretion over the use and distribution of their allocation of Opioid Funds, provided the Opioid Funds are used solely for Approved Purposes. Reasonable administrative costs for a Participating Local Government to administer its allocation of Opioid Funds shall not exceed actual costs or 10% of the Participating Local Government's allocation of Opioid Funds, whichever is less.

f. A Local Government that chooses not to become a Participating Local Government will not receive a direct allocation of Opioid Funds. The portion of the Opioid Funds that would have been allocated to a Local Government that is not a Participating Local Government shall be

redistributed to Participating Counties in the manner directed in C.4.a above.

g. As a condition of receiving a direct payment, each Participating Local Government that receives a direct payment agrees to undertake the following actions:

- i. Developing a methodology for obtaining proposals for use of Opioid Funds.
- ii. Ensuring there is opportunity for community-based input on priorities for Opioid Fund programs and services.
- iii. Receiving and reviewing proposals for use of Opioid Funds for Approved Purposes.
- iv. Approving or denying proposals for use of Opioid Funds for Approved Purposes.
- v. Receiving funds from the Trustee for approved proposals and distributing the Opioid Funds to the recipient.
- vi. Reporting to the OAC and making publicly available all decisions on Opioid Fund allocation applications, distributions and expenditures.

h. Prior to any distribution of Opioid Funds within the Allocation Region, The Participating Local Governments must establish an Opioid Abatement Council (OAC) to oversee Opioid Fund allocation, distribution, expenditures and dispute resolution. The OAC may be a preexisting regional body or may be a new body created for purposes of executing the obligations of this MOU.

i. The OAC for each Allocation Region shall be composed of representation from both Participating Counties and Participating Towns or Cities within the Region. The method of selecting members, and the terms for which they will serve will be determined by the Allocation Region's Participating Local Governments. All persons who serve on the OAC must have work or educational experience pertaining to one or more Approved Uses.

j. The Regional OAC will be responsible for the following actions:

- i. Overseeing distribution of Opioid Funds from Participating Local Governments to programs and services within the Allocation Region for Approved Purposes.

- ii. Annual review of expenditure reports from Participating Local Jurisdictions within the Allocation Region for compliance with Approved Purposes and the terms of this MOU and any Settlement.
- iii. In the case where Participating Local Governments chose to forego their allocation of Opioid Funds:
 - (i) Approving or denying proposals by Participating Local Governments or community groups to the OAC for use of Opioid Funds within the Allocation Region.
 - (ii) Directing the Trustee to distribute Opioid Funds for use by Participating Local Governments or community groups whose proposals are approved by the OAC.
 - (iii) Administrating and maintaining records of all OAC decisions and distributions of Opioid Funds.
- iv. Reporting and making publicly available all decisions on Opioid Fund allocation applications, distributions and expenditures by the OAC or directly by Participating Local Governments.
- v. Developing and maintaining a centralized public dashboard or other repository for the publication of expenditure data from any Participating Local Government that receives Opioid Funds, and for expenditures by the OAC in that Allocation Region, which it shall update at least annually.
- vi. If necessary, requiring and collecting additional outcome-related data from Participating Local Governments to evaluate the use of Opioid Funds, and all Participating Local Governments shall comply with such requirements.
- vii. Hearing complaints by Participating Local Governments within the Allocation Region regarding alleged failure to (1) use Opioid Funds for Approved Purposes or (2) comply with reporting requirements.

5. Participating Local Governments may agree and elect to share, pool, or collaborate with their respective allocation of Opioid Funds in any manner they choose by adopting a Regional Agreement, so long as such sharing, pooling, or collaboration is used for Approved Purposes and complies with the terms of this MOU and any Settlement.

6. Nothing in this MOU should alter or change any Participating Local Government's rights to pursue its own claim. Rather, the intent of this MOU is to join all parties who wish to be Participating Local Governments to agree upon an allocation formula for any Opioid Funds from any future binding Settlement with one or more Pharmaceutical Supply Chain Participants for all Local Governments in the State of Washington.

7. If any Participating Local Government disputes the amount it receives from its allocation of Opioid Funds, the Participating Local Government shall alert its respective OAC within sixty (60) days of discovering the information underlying the dispute. Failure to alert its OAC within this time frame shall not constitute a waiver of the Participating Local Government's right to seek recoupment of any deficiency in its allocation of Opioid Funds.

8. If any OAC concludes that a Participating Local Government's expenditure of its allocation of Opioid Funds did not comply with the Approved Purposes listed in Exhibit A, or the terms of this MOU, or that the Participating Local Government otherwise misused its allocation of Opioid Funds, the OAC may take remedial action against the alleged offending Participating Local Government. Such remedial action is left to the discretion of the OAC and may include withholding future Opioid Funds owed to the offending Participating Local Government or requiring the offending Participating Local Government to reimburse improperly expended Opioid Funds back to the OAC to be re-allocated to the remaining Participating Local Governments within that Region.

9. All Participating Local Governments and OAC shall maintain all records related to the receipt and expenditure of Opioid Funds for no less than five (5) years and shall make such records available for review by any other Participating Local Government or OAC, or the public. Records requested by the public shall be produced in accordance with Washington's Public Records Act RCW 42.56.001 *et seq.* Records requested by another Participating Local Government or an OAC shall be produced within twenty-one (21) days of the date the record request was received. This requirement does not supplant any Participating Local Government or OAC's obligations under Washington's Public Records Act RCW 42.56.001 *et seq.*

D. Payment of Counsel and Litigation Expenses

1. The Litigating Local Governments have incurred attorneys' fees and litigation expenses relating to their prosecution of claims against the Pharmaceutical Supply Chain Participants, and this prosecution has inured to the benefit of all Participating Local Governments. Accordingly, a Washington

Government Fee Fund (“GFF”) shall be established that ensures that all Parties that receive Opioid Funds contribute to the payment of fees and expenses incurred to prosecute the claims against the Pharmaceutical Supply Chain Participants, regardless of whether they are litigating or non-litigating entities.

2. The amount of the GFF shall be based as follows: the funds to be deposited in the GFF shall be equal to 15% of the total cash value of the Opioid Funds.

3. The maximum percentage of any contingency fee agreement permitted for compensation shall be 15% of the portion of the Opioid Funds allocated to the Litigating Local Government that is a party to the contingency fee agreement, plus expenses attributable to that Litigating Local Government. Under no circumstances may counsel collect more for its work on behalf of a Litigating Local Government than it would under its contingency agreement with that Litigating Local Government.

4. Payments from the GFF shall be overseen by a committee (the “Opioid Fee and Expense Committee”) consisting of one representative of the following law firms: (a) Keller Rohrback L.L.P.; (b) Hagens Berman Sobol Shapiro LLP; (c) Goldfarb & Huck Roth Riojas, PLLC; and (d) Napoli Shkolnik PLLC. The role of the Opioid Fee and Expense Committee shall be limited to ensuring that the GFF is administered in accordance with this Section.

5. In the event that settling Pharmaceutical Supply Chain Participants do not pay the fees and expenses of the Participating Local Governments directly at the time settlement is achieved, payments to counsel for Participating Local Governments shall be made from the GFF over not more than three years, with 50% paid within 12 months of the date of Settlement and 25% paid in each subsequent year, or at the time the total Settlement amount is paid to the Trustee by the Defendants, whichever is sooner.

6. Any funds remaining in the GFF in excess of: (i) the amounts needed to cover Litigating Local Governments’ private counsel’s representation agreements, and (ii) the amounts needed to cover the common benefit tax discussed in Section C.8 below (if not paid directly by the Defendants in connection with future settlement(s), shall revert to the Participating Local Governments *pro rata* according to the percentages set forth in Exhibits B, to be used for Approved Purposes as set forth herein and in Exhibit A.

7. In the event that funds in the GFF are not sufficient to pay all fees and expenses owed under this Section, payments to counsel for all Litigating Local Governments shall be reduced on a *pro rata* basis. The Litigating Local Governments will not be responsible for any of these reduced amounts.

8. The Parties anticipate that any Opioid Funds they receive will be subject to a common benefit “tax” imposed by the court in *In Re: National Prescription Opiate Litigation*, United States District Court for the Northern District of Ohio, Case No. 1:17-md-02804-DAP (“Common Benefit Tax”). If this occurs, the Participating Local Governments shall first seek to have the settling defendants pay the Common Benefit Tax. If the settling defendants do not agree to pay the Common Benefit Tax, then the Common Benefit Tax shall be paid from the Opioid Funds and by both litigating and non-litigating Local Governments. This payment shall occur prior to allocation and distribution of funds to the Participating Local Governments. In the event that GFF is not fully exhausted to pay the Litigating Local Governments’ private counsel’s representation agreements, excess funds in the GFF shall be applied to pay the Common Benefit Tax (if any).

E. General Terms

1. If any Participating Local Government believes another Participating Local Government, not including the Regional Abatement Advisory Councils, violated the terms of this MOU, the alleging Participating Local Government may seek to enforce the terms of this MOU in the court in which any applicable Settlement(s) was entered, provided the alleging Participating Local Government first provides the alleged offending Participating Local Government notice of the alleged violation(s) and a reasonable opportunity to cure the alleged violation(s). In such an enforcement action, any alleging Participating Local Government or alleged offending Participating Local Government may be represented by their respective public entity in accordance with Washington law.

2. Nothing in this MOU shall be interpreted to waive the right of any Participating Local Government to seek judicial relief for conduct occurring outside the scope of this MOU that violates any Washington law. In such an action, the alleged offending Participating Local Government, including the Regional Abatement Advisory Councils, may be represented by their respective public entities in accordance with Washington law. In the event of a conflict, any Participating Local Government, including the Regional Abatement Advisory Councils and its Members, may seek outside representation to defend itself against such an action.

3. Venue for any legal action related to this MOU shall be in the court in which the Participating Local Government is located or in accordance with the court rules on venue in that jurisdiction. This provision is not intended to expand the court rules on venue.

4. This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Participating Local Governments approve the use of electronic signatures for execution of this MOU. All use of electronic signatures

shall be governed by the Uniform Electronic Transactions Act. The Parties agree not to deny the legal effect or enforceability of the MOU solely because it is in electronic form or because an electronic record was used in its formation. The Participating Local Government agree not to object to the admissibility of the MOU in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the grounds that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

5. Each Participating Local Government represents that all procedures necessary to authorize such Participating Local Government's execution of this MOU have been performed and that the person signing for such Party has been authorized to execute the MOU.

[Remainder of Page Intentionally Left Blank – Signature Pages Follow]

This One Washington Memorandum of Understanding Between Washington Municipalities is signed this _____ day of _____, 2022 by:

Name & Title _____

On behalf of _____

4894-0031-1574, v. 2

EXHIBIT A

OPIOID ABATEMENT STRATEGIES

PART ONE: TREATMENT

A. TREAT OPIOID USE DISORDER (OUD)

Support treatment of Opioid Use Disorder (OUD) and any co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions, co-usage, and/or co-addiction through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Expand availability of treatment for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including all forms of Medication-Assisted Treatment (MAT) approved by the U.S. Food and Drug Administration.
2. Support and reimburse services that include the full American Society of Addiction Medicine (ASAM) continuum of care for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including but not limited to:
 - a. Medication-Assisted Treatment (MAT);
 - b. Abstinence-based treatment;
 - c. Treatment, recovery, or other services provided by states, subdivisions, community health centers; non-for-profit providers; or for-profit providers;
 - d. Treatment by providers that focus on OUD treatment as well as treatment by providers that offer OUD treatment along with treatment for other SUD/MH conditions, co-usage, and/or co-addiction; or
 - e. Evidence-informed residential services programs, as noted below.
3. Expand telehealth to increase access to treatment for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.
4. Improve oversight of Opioid Treatment Programs (OTPs) to assure evidence-based, evidence-informed, or promising practices such as adequate methadone dosing.
5. Support mobile intervention, treatment, and recovery services, offered by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction and for persons who have experienced an opioid overdose.
6. Support treatment of mental health trauma resulting from the traumatic experiences of the opioid user (e.g., violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (e.g., surviving family members after an overdose

or overdose fatality), and training of health care personnel to identify and address such trauma.

7. Support detoxification (detox) and withdrawal management services for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including medical detox, referral to treatment, or connections to other services or supports.
8. Support training on MAT for health care providers, students, or other supporting professionals, such as peer recovery coaches or recovery outreach specialists, including telementoring to assist community-based providers in rural or underserved areas.
9. Support workforce development for addiction professionals who work with persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.
10. Provide fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.
11. Provide funding and training for clinicians to obtain a waiver under the federal Drug Addiction Treatment Act of 2000 (DATA 2000) to prescribe MAT for OUD, and provide technical assistance and professional support to clinicians who have obtained a DATA 2000 waiver.
12. Support the dissemination of web-based training curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service-Opioids web-based training curriculum and motivational interviewing.
13. Support the development and dissemination of new curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service for Medication-Assisted Treatment.

B. SUPPORT PEOPLE IN TREATMENT AND RECOVERY

Support people in treatment for and recovery from OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Provide the full continuum of care of recovery services for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including supportive housing, residential treatment, medical detox services, peer support services and counseling, community navigators, case management, and connections to community-based services.
2. Provide counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it to persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

3. Provide access to housing for people with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including supportive housing, recovery housing, housing assistance programs, or training for housing providers.
4. Provide community support services, including social and legal services, to assist in deinstitutionalizing persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.
5. Support or expand peer-recovery centers, which may include support groups, social events, computer access, or other services for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.
6. Provide employment training or educational services for persons in treatment for or recovery from OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.
7. Identify successful recovery programs such as physician, pilot, and college recovery programs, and provide support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.
8. Engage non-profits, faith-based communities, and community coalitions to support people in treatment and recovery and to support family members in their efforts to manage the opioid user in the family.
9. Provide training and development of procedures for government staff to appropriately interact and provide social and other services to current and recovering opioid users, including reducing stigma.
10. Support stigma reduction efforts regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.

**C. CONNECT PEOPLE WHO NEED HELP TO THE HELP THEY NEED
(CONNECTIONS TO CARE)**

Provide connections to care for people who have – or are at risk of developing – OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer if necessary) a patient for OUD treatment.
2. Support Screening, Brief Intervention and Referral to Treatment (SBIRT) programs to reduce the transition from use to disorders.
3. Provide training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on youth and young adults when transition from misuse to opioid disorder is common.

4. Purchase automated versions of SBIRT and support ongoing costs of the technology.
5. Support training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management or support services.
6. Support hospital programs that transition persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, or persons who have experienced an opioid overdose, into community treatment or recovery services through a bridge clinic or similar approach.
7. Support crisis stabilization centers that serve as an alternative to hospital emergency departments for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction or persons that have experienced an opioid overdose.
8. Support the work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.
9. Provide funding for peer support specialists or recovery coaches in emergency departments, detox facilities, recovery centers, recovery housing, or similar settings; offer services, supports, or connections to care to persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction or to persons who have experienced an opioid overdose.
10. Provide funding for peer navigators, recovery coaches, care coordinators, or care managers that offer assistance to persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction or to persons who have experienced on opioid overdose.
11. Create or support school-based contacts that parents can engage with to seek immediate treatment services for their child; and support prevention, intervention, treatment, and recovery programs focused on young people.
12. Develop and support best practices on addressing OUD in the workplace.
13. Support assistance programs for health care providers with OUD.
14. Engage non-profits and the faith community as a system to support outreach for treatment.
15. Support centralized call centers that provide information and connections to appropriate services and supports for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.
16. Create or support intake and call centers to facilitate education and access to treatment, prevention, and recovery services for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

17. Develop or support a National Treatment Availability Clearinghouse – a multistate/nationally accessible database whereby health care providers can list locations for currently available in-patient and out-patient OUD treatment services that are accessible on a real-time basis by persons who seek treatment.

D. ADDRESS THE NEEDS OF CRIMINAL-JUSTICE-INVOLVED PERSONS

Address the needs of persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction who are involved – or are at risk of becoming involved – in the criminal justice system through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Support pre-arrest or post-arrest diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including established strategies such as:
 - a. Self-referral strategies such as the Angel Programs or the Police Assisted Addiction Recovery Initiative (PAARI);
 - b. Active outreach strategies such as the Drug Abuse Response Team (DART) model;
 - c. “Naloxone Plus” strategies, which work to ensure that individuals who have received naloxone to reverse the effects of an overdose are then linked to treatment programs or other appropriate services;
 - d. Officer prevention strategies, such as the Law Enforcement Assisted Diversion (LEAD) model;
 - e. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network or the Chicago Westside Narcotics Diversion to Treatment Initiative;
 - f. Co-responder and/or alternative responder models to address OUD-related 911 calls with greater SUD expertise and to reduce perceived barriers associated with law enforcement 911 responses; or
 - g. County prosecution diversion programs, including diversion officer salary, only for counties with a population of 50,000 or less. Any diversion services in matters involving opioids must include drug testing, monitoring, or treatment.
2. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction to evidence-informed treatment, including MAT, and related services.
3. Support treatment and recovery courts for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, but only if these courts provide referrals to evidence-informed treatment, including MAT.

4. Provide evidence-informed treatment, including MAT, recovery support, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction who are incarcerated in jail or prison.
5. Provide evidence-informed treatment, including MAT, recovery support, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction who are leaving jail or prison have recently left jail or prison, are on probation or parole, are under community corrections supervision, or are in re-entry programs or facilities.
6. Support critical time interventions (CTI), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.
7. Provide training on best practices for addressing the needs of criminal-justice-involved persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction to law enforcement, correctional, or judicial personnel or to providers of treatment, recovery, case management, or other services offered in connection with any of the strategies described in this section.

E. ADDRESS THE NEEDS OF PREGNANT OR PARENTING WOMEN AND THEIR FAMILIES, INCLUDING BABIES WITH NEONATAL ABSTINENCE SYNDROME

Address the needs of pregnant or parenting women with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, and the needs of their families, including babies with neonatal abstinence syndrome, through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Support evidence-based, evidence-informed, or promising treatment, including MAT, recovery services and supports, and prevention services for pregnant women – or women who could become pregnant – who have OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, and other measures to educate and provide support to families affected by Neonatal Abstinence Syndrome.
2. Provide training for obstetricians or other healthcare personnel that work with pregnant women and their families regarding treatment of OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.
3. Provide training to health care providers who work with pregnant or parenting women on best practices for compliance with federal requirements that children born with Neonatal Abstinence Syndrome get referred to appropriate services and receive a plan of safe care.
4. Provide enhanced support for children and family members suffering trauma as a result of addiction in the family; and offer trauma-informed behavioral health treatment for adverse childhood events.

5. Offer enhanced family supports and home-based wrap-around services to persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including but not limited to parent skills training.
6. Support for Children's Services – Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

PART TWO: PREVENTION

F. PREVENT OVER-PRESCRIBING AND ENSURE APPROPRIATE PRESCRIBING AND DISPENSING OF OPIOIDS

Support efforts to prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.
2. Academic counter-detailing to educate prescribers on appropriate opioid prescribing.
3. Continuing Medical Education (CME) on appropriate prescribing of opioids.
4. Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.
5. Support enhancements or improvements to Prescription Drug Monitoring Programs (PDMPs), including but not limited to improvements that:
 - a. Increase the number of prescribers using PDMPs;
 - b. Improve point-of-care decision-making by increasing the quantity, quality, or format of data available to prescribers using PDMPs or by improving the interface that prescribers use to access PDMP data, or both; or
 - c. Enable states to use PDMP data in support of surveillance or intervention strategies, including MAT referrals and follow-up for individuals identified within PDMP data as likely to experience OUD.
6. Development and implementation of a national PDMP – Fund development of a multistate/national PDMP that permits information sharing while providing appropriate safeguards on sharing of private health information, including but not limited to:
 - a. Integration of PDMP data with electronic health records, overdose episodes, and decision support tools for health care providers relating to OUD.

- b. Ensuring PDMPs incorporate available overdose/naloxone deployment data, including the United States Department of Transportation's Emergency Medical Technician overdose database.
7. Increase electronic prescribing to prevent diversion or forgery.
8. Educate Dispensers on appropriate opioid dispensing.

G. PREVENT MISUSE OF OPIOIDS

Support efforts to discourage or prevent misuse of opioids through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Corrective advertising or affirmative public education campaigns based on evidence.
2. Public education relating to drug disposal.
3. Drug take-back disposal or destruction programs.
4. Fund community anti-drug coalitions that engage in drug prevention efforts.
5. Support community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction – including staffing, educational campaigns, support for people in treatment or recovery, or training of coalitions in evidence-informed implementation, including the Strategic Prevention Framework developed by the U.S. Substance Abuse and Mental Health Services Administration (SAMHSA).
6. Engage non-profits and faith-based communities as systems to support prevention.
7. Support evidence-informed school and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.
8. School-based or youth-focused programs or strategies that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.
9. Support community-based education or intervention services for families, youth, and adolescents at risk for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.
10. Support evidence-informed programs or curricula to address mental health needs of young people who may be at risk of misusing opioids or other drugs, including emotional modulation and resilience skills.
11. Support greater access to mental health services and supports for young people, including services and supports provided by school nurses or other school staff, to

address mental health needs in young people that (when not properly addressed) increase the risk of opioid or other drug misuse.

H. PREVENT OVERDOSE DEATHS AND OTHER HARMS

Support efforts to prevent or reduce overdose deaths or other opioid-related harms through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Increase availability and distribution of naloxone and other drugs that treat overdoses for first responders, overdose patients, opioid users, families and friends of opioid users, schools, community navigators and outreach workers, drug offenders upon release from jail/prison, or other members of the general public.
2. Provision by public health entities of free naloxone to anyone in the community, including but not limited to provision of intra-nasal naloxone in settings where other options are not available or allowed.
3. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, and other members of the general public.
4. Enable school nurses and other school staff to respond to opioid overdoses, and provide them with naloxone, training, and support.
5. Expand, improve, or develop data tracking software and applications for overdoses/naloxone revivals.
6. Public education relating to emergency responses to overdoses.
7. Public education relating to immunity and Good Samaritan laws.
8. Educate first responders regarding the existence and operation of immunity and Good Samaritan laws.
9. Expand access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.
10. Support mobile units that offer or provide referrals to treatment, recovery supports, health care, or other appropriate services to persons that use opioids or persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.
11. Provide training in treatment and recovery strategies to health care providers, students, peer recovery coaches, recovery outreach specialists, or other professionals that provide care to persons who use opioids or persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.
12. Support screening for fentanyl in routine clinical toxicology testing.

PART THREE: OTHER STRATEGIES

I. FIRST RESPONDERS

In addition to items C8, D1 through D7, H1, H3, and H8, support the following:

1. Current and future law enforcement expenditures relating to the opioid epidemic.
2. Educate law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.

J. LEADERSHIP, PLANNING AND COORDINATION

Support efforts to provide leadership, planning, and coordination to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Community regional planning to identify goals for reducing harms related to the opioid epidemic, to identify areas and populations with the greatest needs for treatment intervention services, or to support other strategies to abate the opioid epidemic described in this opioid abatement strategy list.
2. A government dashboard to track key opioid-related indicators and supports as identified through collaborative community processes.
3. Invest in infrastructure or staffing at government or not-for-profit agencies to support collaborative, cross-system coordination with the purpose of preventing overprescribing, opioid misuse, or opioid overdoses, treating those with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, supporting them in treatment or recovery, connecting them to care, or implementing other strategies to abate the opioid epidemic described in this opioid abatement strategy list.
4. Provide resources to staff government oversight and management of opioid abatement programs.

K. TRAINING

In addition to the training referred to in various items above, support training to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Provide funding for staff training or networking programs and services to improve the capability of government, community, and not-for-profit entities to abate the opioid crisis.
2. Invest in infrastructure and staffing for collaborative cross-system coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, or implement other

strategies to abate the opioid epidemic described in this opioid abatement strategy list (e.g., health care, primary care, pharmacies, PDMPs, etc.).

L. RESEARCH

Support opioid abatement research that may include, but is not limited to, the following:

1. Monitoring, surveillance, and evaluation of programs and strategies described in this opioid abatement strategy list.
2. Research non-opioid treatment of chronic pain.
3. Research on improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to opioid use disorders.
4. Research on innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.
5. Expanded research on swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (e.g. Hawaii HOPE and Dakota 24/7).
6. Research on expanded modalities such as prescription methadone that can expand access to MAT.

EXHIBIT B

County	Local Government	% Allocation
<u>Adams County</u>		
	Adams County	0.1638732475%
	Hatton	
	Lind	
	Othello	
	Ritzville	
	Washtucna	
	County Total:	0.1638732475%
<u>Asotin County</u>		
	Asotin County	0.4694498386%
	Asotin	
	Clarkston	
	County Total:	0.4694498386%
<u>Benton County</u>		
	Benton County	1.4848831892%
	Benton City	
	Kennewick	0.5415650564%
	Prosser	
	Richland	0.4756779517%
	West Richland	0.0459360490%
	County Total:	2.5480622463%
<u>Chelan County</u>		
	Chelan County	0.7434914485%
	Cashmere	
	Chelan	
	Entiat	
	Leavenworth	
	Wenatchee	0.2968333494%
	County Total:	1.0403247979%
<u>Clallam County</u>		
	Clallam County	1.3076983401%
	Forks	
	Port Angeles	0.4598370527%
	Sequim	
	County Total:	1.7675353928%

EXHIBIT B

County	Local Government	% Allocation
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Clark County

Clark County	4.5149775326%
Battle Ground	0.1384729857%
Camas	0.2691592724%
La Center	
Ridgefield	
Vancouver	1.7306605325%
Washougal	0.1279328220%
Woodland***	
Yacolt	
County Total:	6.7812031452%

Columbia County

Columbia County	0.0561699537%
Dayton	
Starbuck	
County Total:	0.0561699537%

Cowlitz County

Cowlitz County	1.7226945990%
Castle Rock	
Kalama	
Kelso	0.1331145270%
Longview	0.6162736905%
Woodland***	
County Total:	2.4720828165%

Douglas County

Douglas County	0.3932175175%
Bridgeport	
Coulee Dam***	
East Wenatchee	0.0799810865%
Mansfield	
Rock Island	
Waterville	
County Total:	0.4731986040%

Ferry County

Ferry County	0.1153487994%
Republic	
County Total:	0.1153487994%

EXHIBIT B

County	Local Government	% Allocation
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Franklin County

Franklin County	0.3361237144%
Connell	
Kahlotus	
Mesa	
Pasco	0.4278056066%
County Total:	0.7639293210%

Garfield County

Garfield County	0.0321982209%
Pomeroy	
County Total:	0.0321982209%

Grant County

Grant County	0.9932572167%
Coulee City	
Coulee Dam***	
Electric City	
Ephrata	
George	
Grand Coulee	
Hartline	
Krupp	
Mattawa	
Moses Lake	0.2078293909%
Quincy	
Royal City	
Soap Lake	
Warden	
Wilson Creek	
County Total:	1.2010866076%

EXHIBIT B

County	Local Government	% Allocation
<u>Grays Harbor County</u>		
	Grays Harbor County	0.9992429138%
	Aberdeen	0.2491525333%
	Cosmopolis	
	Elma	
	Hoquiam	
	McCleary	
	Montesano	
	Oakville	
	Ocean Shores	
	Westport	
	County Total:	1.2483954471%
<u>Island County</u>		
	Island County	0.6820422610%
	Coupeville	
	Langley	
	Oak Harbor	0.2511550431%
	County Total:	0.9331973041%
<u>Jefferson County</u>		
	Jefferson County	0.4417137380%
	Port Townsend	
	County Total:	0.4417137380%

EXHIBIT B

County	Local Government	% Allocation
<u>King County</u>		
	King County	13.9743722662%
	Algona	
	Auburn***	0.2622774917%
	Beaux Arts Village	
	Bellevue	1.1300592573%
	Black Diamond	
	Bothell***	0.1821602716%
	Burien	0.0270962921%
	Carnation	
	Clyde Hill	
	Covington	0.0118134406%
	Des Moines	0.1179764526%
	Duvall	
	Enumclaw***	0.0537768326%
	Federal Way	0.3061452240%
	Hunts Point	
	Issaquah	0.1876240107%
	Kenmore	0.0204441024%
	Kent	0.5377397676%
	Kirkland	0.5453525246%
	Lake Forest Park	0.0525439124%
	Maple Valley	0.0093761587%
	Medina	
	Mercer Island	0.1751797481%
	Milton***	
	Newcastle	0.0033117880%
	Normandy Park	
	North Bend	
	Pacific***	
	Redmond	0.4839486007%
	Renton	0.7652626920%
	Sammamish	0.0224369090%
	SeaTac	0.1481551278%
	Seattle	6.6032403816%
	Shoreline	0.0435834501%
	Skykomish	
	Snoqualmie	0.0649164481%
	Tukwila	0.3032205739%
	Woodinville	0.0185516364%
	Yarrow Point	
	County Total:	26.0505653608%

EXHIBIT B

County	Local Government	% Allocation
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Kitsap County

Kitsap County	2.6294133668%
Bainbridge Island	0.1364686014%
Bremerton	0.6193374389%
Port Orchard	0.1009497162%
Poulsbo	0.0773748246%
County Total:	3.5635439479%

Kittitas County

Kittitas County	0.3855704683%
Cle Elum	
Ellensburg	0.0955824915%
Kittitas	
Roslyn	
South Cle Elum	
County Total:	0.4811529598%

Klickitat County

Klickitat County	0.2211673457%
Bingen	
Goldendale	
White Salmon	
County Total:	0.2211673457%

Lewis County

Lewis County	1.0777377479%
Centralia	0.1909990353%
Chehalis	
Morton	
Mossyrock	
Napavine	
Pe Ell	
Toledo	
Vader	
Winlock	
County Total:	1.2687367832%

EXHIBIT B

County	Local Government	% Allocation
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Lincoln County

Lincoln County	0.1712669645%
Almira	
Creston	
Davenport	
Harrington	
Odessa	
Reardan	
Sprague	
Wilbur	
County Total:	0.1712669645%

Mason County

Mason County	0.8089918012%
Shelton	0.1239179888%
County Total:	0.9329097900%

Okanogan County

Okanogan County	0.6145043345%
Brewster	
Conconully	
Coulee Dam***	
Elmer City	
Nespelem	
Okanogan	
Omak	
Oroville	
Pateros	
Riverside	
Tonasket	
Twisp	
Winthrop	
County Total:	0.6145043345%

Pacific County

Pacific County	0.4895416466%
Ilwaco	
Long Beach	
Raymond	
South Bend	
County Total:	0.4895416466%

EXHIBIT B

County	Local Government	% Allocation
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Pend Oreille County

Pend Oreille County	0.2566374940%
Cusick	
Ione	
Metaline	
Metaline Falls	
Newport	
County Total:	0.2566374940%

Pierce County

Pierce County	7.2310164020%
Auburn***	0.0628522112%
Bonney Lake	0.1190773864%
Buckley	
Carbonado	
DuPont	
Eatonville	
Edgewood	0.0048016791%
Enumclaw***	0.0000000000%
Fife	0.1955185481%
Fircrest	
Gig Harbor	0.0859963345%
Lakewood	0.5253640894%
Milton***	
Orting	
Pacific***	
Puyallup	0.3845704814%
Roy	
Ruston	
South Prairie	
Steilacoom	
Sumner	0.1083157569%
Tacoma	3.2816374617%
University Place	0.0353733363%
Wilkeson	
County Total:	12.0345236870%

San Juan County

San Juan County	0.2101495171%
Friday Harbor	
County Total:	0.2101495171%

EXHIBIT B

County	Local Government	% Allocation
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Skagit County

Skagit County	1.0526023961%
Anacortes	0.1774962906%
Burlington	0.1146861661%
Concrete	
Hamilton	
La Conner	
Lyman	
Mount Vernon	0.2801063665%
Sedro-Woolley	0.0661146351%
County Total:	1.6910058544%

Skamania County

Skamania County	0.1631931925%
North Bonneville	
Stevenson	
County Total:	0.1631931925%

Snohomish County

Snohomish County	6.9054415622%
Arlington	0.2620524080%
Bothell***	0.2654558588%
Brier	
Darrington	
Edmonds	0.3058936009%
Everett	1.9258363241%
Gold Bar	
Granite Falls	
Index	
Lake Stevens	0.1385202891%
Lynnwood	0.7704629214%
Marysville	0.3945067827%
Mill Creek	0.1227939546%
Monroe	0.1771621898%
Mountlake Terrace	0.2108935805%
Mukilteo	0.2561790702%
Snohomish	0.0861097964%
Stanwood	
Sultan	
Woodway	
County Total:	11.8213083387%

EXHIBIT B

County	Local Government	% Allocation
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Spokane County

Spokane County	5.5623859292%
Airway Heights	
Cheney	0.1238454349%
Deer Park	
Fairfield	
Latah	
Liberty Lake	0.0389636519%
Medical Lake	
Millwood	
Rockford	
Spangle	
Spokane	3.0872078287%
Spokane Valley	0.0684217500%
Waverly	
County Total:	8.8808245947%

Stevens County

Stevens County	0.7479240179%
Chewelah	
Colville	
Kettle Falls	
Marcus	
Northport	
Springdale	
County Total:	0.7479240179%

Thurston County

Thurston County	2.3258492094%
Bucoda	
Lacey	0.2348627221%
Olympia	0.6039423385%
Rainier	
Tenino	
Tumwater	0.2065982350%
Yelm	
County Total:	3.3712525050%

Wahkiakum County

Wahkiakum County	0.0596582197%
Cathlamet	
County Total:	0.0596582197%

EXHIBIT B

County	Local Government	% Allocation
--------	------------------	--------------

Walla Walla County

Walla Walla County	0.5543870294%
College Place	
Prescott	
Waitsburg	
Walla Walla	0.3140768654%
County Total:	0.8684638948%

Whatcom County

Whatcom County	1.3452637306%
Bellingham	0.8978614577%
Blaine	
Everson	
Ferndale	0.0646101891%
Lynden	0.0827115612%
Nooksack	
Sumas	
County Total:	2.3904469386%

Whitman County

Whitman County	0.2626805837%
Albion	
Colfax	
Colton	
Endicott	
Farmington	
Garfield	
LaCrosse	
Lamont	
Malden	
Oakesdale	
Palouse	
Pullman	0.2214837491%
Rosalia	
St. John	
Tekoa	
Uniontown	
County Total:	0.4841643328%

EXHIBIT B

County	Local Government	% Allocation
<u>Yakima County</u>		
	Yakima County	1.9388392959%
	Grandview	0.0530606109%
	Granger	
	Harrah	
	Mabton	
	Moxee	
	Naches	
	Selah	
	Sunnyside	0.1213478384%
	Tieton	
	Toppenish	
	Union Gap	
	Wapato	
	Yakima	0.6060410539%
	Zillah	
	County Total:	2.7192887991%

Exhibit C

KING COUNTY REGIONAL AGREEMENT

King County intends to explore coordination with its cities and towns to facilitate a Regional Agreement for Opioid Fund allocation. Should some cities and towns choose not to participate in a Regional Agreement, this shall not preclude coordinated allocation for programs and services between the County and those cities and towns who elect to pursue a Regional Agreement. As contemplated in C.5 of the MOU, any Regional Agreement shall comply with the terms of the MOU and any Settlement. If no Regional Agreement is achieved, the default methodology for allocation in C.4 of the MOU shall apply.

EXHIBIT K**Subdivision Participation and Release Form**

Governmental Entity:	State:
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to that certain Governmental Entity & Shareholder Direct Settlement Agreement accompanying this participation form (the “*Agreement*”)¹, and acting through the undersigned authorized official, hereby elects to participate in the Agreement, grant the releases set forth below, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Agreement, and agrees that by executing this Participation and Release Form, the Governmental Entity elects to participate in the Agreement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall promptly after the Effective Date, and prior to the filing of the Consent Judgment, dismiss with prejudice any Shareholder Released Claims and Released Claims that it has filed. With respect to any Shareholder Released Claims and Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs’ Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at <https://nationalopioidsettlement.com>.
3. The Governmental Entity agrees to the terms of the Agreement pertaining to Participating Subdivisions as defined therein.
4. By agreeing to the terms of the Agreement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning following the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Agreement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as and to the extent provided in, and for resolving disputes to the extent provided in, the

¹ Capitalized terms used in this Exhibit K but not otherwise defined in this Exhibit K have the meanings given to them in the Agreement or, if not defined in the Agreement, the Master Settlement Agreement.

Agreement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Agreement.

7. The Governmental Entity has the right to enforce the Agreement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Agreement, including without limitation all provisions of Article 10 (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Subdivision Releasor, to the maximum extent of its authority, for good and valuable consideration, the adequacy of which is hereby confirmed, the Shareholder Released Parties and Released Parties are, as of the Effective Date, hereby released and forever discharged by the Governmental Entity and its Subdivision Releasors from: any and all Causes of Action, including, without limitation, any Estate Cause of Action and any claims that the Governmental Entity or its Subdivision Releasors would have presently or in the future been legally entitled to assert in its own right (whether individually or collectively), notwithstanding section 1542 of the California Civil Code or any law of any jurisdiction that is similar, comparable or equivalent thereto (which shall conclusively be deemed waived), whether existing or hereinafter arising, in each case, (A) directly or indirectly based on, arising out of, or in any way relating to or concerning, in whole or in part, (i) the Debtors, as such Entities existed prior to or after the Petition Date, and their Affiliates, (ii) the Estates, (iii) the Chapter 11 Cases, or (iv) Covered Conduct and (B) as to which any conduct, omission or liability of any Debtor or any Estate is the legal cause or is otherwise a legally relevant factor (each such release, as it pertains to the Shareholder Released Parties, the “Shareholder Released Claims”, and as it pertains to the Released Parties other than the Shareholder Released Parties, the “Released Claims”). For the avoidance of doubt and without limiting the foregoing: the Shareholder Released Claims and Released Claims include any Cause of Action that has been or may be asserted against any Shareholder Released Party or Released Party by the Governmental Entity or its Subdivision Releasors (whether or not such party has brought such action or proceeding) in any federal, state, or local action or proceeding (whether judicial, arbitral, or administrative) (A) directly or indirectly based on, arising out of, or in any way relating to or concerning, in whole or in part, (i) the Debtors, as such Entities existed prior to or after the Petition Date, and their Affiliates, (ii) the Estates, (iii) the Chapter 11 Cases, or (iv) Covered Conduct and (B) as to which any conduct, omission or liability of any Debtor or any Estate is the legal cause or is otherwise a legally relevant factor.
9. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Shareholder Released Claims or Released Claims against any Shareholder Released Party or Released Party in any forum whatsoever, subject in all respects to Section 9.02 of the Master Settlement Agreement. The releases provided for herein (including the term “Shareholder Released

Claims” and “Released Claims”) are intended by the Governmental Entity and its Subdivision Releasors to be broad and shall be interpreted so as to give the Shareholder Released Parties and Released Parties the broadest possible release of any liability relating in any way to Shareholder Released Claims and Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Agreement shall be a complete bar to any Shareholder Released Claim and Released Claims.

10. To the maximum extent of the Governmental Entity’s power, the Shareholder Released Parties and the Released Parties are, as of the Effective Date, hereby released and discharged from any and all Shareholder Released Claims and Released Claims of the Subdivision Releasors.
11. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Agreement.
12. In connection with the releases provided for in the Agreement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Shareholder Released Claims or such other Claims released pursuant to this release, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Shareholder Released Claims or such other Claims released pursuant to this release that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities’ decision to participate in the Agreement.

13. Nothing herein is intended to modify in any way the terms of the Agreement, to which Governmental Entity hereby agrees. To the extent any portion of this Participation and Release Form not relating to the release of, or bar against, liability is interpreted differently from the Agreement in any respect, the Agreement controls.
14. Notwithstanding anything to the contrary herein or in the Agreement, (x) nothing herein shall (A) release any Excluded Claims or (B) be construed to impair in any way the rights and obligations of any Person under the Agreement; and (y) the Releases set forth herein shall be subject to being deemed void to the extent set forth in Section 9.02 of the Master Settlement Agreement.

I have all necessary power and authorization to execute this Participation and Release Form on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____

Attachment C

2025-2026 Opiate Settlement Funds - Recommendations

Agency - Program	Annual Award
Porchlight - Behavioral Mental Health	\$25,076
Friends of Youth - Mental Health and Substance Use Disorder Services	\$26,000
IKRON of Greater Seattle - Behavioral Health Services	\$43,000
Therapeutic Health Services - Substance Use and Mental Health Treatment Program	\$30,242
Youth Eastside Services - Behavioral Health Care for Children and Youth	\$139,794
Youth Eastside Services - Community-Based Outreach	\$50,278
Youth Eastside Services - Early Childhood Behavioral Health	\$45,158
Youth Eastside Services - Latine Programs	\$40,452
TruNarc Drug Analyzer	\$31,000
Narcan	\$3,000

Agency: Friends of Youth

Program: Mental Health and Substance Use Disorder Services

Annual Award: \$26,000

Abatement Strategy: G11

Program Description: Mental health counseling for children and youth.

Service Units: 92 hours of counseling sessions provided by either a licensed mental health therapist or a certified substance use disorder counselor, including both individual & group sessions.

Outcome: 70% of Clients who engage in three or more therapy sessions increase their stability. Increased stability will be evidenced by the achievement of one personal treatment goal as established in the client's treatment plan.

Agency: IKRON of Greater Seattle

Program: Behavioral Health Services

Annual Award: \$43,000

Abatement Strategies: A2c, A2d, A3, A6, A9, B4, B8, D1c, D3, D5, H1

Program Description: IKRON's integrated behavioral health program provides mental health counseling, substance use counseling, and medication management/psychiatric treatment to low income and homeless individuals in East King County with the ultimate goal of establishing a solid foundation for emotional well-being and successful integration in the community.

Service Units:

- 370 hours of counseling including treatment planning, Individual counseling, family therapy or group therapy. Behavioral health treatment services provided by licensed clinicians.
- 17.5 hours of medical care including all services provided by Psychiatric ARNP: psychiatric evaluation; medication prescribing, and/or monitoring prescribed medications.

Outcomes:

- 70% of individuals served show improvement in a 6-month period by increasing at least 1 point from baseline their treatment goals, on a scale of 0-10 (10 being the most progress).
- 95% of individuals served will show satisfaction with treatment and staffing at 6-month intervals, as measured by the general satisfaction surveys.

Agency: PorchLight

Program: Behavioral Mental Health

Annual Award: \$25,076

Abatement Strategy: C14

Program Description: PorchLight's Behavioral Health Program delivers same-day, on-site mental health and substance abuse services to men in our emergency and rotating shelter programs, as well as our permanent supportive housing programs. All services in

this program are delivered by PorchLight in-house, licensed behavioral health and healthcare providers.

Service Units: 20.5 hours of on-site one-on-one behavioral health support counseling.

Outcome: 60% of clients report progress toward housing stability while receiving PorchLight behavioral health services.

Agency: Therapeutic Health Services

Program: Substance Use and Mental Health Treatment Program

Annual Award: \$30,242

Abatement Strategies: A1, B1

Program Description: Strengths based, culturally appropriate, evidence-based substance use disorder treatment (including medication assisted treatment for opioid addiction), mental health counseling and case management services.

Service Units:

- 105 hours of in-person or virtual individual counseling sessions with a licensed, certified professional counselor.
- 350 hours of in-person or virtual group session including, but not limited to: emotional support, self-esteem building strategies, relapse prevention techniques, social skills and pro-social behavior reinforcement.
- 33.5 hours of case management including comprehensive and wraparound individual treatment involving a combination of personal counseling, liaison and connection with other service providers and advocacy to ensure access to needed essential services.

Outcomes:

- 75% of clients report/demonstrate improvement in substance use disorder or mental health symptoms.
- 75% of clients are able to connect/access needed services and resources to increase self-sufficiency.

Agency: Youth Eastside Services

Program: Behavioral Health Care for Children and Youth

Annual Award: \$139,794

Abatement Strategies: C1, C2, C11, H3, G8, G10, G11

Program Description: Comprehensive program for those ages 8-22, and their families, that intervenes, stabilizes, supports and empowers children/youth/families with the skills needed to improve social emotional well-being and self-regulation.

Service Units: 804 hours of counseling including 1:1 individual counseling sessions with the youth and/or family counseling.

Outcome: 75% of children/youth will gain skills in emotional regulation/functioning, defined as meeting two or more of their treatment plan goals.

Agency: Youth Eastside Services

Program: Community-Based Outreach

Annual Award: \$50,278

Abatement Strategies: G8, G9, G10, G11

Program Description: Provides free counseling and case management to support BIPOC students, including immigrant/refugee youth, in connecting to school and developing leadership skills.

Service Units: 340 hours of outreach including info/referrals, drop-in counseling, group counseling, crisis and case management.

Outcome: 85% of children and youth will improve social/emotional functioning by increasing their protective factors.

Agency: Youth Eastside Services

Program: Early Childhood Behavioral Health

Annual Award: \$45,158

Abatement Strategy: E4

Program Description: Provides early childhood intervention aimed at restructuring the parent-child relationship to support the infant's/child's healthy social, emotional and cognitive development.

Service Units: 164 hours of counseling including three evidence-based interventions: PCIT, PFR & CBT for children and their caregivers.

Outcomes:

- 80% of parents/caregivers engaged in Promoting First Relationships will improve their ability to meet the social and emotional needs of their infant/child as a result of this intervention.
- 80% of parents/caregivers engaged in Parent Child Interaction Therapy will improve parent-child social interactions.

Agency: Youth Eastside Services

Program: Latine Programs

Annual Award: \$40,452

Abatement Strategies: G8, G9, G10, G11

Program Description: Provides culturally relevant youth leadership development activities facilitated by bilingual (Spanish-English)/bicultural staff, including program activities to promote college readiness, student voice & identity, parent engagement, leadership skills, and youth-led community service projects & cultural events.

Service Units: 340 hours of youth services including programs providing youth development services for Latine youth at risk of dropping out of school due to drug use or other factors.

Outcome: 90% of youth will report an increase in developmental assets as a result of this program, defined as reporting an increase in 10 or more of the 40 Developmental Assets identified by the Search Institute.



Memorandum

Date: 9/9/2025

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

File No. CM 25-469

Type: Committee Memo

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

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Executive	Malisa Files	(425) 556-2166
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DEPARTMENT STAFF:

Executive	Amy Tsai	Chief Policy Advisor
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TITLE:

King County District Court ILA Amendment

OVERVIEW STATEMENT:

The City contracts with King County District Court for the provision of District Court services. Council approval of the amendment would add the cost of probation services for active supervision to the contract, in support of King County receiving full cost recovery for the services they provide.

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

REQUESTED ACTION:

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
King County District Court ILA with City of Redmond
- **Required:**
RCW 39.34.180 local duty to handle misdemeanor and gross misdemeanor offenses
- **Council Request:**
N/A
- **Other Key Facts:**
The City of Redmond contracts with King County District Court (KCDC) to provide local court services. The amount of the contract is based on the cost to King County of providing the services minus revenue brought in by filing fees; Redmond is charged based on the percentage of cases it has out of all cities contracting with KCDC. KCDC has not historically charged for the cost of providing probation services and now seeks to recover those costs.

ILA Amendment Effect - This ILA amendment adds the court staffing costs of handling active supervision

probation cases, including associated supervisory costs; it does not charge the City any additional facility or security costs or probation compliance monitoring costs. Exhibit A to the ILA amendment contains the formulas that would be applied annually; the case numbers use the last available year's data for illustration purposes.

Estimated Cost Impact - KCDC would begin including probation case data in its cost model in 2026. Cities are billed the following year (starting in 2027). As of February 2025, Redmond had 99 active probation cases (15% of 650 total probation cases among cities contracting with KCDC). This translates to approximately \$135,000 annual expected costs of probation.

OUTCOMES:

King County District Court provides active supervision for probation cases in Redmond. This amendment would have Redmond reimburse KCDC for the cost of service.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
King County seeks city approvals by end of September 2025.
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

Roughly \$135,000 annually beginning in 2027, depending on active probation caseload

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

Budget Offer Number:

N/A

Budget Priority:

Safe and Resilient

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

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/16/2025	Business Meeting	Approve

Time Constraints:

King County District Court requests City approval of the proposed amendment in order to begin including probation costs in the cost model for 2026. The City would be billed for 2026 costs in 2027.

ANTICIPATED RESULT IF NOT APPROVED:

Redmond would need to find alternative means of providing probation services, which does not appear cost effective at this time.

ATTACHMENTS:

Attachment A: KCDC ILA Amendment with Exhibit A

**AMENDMENT TO THE INTERLOCAL AGREEMENT FOR THE PROVISION OF
DISTRICT COURT SERVICES BETWEEN KING COUNTY AND THE CITY OF _____**

This is an amendment to the Interlocal Agreement for Provision of District Court Services ("Agreement") between King County ("County") and the City of _____ ("City") (collectively, the "Parties") executed 2022.

The Parties hereby agree to amend the Agreement as follows:

1. Exhibit A (dated January 2021) is replaced with Exhibit A (Revised 2025), which is attached to this amendment.
2. Subparagraph (d) of Paragraph 4.9 Local Court Revenue is modified as follows:

 (d) Probation Revenue related to compliance monitoring;
3. The Parties agree that this amendment to the Agreement is technical in nature and is consistent with the intent of the Agreement.
4. The Parties further agree that all other terms and conditions of the Agreement not modified by this amendment shall remain in full force and effect.
5. This amendment shall be effective as of the date signed by King County below.

City of _____

King County

City Manager

Shannon Braddock
King County Executive

Date: _____

Date: _____

EXHIBIT A			
SUMMARY TO ATTACHMENTS A THROUGH Q			
Attachment	Item	City Case Costs 2023	City Case Costs 2022
A	2023 District Court Program Budget		
	Salaries and Benefits	6,160,117	4,863,998
B	Non-Facility costs/Non-CX overhead		
	costs less probation	754,492	783,218
C	Security Costs per Facility	672,987	648,125
D	Facilities - Call Center/Payment Center	21,895	22,838
E	Reconciliation Costs	420	1,467
F	One-Time Costs for District Court		
	Technology and System Improvement Projects	65,712	63,536
J-Facility Costs	Facility Usage	312,089	330,697
	Probation	889,018	
	TOTAL CITY CASE COSTS IN 2023:	8,876,730	6,713,879
	TOTAL CITY REVENUE IN 2023	\$ 6,051,043	\$ 4,655,279
	Percentage of Total City Case Costs to Total City Revenue 2023	147%	144%
City Dedicated Costs			
G	Dedicated City space	-	-
	TOTAL CITY COSTS w/ DEDICATED	8,876,730	6,713,879

- Methodology/Definitions/Notes:**
- District Court Program Budget: A budget that is created by the Court to portion out salaries and benefits by specific court programs
 - Based on the District Court Program Budget (Attachment A), contract cities represent a percentage of District Court Program Budget Costs ----->

21.90%
 - The District Court Program Budget will be updated annually as will the percentage representing contract cities.
 - The multiplier referred to in Exhibit A is the percentage of the District Court Program Budget attributed to contract cities (see Attachment A).
 - The "City Cost" for each year, calculated by the County, is equal to the sum of Attachments A through G and Facility Costs.
 - The account codes referenced throughout this Exhibit may be modified by the County and the codes referenced herein are deemed to include any future successor or modified codes adopted by the County.
 - Amendment to ILA 2025 added city cost allocation for active probation cases handled by KCDC.

City	City Portion of Case Costs *includes			Total City Revenue *includes probation	City Revenue Paid	Difference of Total City Cost and City Revenue Paid	City Remittance to County 2023	County Reimbursement to City 2023
	probation	City Dedicated Costs	Total City Cost					
Algona	\$ 166,646	-	166,646	53,347	54,907	111,740	\$111,740	-
Auburn	\$ 2,528,770	-	2,528,770	1,374,988	14,886	2,513,884	\$2,513,884	-
Beaux Arts	\$ -	-	-	-	0	0.00	-	-
Bellevue	\$ 2,708,628	-	2,708,628	3,639,371	2,970,061	(261,453)		\$261,453
Burien	\$ 631,021	-	631,021	74,640	77,048	553,973	\$553,973	-
Carnation	\$ 14,149	-	14,149	1,413	1,731	12,418	\$12,418	-
Covington	\$ 260,149	-	260,149	75,868	79,318	180,831	\$180,831	-
Duvall	\$ 2,128	-	2,128	1,863	1,863	265	\$265	-
Kenmore	\$ 281,113	-	281,113	335,778	337,133	(56,019)		\$56,019
Pacific	\$ 261,246	-	261,246	59,426	59,886	201,360	\$201,360	-
Redmond	\$ 1,152,634	-	1,152,634	248,603	253,298	899,336	\$899,336	-
Sammamish	\$ 310,846	-	310,846	101,385	102,143	208,703	\$208,703	-
Shoreline	\$ 559,076	-	559,076	83,555	86,803	472,273	\$472,273	-
Skykomish	\$ -	-	-	-	0	0		-
Woodinville	\$ 325	-	325	807	807	(483)		\$483
Total	\$8,876,730	\$0	\$8,876,730	\$6,051,043	\$4,039,904	\$4,836,826	\$5,154,781	\$317,956

Note: Revised 2025 to include probation costs for active supervision cases, if applicable (see worksheet H).

ATTACHMENT "A" - TO THE FINANCIAL EXHIBIT											
King County District Court											
2023 District Court Program Budget Salaries and Benefits											
	Judges* Clerks*	LT*	CM*	OP/J/ Central Admin	Prob Aides*	Prob Mgmt	PO Is	Prob Support *	Total	Salary/Benefit Expenditure	% to subtotal
County-State Criminal	8.67	9.30	0.16	1.94	4.76	0.08			24.90	4,337,994	15.42%
County-State Infractions	0.88	15.80	0.26	3.29	6.12	0.14			26.50	3,388,233	12.05%
County-State Civil	4.73	23.68	0.39	4.94	9.65	0.21			43.60	6,055,507	21.53%
City Contracts	8.07	19.35	0.32	4.03	8.49	0.17			40.44	6,160,117	21.90%
DV Court	1.03	1.43	0.02	0.30	0.69	0.01			3.49	580,344	2.06%
Jail/Felony/Expedited	1.85	1.28	0.02	0.27	0.62	0.01			4.05	769,666	2.74%
Passports	1.04		0.02	0.22	0.29	0.01			1.57	193,006	0.69%
Subtotal without Probation	25.23	71.89	1.20	14.98	30.61	0.64			144.55	\$ 21,484,868	
Total Salary and benefits for Court										\$ 28,123,377	will not add up to 100%
District Court Program Budget, Salaries and Benefits attributed to Contract Cities.											\$ 6,160,117
Multiplier Percent of Salaries and Benefits for Contract Cities											21.90%
County Probation	2.12	0.09	1.15	2.36	0.02	1.90	4.89	3.42	15.95	2,158,895	
City Probation	1.91	0.08	0.99	2.04	0.02	1.60	4.11	2.88	13.63	1,842,415	
DV Court Probation	0.68	0.02	0.29	0.58	0.01	0.39	1.00	0.70	3.66	490,645	
Subtotal Probation Costs	4.71	0.19	2.43	4.97	0.04	3.89	10.00	7.00	33.24	\$ 4,491,955	
				Probation as Percentage of Total Actual Staff					14.19%		
District Court Costs	25.23	76.60	1.39	17.41	35.58	0.68	3.89	10.00	7.00	177.79	\$ 32,615,331

1.15 *Judges included in Central Admin
9.00 *Call Center Clerks counted in Central Admin
8.00 *Payment Center Clerks counted in Central Admin
3.00 *CM included in Central Admin for Call Center & Payment Center
7.00 *Court Clerks counted in Prob Support

** Does not include RMHC, RVC, Comm Crt

*** Does not include 3 CMS Clerks

****Does not include 3 frozen positions

ATTACHMENT "B" - TO THE FINANCIAL EXHIBIT				
Non-Facility costs/Non-CX overhead costs less probation				
	Probation Staff as %		14.19%	
Dpt_DISTRICT COURT(0530)	2023 Total District Court	Probation where applicable	Net less probation	Comments
CX FUND				
52110 OFFICE SUPPLIES	63,476	9,010	54,467	
52180 MINOR ASSET NON CONTROL	9,528	1,352	8,175	
52181 INVENTORY EQUIP SK UNDER	5,461	775	4,686	
52189 SOFTWARE NONCAP	4,839	687	4,152	
52190 SUPPLIES IT	14,738	2,092	12,647	
52202 SUPPLIES MISC	29,188	4,143	25,045	
52205 SUPPLIES FOOD	663	94	569	
52208 SUPPLIES UNIFORMS	-	0	-	
52215 PUBLICATIONS	35,478	5,036	30,442	
52222 SUPPLIES COMMUNICATIONS	11,729	1,665	10,064	
52280 MISC OPERATING SUPPLIES	-	0	-	
52391 MAINTENANCE PARTS MATERIALS	-	0	-	
53100 ADVERTISING	0	0	0	
53101 PROF SRV PRINTING	12,164	1,727	10,438	
53102 PROF SRV-Interpreters	848,900	120,489	728,411	
53105 OTHER CONTRACT/PROF SRVCS	208,624	29,611	179,013	
Agency Temp Employees	-	0	-	Adjusted below
53106 EDP & MICROFICHE/FILM SVC	75,983	10,785	65,198	
53108 CONSTRUCTION CONTRACTS	-	-	-	
53120 MISC SERVICES	241,222	34,238	206,984	
53210 SERVICES COMM	-	-	-	
53212 TELECOM SERV-ONE TIME	32,625	4,631	27,994	
53213 CELL PHONE	54,283	7,705	46,579	
532314 CLOUD INFRASTRUCTURE SERVICES	91,485	12,985	78,500	
53216 ONPREM SOFTWARE MAINT SUPPORT	47,393	6,727	40,666	
53220 POSTAGE	134,443	19,082	115,360	
53310 TRAVEL SUBSISTENCE	12,898	1,831	11,068	
53311 TRAVEL SUBSISTENCE	15,057	2,137	12,920	
53325 PARKING FEES	63	9	54	
53330 PURCHASED TRANSPORT	18,393	2,611	15,782	
53611 SERVICES REPAIR MAIN IT	-	-	-	
53612 LAUNDRY SERVICE	-	-	-	
53711 RENT- LEASE	-	-	-	
53712 RENT-COPY MACHINE	25,475	3,616	21,860	
53713 RENT-OTHER EQUIP	9,368	1,330	8,038	
53716 FUR MACH EQP RNTLS LT 1 YR	27,119	3,849	23,270	
53801 LEGAL SRVS	-	-	-	
Jury	71,663	10,172	61,492	Adjust below
Witness	842	119	722	Adjust below
53803 MEMBERSHIPS	6,255	888	5,367	
53808 TAXES AND ASSESSMENTS	-	-	-	
53814 TRAINING	27,142	3,852	23,289	
53863 BANK FEES	21,681	3,077	18,604	
53890 MISC SERVICE CHARGES	40,446	5,741	34,706	
53897 SALES TAX EXPENSE	9,006	1,278	7,728	
55021 ITS EXISTING PROGRAMS	4,620	656	3,964	
55023 ITS NEW DEVELOPMENT	-	-	-	
55025 ITS INFRASTRUCTURE EXPEND	10,432	1,481	8,951	
55026 GIS OPERATIONS	877,420	124,537	752,883	
55027 TECH SERV REBATE	50,332	7,144	43,188	
55032 TELECOM OVERHEAD	(21,676)	(3,077)	(18,600)	
55040 COUNTY PARKING GARAGE	-	-	-	
55045 COURTHOUSE SCREENERS	10,074	1,430	8,644	
55144 PROPERTY SERVICES	-	-	-	
55145 FACILITIES MGMT	336	48	288	Adjusted below
55147 RECORDS AND LICENSING	12,015	1,705	10,309	
55159 FMD COPY CENTER	-	-	-	
55160 CONST & FACILITY MGMT	86	12	74	
55204 SOLID WASTE SVC	2,811,529	399,056	2,412,473	Adjusted below
	-	-	-	

Dpt_DISTRICT COURT(0530)	2023 Total District Court	Probation where applicable	Net less probation	Comments
55245 FINANCIAL MGMT SVCS	114,732	16,285	98,447	
55249 FMD STRATEGIC INITIATIVE FEE	-	-	-	
55251 INSURANCE REBATE	-	-	-	Probation related see Tab H for split
55252 INSURANCE S/S		153,010		Probation related see Tab H for split
55253 SYSTEM SRVS	-	-	-	
55255 FINANCIAL MGMT SRVCS	-	-	-	
55258 MOTOR POOL	459	65	394	
55264 KCIT SRVS	4,350	617	3,733	
55265 KCIT WORKSTATION SRVS	341,967	48,537	293,430	
55268 KCIT eGOV SERVICES	-	-	-	
55270 KCIT COUNTYWIDE SRVS	161,816	22,967	138,849	
55331 LONG TERM LEASES	4,225	600	3,625	Adjusted below
55347 BRC SRV OIRG	320,040	45,425	274,615	
55350 RADIO ACCESS	1,992	283	1,709	
55351 RADIO MAINTENANCE PROGRAM	816	116	700	
55352 RADIO EQUIP RESERVES	2,614	371	2,243	
55353 EDP EQUIPMENT	-	-	-	
58077 T T KCIT CIP FUND	33,920	4,814	29,106	
Expenditures	6,949,728	1,139,424	5,810,303	
Total District Court	6,949,728	1,139,424	5,810,303	
53105 OTHER CONTRACT/PROF SRVCS				
AGENCY TEMP WORKERS	-	-	-	
55045 COURTHOUSE SCREENERS	-	-	-	
55144 PROPERTY SERVICES	336	48	288	
55331 LONG TERM LEASES	4,225	600	3,625	
55249 FMD STRATEGIC INITIATVFEE	-	-	-	
53801 JURY/WITNESS FEES & MILEAGE	72,505	10,291	62,214	
55160 CONST & FACLTY MGMT	2,811,529	399,056	2,412,473	
Total Removed Accounts	2,888,595	409,995	2,478,600	
Subtotal to Apply Multiplier to:	4,061,133	729,430	3,331,703	
Multiplier (from Program Budget Salaries/Benefits, see Tab A)			21.90%	
TOTAL CITY COSTS*			754,491.59	
City Jury Costs Owed			24,719	

City Jury Cost Calculation			
Juries Set	% of Total Juries Set		2022 Total Jury Costs
State/County			
Criminal	87.00	52.13%	37,795
City	56.90	34.09%	24,719
State/County Civil	23.00	13.78%	9,992
	166.90	100.00%	72,505
	Paid by Cities		0
	Owed by Cities		24,719

Methodology/Definitions/Notes:
1. Annual Total District Court Expenditures means the Final Year End Actual District Court Expenditures as set forth in the County's Accounting, Reporting and Management System ("ORACLE") (when "closed" by the King County Department of Executive Service – Finance) and includes at a minimum all accounts codes 52xxx, 53xxx, 54xxx, 55xxx, 56xxx, 57xxx, 58xxx, 59xxx.
2. Non-Salaries/Benefits, Non-Facilities, & Non-CX Overhead Costs Less Probation includes Annual Total District Court Expenditures less actual expenditures for probation, less account 55160 (facilities/construction), and less 55331 (long term leases). The City Cost is calculated by applying the Multiplier from Attachment A to the Non-Salaries/Benefits, Non-Facilities, & Non-CX Overhead Costs Less Probation.
3. One-Time Costs for District Court Technology and System Improvement Projects totaling under \$100,000 may be included in some of the above accounts (e.g., 53105, 55021, 55025, 56740, and 56741) per Section 4.8 of the Agreement.

Security Costs per Facility

Facility	Average of		
	Judicial		
	Total Sheriff	Security Costs per	City Case
	Facility (capped	percentage	Costs per
	amount)	per Facility	Facility
Auburn	270,419	70%	188,652
Bellevue	270,419	75%	201,933
Burien	270,419	14%	38,872
Issaquah	270,419	14%	37,458
MRJC	270,419	8%	21,639
Redmond	270,419	33%	87,930
Seattle	270,419	0%	-
Shoreline	270,419	36%	96,504
			672,987

Total Security Costs per Facility	Cost per FTE	# of FTEs
Security screener includes Overtime	\$ 98,638	1.00
Deputy/Marshal includes Overtime	\$ 163,674	1.33
Sergeant includes Overtime	\$ 10,512	0.05
	\$ 272,824	

Security Cost Increase Cap Calculation:

1%			
	Security Costs Per Facility	CPI-W + 1%	Capped Costs per Facility
Year			
2017	\$ 216,477		\$ 216,477
2018	\$ 220,189	4.40%	\$ 220,189
2019	\$ 258,287	3.10%	\$ 227,015
2020	\$ 256,789	2.90%	\$ 233,598
2021	\$ 260,292	5.80%	\$ 245,278
2022	\$ 263,032	9.80%	\$ 257,542
2023	\$ 272,824	6.50%	\$ 270,419
2024		1.00%	\$ -
2025		1.00%	\$ -
2026		1.00%	\$ -
2027		1.00%	\$ -
2028		1.00%	\$ -
2029		1.00%	\$ -
2030		1.00%	\$ -
2031		1.00%	\$ -
2032		1.00%	\$ -

Calculation of Multiplier by Facility:

	Clerical Need Percentage			Judicial Need Percentage			G = (C+F)/2
	A	B	C = B/A	D	E	F = E/D	
	Total Clerical Need per Facility	Total Contract City Clerical Need	Percent of Clerical Need for Contract Cities	Total Judicial Need per Facility	Total Contract City Judicial Need	Percent of Judicial Need for Contract Cities	Average of Clerical Need Percent and the Judicial Need Percent by Facility
Auburn	16.00	6.42	40%	2.16	2.15	99%	70%
Bellevue	12.00	7.61	63%	2.20	1.89	86%	75%
Burien	15.00	1.59	11%	3.00	0.54	18%	14%
Issaquah	10.00	0.72	7%	1.80	0.37	20%	14%
MRJC	21.00	1.05	5%	5.20	0.57	11%	8%
Redmond	13.00	2.53	19%	3.00	1.37	46%	33%
Seattle	24.00						
Shoreline	11.00	1.34	12%	2.00	1.18	59%	36%

Methodology/Definitions/Notes:

- The multiplier by facility is the average of the percent of clerical need for contract cities in the facility and the percent of judicial need for contract cities in the facility. The City Cost is the product of the actual staff salary and benefits for security and screening at each facility and the multiplier by facility.
- FTE costs include salary, benefits, overtime, vacation, sick leave and required training for security personnel.
- Security cost increases shall not exceed 100% (one hundred percent) of the Seattle-Tacoma-Bellevue CPI-W, annual, plus an additional 1% (one percent), with a maximum capped increase of a 5% (five percent) in any given year for the total security costs per facility starting in 2022.

ATTACHMENT "D" - TO THE FINANCIAL EXHIBIT

Facilities - Call Center/Payment Center

Year		2023				
Facility	<u>Sq Footage</u>		<u>Total per foot</u>		<u>City Case</u>	<u>Costs</u>
	<u>by facility</u>	<u>Shared Space</u>	<u>cost</u>	<u>Multiplier</u>		
Call Center	2,459	2,459	\$ 28.56	21.90%		15,383
Payment Center	1,041	1,041	\$ 28.56	21.90%		6,512
Total Costs						21,895

Methodology/Definitions/Notes:

1. The "Total per foot cost" rate for each year is calculated in the attachment "Facility Rates" pursuant to Exhibit B. Changing the year at the top of this sheet will update the facility rate.

ATTACHMENT "E" - TO THE FINANCIAL EXHIBIT

Reconciliation Costs

Total Costs for Reconciliation **\$420**

Calculation of Reconciliation Costs

Staff person name	KCDC Director	Budget Manager/City Contracts	PSB Budget Analyst	Total
Hours spent on Reconciliation	3.00	-	1.00	4.0
Cost per hour (include Salary and Benefits)	\$ 106.82	\$ -	99.58	206.4
Total Costs for reconciliation	\$320	\$0	99.58	\$420

Specific Task done and hours spent on Reconciliation listed below

Reconciliation Documents Preparation	2.00
Review/ Analysis Reconciliation Documents	1.00

Sum of All Hours 3.00

Methodology/Definitions/Notes:

1. The amount the County incurs to complete the annual reconciliation as referenced in Section 4.3.

ATTACHMENT "F" - TO THE FINANCIAL EXHIBIT

One-Time Costs for District Court Technology and System Improvement Projects

	City Contribution			Reserve				
	Threshold	City Multiplier	City Share	Beginning Balance	Expenditures	Interest Earnings	Ending Balance	Reserve Cap*
2021	300,000	19.44%	58,315	812,668.64	0.00	4,979.64	875,963.28	1,187,530.89
2022	300,000	21.18%	63,536	875,963.28	514,957.00	4,265.24	365,271.52	1,000,000.00
2023	300,000	21.90%	65,712	365,271.52	0.00	63,536.00	428,807.52	1,020,000.00
2024	300,000						0	1,040,400.00
2025	300,000						0	1,061,208.00
2026	300,000						0	1,082,432.16
2027	300,000						0	1,104,080.80
2028	300,000						0	1,126,162.42
2029	300,000						0	1,148,685.67
2030	300,000						0	1,171,659.38
2031	300,000						0	1,195,092.57
2032	300,000						0	1,218,994.42
2033	300,000						0	1,243,374.31
2034	300,000						0	1,268,241.79
2035	300,000						0	1,293,606.63
2036	300,000						0	1,319,478.76

Methodology/Definitions/Notes:

1. This Attachment is developed pursuant to Exhibit C. The City Multiplier is calculated in Attachment A. The City Cost is the product of the multiplier and the threshold unless adjusted or waived in any year where the reserve is projected to exceed the equivalent of the Cities' share of reserve cap \$1,000,000 increased by 2% per year beginning in 2022.

2. FY21 and FY22 values are estimates for placeholders only and trued up in 2022.

ATTACHMENT "G" - TO THE FINANCIAL EXHIBIT

Dedicated City space

<u>Dedicated City Space</u>	<u>Total square foot charge</u>	<u>City cost for dedicated city space</u>	<u>Description</u>
Algona		-	
Auburn		-	
Beaux Arts		-	
Bellevue		-	
Burien		-	
Carnation		-	
Covington		-	
Duvall		-	
Kenmore		-	
Pacific		-	
Redmond		-	
Sammamish		-	
Shoreline	-	-	
Skykomish		-	
Woodinville		-	
Total	-	-	

Methodology/Definitions/Notes:

1. Figures for dedicated and shared spaces are based on FMD rate.

Non-Facility Costs for Cities

Summary of City Case Costs				
Total Costs per Summary Exhibit A		Method for Allocation		
		Non-Facility Costs	Facility Costs % Clerical Need/Judicial Weights	
Attachment	Item	City Case Costs 2023	Clerical Weights	
A	2023 District Court Program Budget Salaries and Benefits	6,160,117	\$ 6,160,117	
B	Non-Facility costs/Non-CX overhead costs less probation	754,492	\$ 754,492	
C	Security Costs per Facility	672,987		\$ 672,987
D	Facilities - Call Center/Payment Center	21,895	\$ 21,895	
E	Reconciliation Costs	420	420	
F	One-Time Costs for District Court Technology and System Improvement Projects	65,712	\$ 65,712	
J-Facility Costs	Facility Usage	312,089		\$ 312,089
	Probation	889,018		
	TOTAL CITY CASE COSTS IN 2023:	8,876,730	\$ 7,002,636	\$ 985,077
	TOTAL CITY REVENUE IN 2023	\$ 6,051,043		
City Dedicated Costs				
G	Dedicated City space	-	-	
	TOTAL CITY COSTS w/ DEDICATED	8,876,730		

Clerical Usage			
City	Total Weights (Time)	Percent of All Cities	Cost Distribution
Algona	38,843	1.93%	\$ 135,214
Auburn	542,661	26.98%	\$ 1,889,029
Beaux Arts	0	0.00%	\$ -
Bellevue	720,098	35.80%	\$ 2,506,696
Burien	150,428	7.48%	\$ 523,647
Carnation	487	0.02%	\$ 1,695
Covington	64,443	3.20%	\$ 224,329
Duvall	0	0.00%	\$ -
Kenmore	53,917	2.68%	\$ 187,688
Pacific	60,887	3.03%	\$ 211,951
Redmond	239,319	11.90%	\$ 833,081
Sammamish	66,035	3.38%	\$ 236,833
Shoreline	72,528	3.61%	\$ 252,473
Skykomish	0	0.00%	\$ -
Woodinville	0	0.00%	\$ -
Total	2,011,646	100%	\$ 7,002,636

By Attachment								
City	A	B	D	E	F	Total		
Algona	\$ 118,946	\$ 14,569	\$ 423	\$ 8	\$ 1,269	\$ 135,214		
Auburn	\$ 1,661,751	\$ 203,531	\$ 5,906	\$ 113	\$ 17,726	\$ 1,889,029		
Beaux Arts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Bellevue	\$ 2,205,104	\$ 270,081	\$ 7,838	\$ 150	\$ 23,522	\$ 2,506,696		
Burien	\$ 460,645	\$ 56,420	\$ 1,637	\$ 31	\$ 4,914	\$ 523,647		
Carnation	\$ 1,491	\$ 183	\$ 5	\$ 0	\$ 16	\$ 1,695		
Covington	\$ 197,339	\$ 24,170	\$ 701	\$ 13	\$ 2,105	\$ 224,329		
Duvall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Kenmore	\$ 165,106	\$ 20,222	\$ 587	\$ 11	\$ 1,761	\$ 187,688		
Pacific	\$ 186,450	\$ 22,836	\$ 663	\$ 13	\$ 1,989	\$ 211,951		
Redmond	\$ 732,849	\$ 89,759	\$ 2,605	\$ 50	\$ 7,818	\$ 833,081		
Sammamish	\$ 208,339	\$ 25,517	\$ 741	\$ 14	\$ 2,222	\$ 236,833		
Shoreline	\$ 222,097	\$ 27,202	\$ 789	\$ 15	\$ 2,369	\$ 252,473		
Skykomish	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Woodinville	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total	\$ 6,160,117	\$ 754,492	\$ 21,895	\$ 420	\$ 65,712	\$ 7,002,636		

Attachement I-NonFacility City Case Costs

Facility Costs for Cities						
Agency of Origin				Direction for Allocation		
Total Costs for All Jurisdictions A				Host Facility Costs	Facility Costs for Other Cities	Non-Facility Costs
	Subcategory	Item	City Costs 2003	Current Months		
A		2003 Solid Waste Program Charges	6,983,117		6,983,117	
B		2003 Solid Waste Program Charges				
C		2003 Solid Waste Program Charges				
D		2003 Solid Waste Program Charges				
E		2003 Solid Waste Program Charges				
F		2003 Solid Waste Program Charges				
G		2003 Solid Waste Program Charges				
H		2003 Solid Waste Program Charges				
I		2003 Solid Waste Program Charges				
J		2003 Solid Waste Program Charges				
K		2003 Solid Waste Program Charges				
L		2003 Solid Waste Program Charges				
M		2003 Solid Waste Program Charges				
N		2003 Solid Waste Program Charges				
O		2003 Solid Waste Program Charges				
P		2003 Solid Waste Program Charges				
Q		2003 Solid Waste Program Charges				
R		2003 Solid Waste Program Charges				
S		2003 Solid Waste Program Charges				
T		2003 Solid Waste Program Charges				
U		2003 Solid Waste Program Charges				
V		2003 Solid Waste Program Charges				
W		2003 Solid Waste Program Charges				
X		2003 Solid Waste Program Charges				
Y		2003 Solid Waste Program Charges				
Z		2003 Solid Waste Program Charges				
AA		2003 Solid Waste Program Charges				
AB		2003 Solid Waste Program Charges				
AC		2003 Solid Waste Program Charges				
AD		2003 Solid Waste Program Charges				
AE		2003 Solid Waste Program Charges				
AF		2003 Solid Waste Program Charges				
AG		2003 Solid Waste Program Charges				
AH		2003 Solid Waste Program Charges				
AI		2003 Solid Waste Program Charges				
AJ		2003 Solid Waste Program Charges				
AK		2003 Solid Waste Program Charges				
AL		2003 Solid Waste Program Charges				
AM		2003 Solid Waste Program Charges				
AN		2003 Solid Waste Program Charges				
AO		2003 Solid Waste Program Charges				
AP		2003 Solid Waste Program Charges				
AQ		2003 Solid Waste Program Charges				
AR		2003 Solid Waste Program Charges				
AS		2003 Solid Waste Program Charges				
AT		2003 Solid Waste Program Charges				
AU		2003 Solid Waste Program Charges				
AV		2003 Solid				

[illegible]

Square footage assumptions		
Component	Square footage – used to determine cost share	Notes
Terminal	200	FD standard amount per F&E
		Power facilities of individual facility's variable square footage of average occupancy (average per room occupancy) when used Cell 201 (any assembly). Values from F&E
Judicial	Variable, below	340
Adults/Juvenile		Building owned by the City of Auburn
Adult Court/Chapel		Building is leased by the City of Auburn
Recreation/Recreation		
Recreation/Recreation	2,414	sq. footage 2008 + 548
Recreation/Recreation	1,220	sq. footage 2008 + 548
Recreation/Recreation	1,557	sq. footage 2009 + 449
Recreation/Recreation	2,414	sq. footage 2008 + 548
MSW, client/Chapel	4,400	sq. footage (average 2414,3026,2157,2021) multiply 348
	2,490	sq. footage (average 2414,3026,2157,2021) multiply 348

[illegible]

Technology/Definitions/Notes:

1. The facility size per square foot for each year is calculated in the attachment [a/c] "Facility Rates." Changing the year in the middle of this sheet [cell A35] will update the facility rate.
2. Refer to Exhibit 3 for the overall methodology for the rate per square foot. Facility costs are based on FRC standard square footage for an FTE clerk and judicial square footage based on an individual building's average courtroom-jury-chambers=348 jury assembly room square footage.
3. Figures for dedicated and shared spaces are based on rentable space consistent with RCMIA standards.
4. The multiplier by facility for security is the average of the percent of clerical need for contract cles in the facility and the percent of judicial need for contract cles in the facility. The security cost is the product of the multiplier and the total security cost per facility based on sq. ft.

County/Other Dedicated Space

<u>Facility</u>	<u>Sq. Footage by facility</u>	<u>Dedicated County/Other Space</u>	<u>Description</u>
Auburn	-	-	
Bellevue	-	-	
Burien	11,583	757	County prosecutor occupies two rooms in NW corner of facility.
Issaquah	15,017	4,961	1070 sf is vacant, previously occupied by County prosecutor. 1891 sf for DC probation. 2000 for courtroom
Redmond	11,656	1,020	County prosecutor occupies three rooms off the lobby hallway. County public defender, County Prosecutor (state cases), and Marshall occupy three rooms to the right of the main entrance.
Shoreline	11,523	653	DC probation occupies several offices off the main lobby hallway (653).
Total	49,779	7,391	

Methodology/Definitions/Notes:

1. As requested, the County can provide drawings of these facilities to illustrate how spaces are allocated.

King County District Court City Revenue

	Shared Court Costs Year 2022 YTD Revenues				Shared Court Costs Year 2023 YTD Revenues				Revenue Remitted under Old Contract
	100% Revenue Collected	Split Co/City	Actual Retained by County	Revenue Remitted to City	100% Revenue Collected	Split Co/City 8/21- 7/22 and 8/2022-7/2023	Actual Retained by County (include probation	Revenue Remitted to City	
Algona	20,271	100%/ 0%	20,271		53,347	100%/0%	54,907	0	0
Auburn	334,498	0%/100%	0	334,492	1,374,988	0%/100%	14,886	1,374,988	0
Beaux Arts	0	100%/ 0%	0	0	0	100%/0%	0	0	0
Bellevue	3,676,259	100%/0% then 90%/10%	2,553,352	1,122,907	3,639,371	90%/10% then 70%/30%	2,970,081	699,290	0
Burien	82,909	100%/0%	82,909	0	74,640	100%/0%	77,048	0	0
Carnation	1,182	100%/ 0%	1,182	0	1,413	100%/0% then 50%/50%	1,731	71	0
Covington	55,705	100%/ 0%	55,705	0	75,868	100%/0%	79,318	0	0
Duvall	3,258	100%/ 0%	3,258	0	1,863	100%/0%	1,863	0	0
Kenmore	31,817	100%/ 0%	31,817	0	335,778	100%/0%	337,133	0	0
Pacific	34,544	100%/ 0%	34,544	0	59,426	100%/0%	59,886	0	0
Redmond	249,881	100%/0%	249,881	0	248,603	100%/0%	253,298	0	0
Sammamish	100,812	100%/ 0%	100,812	0	101,385	100%/0%	102,143	0	0
Shoreline	63,345	100%/ 0%	63,345	0	83,555	100%/0%	86,803	0	0
Skykomish	0	100%/ 0%	0	0	0	100%/0%	0	0	0
Woodinville	798	100%/ 0%	798	0	807	100%/0%	807	0	0
	4,655,279		3,197,874	1,457,399	6,051,043		4,039,904	2,074,349	0

Total City Revenue

4,655,279

6,051,043

**Dollar amount is different from page 1. We have
deleted cities which no longer contract with us.

Methodology/Definitions/Notes:

1. Contracting Cities changed in 2005 & 2007.
2. Cities that no longer contract with KCDC are not reflected above.
3. Cities with their own probation departments collect and retain their probation revenue. Their probation revenue is not included in this model.

2023 - KING COUNTY DISTRICT COURT FILINGS BY CASETYPE												
	Infraction Traffic	Infraction Non-Traffic	DUI	Criminal Traffic	Criminal Non-Traffic	Protection AH/Orders	Civil	Small Claims	Expedited Hearings	PC Jail Felony Hearings	Parking	Total Jan - Dec
JURISDICTION												
State/County	53,192	679	2,057	92	544	2,311	17,090	2,839	204	8,682	7,302	94,992
Total State/County	53,192	679	2,057	92	544	2,311	17,090	2,839	204	8,682	7,302	94,992
Algona	811	10	9	21	48						-	899
Auburn	1,505	60	157	159	1,985						16,311	20,177
Beaux Arts												0
Bellevue	4,794	10	244	180	1,449						36,340	43,017
Burien	443	3	137	63	470	-					28	1,144
Carnation	7	-	-	-	2						-	9
Covington	740	1	7	62	143						221	1,174
Kenmore	134	-	18	17	41						5,332	5,542
Pacific	917	7	11	66	78						-	1,079
Redmond	2,173	23	74	116	700						1,625	4,711
Sammamish	1,526	2	24	24	72	-					39	1,687
Shoreline	193	16	43	37	255	-					265	809
Skykomish												0
Total Contract Cities	13,243	132	724	745	5,243	0	0	0	0	0	60,161	80,248
Total KCDC	66,435	811	2,781	837	5,787	2,311	17,090	2,839	204	8,682	67,463	175,240

2023 - KING COUNTY DISTRICT COURT WEIGHTED FILINGS BY CASETYPE																
	Infraction Non- Traffic/Traffic	Infraction Non- Traffic/Traffic E-citations	DUI/Physical Control	Misd Traffic	Misd Non- Traffic	DV Court (State Cases)	Protection AH/Orders	Civil	Name Changes	Small Claims/Impounds	Expedited Filings	Felony 1st Appear	Parking	Parking E-citations	Passports	Total Jan - Dec
Case Wgt (Minutes)	40	27	370	305	149	409	132	149	28	60	83	12	9	6	15	
JURISDICTION																
State/County Workload	12,920	1,445,796	761,090	28,060	20,413	135,379	305,052	1,947,579	104,104	188,400	16,932	104,184	65,718	0	98,430	5,234,057
Total State/County	12,920	1,445,796	761,090	28,060	20,413	135,379	305,052	1,947,579	104,104	188,400	16,932	104,184	65,718	0	98,430	5,234,057
Case Wgt (Minutes)	40	27	370	305	149	139							9	6		
Algona	120	22,086	3,330	6,405	3,427	3,475		0	0		0	0	0	0		38,843
Auburn	40	42,228	58,060	48,495	208,153	81,732		0	0		0	0	18,171	85,752		542,661
Baux Arts	0	0	0	0	0	0		0	0		0	0	0	0		0
Bellevue	80	129,654	90,280	54,900	180,886	32,665		0	0		0	0	40,779	190,854		720,098
Burien	120	11,961	50,690	19,215	42,614	25,576		0	0		0	0	252	0		150,428
Carnation	0	189	0	0	298	0		0	0		0	0	0	0		487
Covington	0	20,007	2,590	18,910	15,943	5,004		0	0		0	0	1,989	0		64,443
Kenmore	0	3,618	6,660	5,185	3,278	2,641		0	0		0	0	1,629	30,906		53,917
Pacific	360	24,705	4,070	20,130	11,622	0							0	0		60,887
Redmond	160	59,184	27,380	35,380	78,821	23,769		0	0		0	0	14,625	0		239,319
Sammamish	0	41,256	8,880	7,320	3,278	6,950		0	0		0	0	351	0		68,035
Shoreline	800	5,103	15,910	11,285	23,840	13,205		0	0		0	0	2,385	0		72,528
Skykomish	0	0	0	0	0	0		0	0		0	0	0	0		0
Total Contract Cities	1,680	359,991	267,880	227,225	572,160	195,017	0	0	0	0	0	0	80,181	307,512	0	2,011,646
	14,600	1,805,787	1,028,970	255,285	592,573	330,396	305,052	1,947,579	104,104	188,400	16,932	104,184	145,899	307,512	98,430	7,245,703

Methodology/Definitions/Notes:
1. The NCSC staffing study was incorporated into case weights in 2007.

County vs. City Weighted Filings		
	%	
Total Weighted Filings	7,245,703	100.00%
ounty Weighted Filings	5,234,057	72.24%
City Weighted Filings	2,011,646	27.76%

2023 - JUDICIAL ALLOCATION			
	Total Judicial Units Available per Week	Total Judicial Units Assigned per Week	
Total Judicial Units Assigned to Courts per Week	17.16		
Total Judicial Units Assigned to Cases per Week	8.07		
Cross-check	23.85	24.23	25.23
Available/Assigned			

	Judicial Officers FTE	24.20
	Presiding Judge	(1.00)
	Assistant Presiding Judge	(0.15)
	Total Judicial Units available per week	23.05

JURISDICTION	County/State Criminal	County/State Infractions	County/State Civil	DV Court	Jail/Felony Expedited	Shared
Superior County Calendars	721.43	208.82	45.91	222.72	34.64	52.37
State/County Judges	15.04	4.02	0.98	4.28	0.80	1.85
State/County Judges	2.12	1.44	0.44	0.23		3.21
Total Judges Used	17.16	4.48	0.88	2.73	1.85	3.21

JURISDICTION	Total Calendars	Judges for Calendars	Judges for Infractions	Total Judges per CIV	Total Judges Assigned
Alameda	7.16	0.14	0.09	0.23	0.23
Albany	35.32	1.77	0.13	1.90	1.90
Butte & Arts	0.00	0.00	0.00	0.00	0.00
Butte/Arts	31.58	1.76	0.13	1.89	1.89
Burns	24.31	0.47	0.08	0.54	0.66
Camden	13.38	0.51	0.08	0.59	0.66
Camden/Arts	10.34	0.20	0.05	0.25	0.26
Cassidy	1.18	0.02	0.00	0.02	0.02
Cassidy	12.04	0.24	0.02	0.26	0.29
Clatsop	12.34	0.28	0.02	0.34	0.34
Clatsop	40.33	1.91	1.12	3.04	3.04
Seaside/Arts	10.48	0.20	0.08	0.28	0.28
Seaside	39.30	0.16	0.14	0.30	0.30
Seaside/Arts	0.00	0.00	0.00	0.00	0.00
Vancouver	0.15	0.00	0.00	0.00	0.00
Total Circuit Cities	342.85	6.98	1.69	8.87	8.87

Jury Trials for	Total Calendars	Judges for Calendars	Civil	Judicial Allocation
Alameda	4.80	0.09		0.09
Albany	8.00	0.13		0.13
Butte & Arts	0.00	0.00		0.00
Butte/Arts	8.00	0.13		0.13
Burns	4.00	0.08		0.08
Camden	4.20	0.08		0.08
Camden/Arts	2.40	0.05		0.05
Cassidy	0.00	0.00		0.00
Klamath	2.40	0.05		0.05
King County	87.00	2.12	23.00	25.12
Maricopa	4.80	0.09		0.09
Maricopa	8.00	0.13		0.13
Seaside/Arts	4.20	0.08		0.08
Seaside	7.20	0.14		0.14
Seaside/Arts	0.00	0.00		0.00
Vancouver	0.00	0.00		0.00
CIV Totals		1.09		1.09
CIV Totals	143.30		24.00	3.21

No. of Judges needed for Jury Trials			
Judge Days / Month	62.00		
Judge Days / Year	684.00		
Divided by 22 weeks	31.09		
Total Judges used per day for Jury Trials	3.79		

Facility	Assigned Judicial Officers
Alameda	2.16
Albany	2.20
Burns	3.00
Camden	1.80
Maricopa	5.20
Maricopa	5.20
Seaside	2.00
Total	19.56

Special Assignment Judges	
RLP Court Burns	0.00
RLP Court Seaside	0.00
DV Court MRLC	0.80
Jail/Felony MRLC	0.70
Jail/Felony Seaside	1.10
Total	2.60

King County Jury Time			
	Totals	%	Judicial Allocation
Criminal	75.00	68.18%	1.44
Criminal DV	12.00	10.91%	0.23
Civil	23.00	20.91%	0.44
Totals	110.00	100.00%	2.11

Methodology/Definitions/Notes:
1. Removes judicial differential factor. Resulting in only judges deemed necessary per court calendars.

2023 - KING COUNTY DISTRICT COURT CLERICAL ALLOCATION

24.00				
			Clerks after removal of Centralized and Compliance Clerks	Total w/o Centralized Clerks
Programs	Clerical Staff	% of Clerical staff		
County-State Criminal DUI/Phy Control, Mis Traffic & NT & PO's	15.48	15.38%	3.69	11.78
County-State Infractions (Traffic & Non-Traffic, Prkg)	21.17	21.04%	5.05	16.12
County-State Civil, Name Changes, Small Claims/impounds	31.10	30.92%	7.42	23.68
City Contracts				
Algona	0.54	0.54%	0.13	0.41
Auburn	7.53	7.49%	1.80	5.74
Beaux Arts	0.00	0.00%	0.00	0.00
Bellevue	10.00	9.94%	2.39	7.61
Burien	2.09	2.08%	0.50	1.59
Carnation	0.01	0.01%	0.00	0.01
Covington	0.89	0.89%	0.21	0.68
Kenmore	0.75	0.74%	0.18	0.57
Pacific	0.85	0.84%	0.20	0.64
Redmond	3.32	3.30%	0.79	2.53
Sammamish	0.94	0.94%	0.23	0.72
Shoreline	1.01	1.00%	0.24	0.77
Skykomish	0.00	0.00%	0.00	0.00
DV Court (State)	1.88	1.87%	0.45	1.43
Jail/Felony/Expedited	1.68	1.67%	0.40	1.28
Passports	1.37	1.36%	0.33	1.04
Total	100.60	100.0%	24.00	76.60

**17 Centralized Clerks + 7 Comp Clerks = 24

Total FTEs as Clerical Staff	100.60
Compliance Clerks	7.00
Passport Clerks	1.37
Specialty FTEs	3.56
Centralized FTEs	17.00
Remaining Clerical	71.67

SPECIALTY FTEs	
Program	Clerks
DV Court	1.88
Jail	1.68
	3.56

CENTRALIZED FTEs		
Court	Program	Clerks
Central	Payment Ctr	8.00
Central	Call Center	9.00
		17.00

FACILITY RATES

District Court Facilities				
	Streamlined/ Actual FMD Rate	Capped Rate	CPI-W	Facility Charge
2018	33.50	27.51	3.40%	27.51
2019	31.91	28.09	2.10%	28.09
2020	31.91	28.62	1.90%	28.62
2021	30.81	30.00	4.80%	30.00
2022	29.50	32.63	8.80%	29.50
2023	28.56	31.12	5.50%	28.56
2024				-
2025				-
2026				-
2027				-
2028				-
2029				-
2030				-
2031				-
2032				-

Methodology/Definitions/Notes:

1. Per Exhibit B, the rate each year following 2022 is the lesser amount between the actual rate provided by King County's Facilities Management Division and the capped rate determined by multiplying the previous year's facilities charge by that year's CPI-W.



Memorandum

Date: 9/9/2025

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

File No. CM 25-488

Type: Committee Memo

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

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Executive	Malisa Files	425-556-2166
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DEPARTMENT STAFF:

Executive	Amy Tsai	Chief Policy Advisor
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TITLE:

City of Redmond 2026 State Legislative Agenda

OVERVIEW STATEMENT:

This is the first hearing and discussion on the 2026 state legislative agenda. The legislative agenda identifies the City's top priority issues and other policy issues the City supports, and it guides City work during the state legislative session.

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

REQUESTED ACTION:

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

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
RMC 2.80 Representation of City to Legislative Bodies
- **Required:**
N/A
- **Council Request:**
Enter the meeting and date when Council requested this information.
- **Other Key Facts:**
This is the first hearing on the City's state legislative agenda for 2026 (Attachment 1). The Council is requested to review and provide input. The 2026 Legislative Session will begin January 12, 2026. It is the second year of the biennium and the session is scheduled to last 60 days. The adopted 2025 state legislative agenda is included for reference (Attachment 2).

The state legislative agenda serves three main purposes: (1) it communicates the City's top priorities and funding requests to the legislature, (2) it provides policy guidance for City positions on bills and informs allocation of staff resources during session, and (3) it tells a story to the state legislature about Redmond and

why City issues deserve support.

The front page of the agenda gives a short paragraph about Redmond and highlights specific requests for state support derived from department feedback. The second page identifies regional issues where Redmond has interests in common with other jurisdictions. The third page contains support (or oppose) statements of specific interest to the City.

The state budget continues to experience significant revenue challenges. The state will also be weighing federal budget impacts. This will make the 2026 session a tough environment for city asks.

OUTCOMES:

The City's legislative session advocacy potentially results in state funding for projects identified in the State Legislative Agenda. The State Legislative Agenda helps the City advance top priority requests, and it focuses attention on policy areas that may be considered by the state legislature and that could have a positive or negative impact on the City of Redmond and the Redmond community.

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:**

Enter the total cost of the proposal.

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

Budget Offer Number:

Enter the budget number from the adopted budget. If from a previous biennial budget, include the biennium too.

Budget Priority:

Enter the budget priority. An old budget priority may be listed if funding is from a previous biennial budget.

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

If yes, explain:

Funding may be provided by the State for Redmond projects on the City's State Legislative Agenda. The proposed 2026 State Legislative agenda includes a funding request of \$300,000 for Hartman Park Playground and \$650,000 for drone

Date: 9/9/2025

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

File No. CM 25-488

Type: Committee Memo

docking stations. The City could well receive a reduced amount.

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
10/14/2025	Study Session	Approve

Time Constraints:

The 2026 Legislative Session begins on January 12, 2026. To effectively advocate for the City's Legislative agenda, the agenda should be approved by Council preferably in the fall to support state lobbying efforts.

ANTICIPATED RESULT IF NOT APPROVED:

The City will not be effective in lobbying for the items on the City's Legislative Agenda if the agenda is not approved in a timely manner.

ATTACHMENTS:

Attachment A: 2026 State Legislative Agenda FAC 9-9-25

Attachment B: 2025 State Legislative Agenda



Caring for Redmond

The City of Redmond has more than 82,000 residents and a daytime workforce of over 140,000. We are one of the fastest growing cities in the state with over 50% persons of color. We are home to a thriving technology, space, and satellite industry, supportive services, and business incubators. We actively partner on regional and state issues that impact our community. Please support keeping our community livable, walkable, safe, and sustainable for all our residents.



Key Funding and Legislative Requests



Hartman Park Playground

Redmond requests \$300,000 to renovate Hartman Park Playground for safety and accessibility.

Hartman Park is one of Redmond's most frequented community parks. This park contains seven ballfields, a soccer field, sport courts, an indoor swimming pool, and a large playground. The existing wooden playground is failing and beyond its useful life. The wood is rotting and not repairable. Eventually the rot will become so severe the play structure will need to be closed. This project will replace the existing failing playground with a modern, safe, inclusive, and accessible play area/structure. Other project enhancements include new accessible adjacent pathways, containment area, soft surfacing, and ADA improvements. The playground is scheduled for replacement with a project cost of \$1.3M. The City is contributing \$1M and is requesting \$300,000 in state support for project completion.



Drones as First Responder Program

Redmond requests \$650,000 to acquire drone docking stations.

In April 2024, the Redmond Police Department became the first city in Washington state to implement a cutting-edge Drone as First Responder (DFR) program to respond to calls for service. The department uses Unmanned Aerial Systems (UAS) to help officers externally assess scenes before ground units arrive, providing an alternative response mechanism that enhances scene safety and public safety response capability. This funding would support the acquisition of five docking stations at \$130,000 each, to increase the reach of our program.



Maintenance and Operations Center (MOC)

Redmond requests state partnership to construct a maintenance and operations facility.

Redmond has begun a multiyear process to replace the City's undersized and outdated maintenance and operations center (MOC). The MOC houses critical public works, parks, and emergency operations functions, including administrative offices, real-time data and control systems, crew support spaces, water quality testing, decant facility, and vehicle maintenance and support. The new facility will increase operational efficiency, reduce greenhouse gas emissions, be more resilient against natural and manmade hazards, and serve as a reliable community resource during disaster events and emergencies. This project will cost \$225M. We will be seeking support from federal and state grant sources and other financial tools in 2026 and beyond to help bear this cost. The project is in predesign; the City looks forward to state partnership support to complete the project by the planned timeline of 2029.

2026 STATE LEGISLATIVE AGENDA

REGIONAL PRIORITIES



Affordable Housing

Affordable housing in East King County is crucial for ensuring that all residents, including lower-income families and essential workers, can live close to their jobs and communities. Redmond joins other regional partners to request that the state provide greater tools to create affordable housing, including:

- Support allowing cities to transition from a flat-rate Real Estate Excise Tax (REET) to a progressive tiered REET.
- Support local efforts to build more affordable housing faster, including reducing barriers, facilitating greater resources, and providing regulatory flexibility for development of affordable housing on properties owned by faith-based organizations.

Transportation and Infrastructure Funding

Cities are facing a massive asset maintenance burden and regulatory compliance challenges as our streets, sidewalks, buildings, and bridges age. The current funding gap for the City of Redmond's transportation preservation and maintenance plan is roughly \$100M. Cities cannot close this gap alone. Redmond supports sustainable state transportation revenue that provides funding for local preservation, maintenance, and operations including direct distributions to cities and towns in addition to grant opportunities. Likewise, King County is facing a critical wastewater infrastructure need that significantly impacts affordability for our ratepayers. Redmond supports funding mechanisms to support our regional utility systems and being mindful of future costs of regulatory compliance, including PFAS.

Economic Development

Redmond supports investing in programs that help small businesses, entrepreneurs, and our community thrive; especially programs that help with financing, and supporting production of business spaces for goods and services in Transit-Oriented Development and city centers, including allowing for more flexible financing to support retail in affordable housing developments. Redmond supports state programs that strengthen higher education, upskilling, and recruitment, as well as efforts to expand affordable childcare to create a strong local workforce.

Innovative Technology Implementation Including Autonomous Vehicles

Redmond encourages the state to consult the expertise of local government when developing policies on transformative technological innovations, like autonomous vehicles and artificial intelligence, to recognize local safety, operational, and transportation needs. Redmond is home to technology innovations and the headquarters of Microsoft, a global leader in satellite technology, and first in the state for drones as first responders and originator of the state's first electric fire engine. The expertise of local governments can strategically inform questions of implementation, operational challenges including transportation, first responder, and data management needs, funding, and partnership opportunities.

Regional Partners

The City of Redmond supports the legislative agendas of the Sound Cities Association, Association of Washington Cities, U.S. Conference of Mayors, and National League of Cities.

2026 STATE LEGISLATIVE AGENDA

SUPPORT ISSUES



Housing

Redmond's residential growth target anticipates 20,000 new homes between 2019 and 2044. We need 75% of those homes to serve households at 0 to 50% of area median income but need funding mechanisms to achieve that goal. Redmond supports legislation and also state funding consistent with its Housing Action Plan to preserve, improve, and expand housing stock for renters and owners of homes and condominiums, for people at all income levels and abilities. Statewide consistency in tenant protections support sustainability for landlords that encourages growth of rental stock. Resources, such as the Housing Essential Needs program, uplift vulnerable populations at risk of being unhoused. Redmond asks that the state provide adequate funding and time necessary to successfully implement recent state housing legislation.

Environmental Sustainability

Redmond has an aggressive Environmental Sustainability Action Plan, including efforts to achieve net zero greenhouse gas emissions from city operations by 2030 and communitywide by 2050. Redmond supports energy efficiency, sustainable practices, waste stream reduction, and reducing greenhouse gas emissions. The City supports decarbonization of buildings, electrification of fleets, grid stabilization, and supporting legislation. In the face of climate change, the City supports climate resiliency and funding for emergency management and wildfire response. Redmond monitors and protects our shallow drinking water aquifer. Home to juvenile salmon-bearing streams, the City supports culvert, habitat, stormwater, and clean water funding, and salmon recovery.

Planning and Infrastructure

Redmond consistently ranks among the fastest growing cities in the nation. The City is investing in multimodal transportation, trail connections, and has four light rail stations to increase walkability, livability, and sustainability. Funding for the Public Works Assistance Account and financing tools, such as a state public bank, can support critical local infrastructure projects. Redmond requests increased resources for pavement preservation, funding to address road safety, and supports exploring funding options for state and local transportation needs. Redmond supports ongoing state resources for parks, trails, and recreation maintenance.

General Government

Giving cities local option flexibility with revenue streams is critical to accomplishing state priorities, such as meeting state-provided housing targets. Redmond supports tax reforms that provide progressive, equitable, stable, and reliable revenue sources, including a local option to exceed the 1% annual property tax growth limit. Redmond supports maintaining shared revenues, and funding for state mandates that impact city financial sustainability. Redmond supports tools that protect voting rights and equitable access to voting. Artificial intelligence policies must recognize and address city safety, security, data privacy, and financial needs.

Community Vitality

As the City grows, so does its need to maintain a robust human and social services system. Particularly as the region faces fiscal challenges stemming from federal actions, Redmond supports state investments in human and behavioral services programs, workforce support, childcare accessibility and affordability, and healthcare that respects individual rights. Redmond supports efforts to maintain benefits for our most vulnerable residents and minimize impacts of SNAP and Medicaid eligibility changes. Redmond engages with Eastside partners and other partners in seeking regional solutions for homelessness. The City supports multicultural small businesses and local economic development programs to build community vitality.

Public Safety and Criminal Justice

Significant capital needs and public safety workforce shortages are a continuing challenge. Redmond supports safe neighborhoods, gun safety, and adequately resourced public safety programs, including alternative crisis response programs and training. State support for indigent defense costs is also critical given the new state caseload standards. Redmond supports safe deployment of technological innovations that respects local needs. Redmond also supports funding for treatment alternatives and youth drug education awareness.

Notice of nondiscrimination is available at redmond.gov/TitleVI

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

CITY OF REDMOND

2025 STATE LEGISLATIVE AGENDA

About Redmond

The City of Redmond has more than 80,000 residents and a daytime workforce of over 140,000. We are: one of the fastest growing cities in the state; the earliest adopter of mandatory inclusionary zoning for nearly our entire city, in support of affordable housing; home to a thriving technology, space, and satellite industry, supportive services, and business incubators. We actively partner on regional and state housing and environmental issues. Please support keeping our communities livable, walkable, safe, and sustainable.



Key Funding and Legislative Requests

Asbestos Cement (AC) Water Main Replacement

Redmond requests \$1,024,475 to replace brittle, aging asbestos cement pipes.

Many Redmond neighborhoods are served by aging asbestos cement water pipes, with 53 miles of pipe nearing end of life. Redmond has experienced 28 AC water main pipe breaks in the last five years. Breaks adversely affect resident water access, water quality, fire protection, and salmon-bearing streams. The City has actively applied to grants and recently received federal funding to replace a portion of the pipes. The City requests the state's partnership to replace pipes on Avondale Road NE.

Intercultural City Services Center in Transit-Oriented Development

Redmond requests \$618,000 to build city space in Overlake transit-oriented affordable housing project.

Redmond seeks the state's partnership to build out a city services space on the ground floor of the Bellwether's Prisma project, adjacent to an intercultural small business hub to support the area's diverse population. The Prisma Apartments will provide 333 homes for low to moderate-income households (30 - 80% area medium income) and is located across the street from the Overlake Village light rail station.

Multimodal Overlake Village Access (MOVA)

Redmond requests rescoping SR 520/148th Bike-Ped Overpass to multimodal safety & access improvements.

The legislature appropriated \$8 million in the 2022 Move Ahead Washington transportation package for the SR520/148th Ave Bike-Ped Crossing and allocated \$750,000 to be spent in 2025. The City requests rescoping this project to include multimodal safety and access improvements in the Overlake area that dovetail with the opening of the Overlake Village Pedestrian Bridge and the Redmond Technology Station Bridge, with the continued goal of increasing pedestrian safety and providing multimodal connectivity to services for residents and workers in this area.

Support for State Grant Application Funding Sources

Redmond requests funding state grant programs that support important neighborhood projects.

Support funding for state grant programs, including:

- **WSDOT Regional Mobility Grant** - Redmond applied for a \$975,000 grant for an on-demand shuttle service and parking program that will increase green mobility in conjunction with the arrival of light rail.
- **WA State Recreation and Conservation Office (RCO) Washington Wildlife & Recreation Program (WWRP) Grant** - Redmond applied for a \$500,000 grant for a 3.2 acre Southeast Redmond Park, which will serve a neighborhood of diverse residents and workers who lack community open space.

2025 STATE LEGISLATIVE AGENDA

REGIONAL PRIORITIES



Washington Recycling and Packaging - Extended Producer Responsibility

Redmond supports extended producer responsibility and urges passage of the WRAP Act to reduce waste and promote recycling by encouraging producers to take responsibility for the reuse and recycling of their own products. Statewide legislation is needed to create a circular economy and reduce the burden on landfills. Today, approximately 70% of what goes into King County's Cedar Hills Regional Landfill is avoidable, reusable, or recyclable/compostable. In Redmond, recycling, composting, and sustainable consumption was identified by residents as their top sustainability priority. Cities like Redmond are trying to do the right thing with an ambitious target of 70% waste diversion by 2030, but comprehensive recycling reform is critical to achieving these goals.

Affordable Housing

Affordable housing in East King County is crucial for ensuring that all residents, including lower-income families and essential workers, can live close to their jobs and communities. Redmond joins other regional partners to request that the state provide greater tools to create affordable housing, including:

- Allow cities the flexibility to utilize existing Real Estate Excise Tax (REET) to fund regional housing projects.
- Explore and pursue how best to overcome administrative hurdles to allowing cities to transition from a flat-rate Real Estate Excise Tax (REET), to a progressive tiered REET.
- Support local efforts to build more affordable housing faster, including reducing barriers, facilitating greater resources, and providing regulatory flexibility for development of affordable housing on properties owned by faith-based organizations.

Fostering Housing Stability

With over half of the Redmond community renting and facing escalating costs, Redmond supports improvements to rental living, including statewide consistency in tenant protections and rent regulation. Redmond supports affordable housing for renters and a sustainable business model for landlords that encourages growth of rental stock and home ownership.

Transportation Funding

Cities are facing a massive asset maintenance burden as our streets, sidewalks, and bridges age. The current funding gap for the City of Redmond's transportation preservation and maintenance plan is roughly \$100M. Cities cannot close this gap alone. Redmond supports sustainable state transportation revenue that provides funding for local preservation, maintenance, and operations including direct distributions to cities and towns in addition to grant opportunities.

World Cup 2026 Economic Development

Our region is preparing for a once-in-a-lifetime event. With four light rail stations, Redmond will be poised to actively participate, but also will be heavily impacted. State funding to support the 2026 FIFA World Cup will allow the region to successfully accommodate the demand that will be placed on many local systems and services, and to maximize the economic benefits of hosting a large international audience.

Asylum Seekers

Washington state cities continue to work to welcome unprecedented numbers of migrant/asylum seekers arriving in the region who need housing, legal aid, employment assistance, and other support. Redmond supports statewide coordination and financial support to meet the needs of the migrant community.

2025 STATE LEGISLATIVE AGENDA

SUPPORT ISSUES



Housing

Redmond's residential growth target anticipates 20,000 new homes between 2019 and 2044. We need 75% of those homes to serve households at 0 to 50% of area median income but need assistance with funding mechanisms to achieve that goal. Redmond supports legislation and also state funding consistent with its Housing Action Plan to preserve, improve, and expand housing stock; increase housing choices for people at all income levels and abilities; and eliminate discriminatory land use and housing practices. Resources, such as the Housing Essential Needs program, uplift vulnerable populations at risk of being unhoused. Redmond asks that the state provide adequate funding and time necessary to successfully implement recent state housing legislation.

Environment Sustainability

Redmond has an aggressive Environmental Sustainability Action Plan, including efforts to achieve net zero greenhouse gas emissions from city operations by 2030 and communitywide by 2050. Redmond supports energy efficiency, sustainable practices, and reducing greenhouse gas emissions. The City supports decarbonization of buildings, electrification of fleets, grid stabilization, waste stream reduction, and climate resiliency. Redmond is a champion of clean water, as the City has a shallow aquifer as its primary water source. Home to juvenile salmon-bearing streams, the City supports culvert, habitat, stormwater, and clean water funding, and salmon recovery.

Planning and Infrastructure

Redmond consistently ranks among the fastest growing cities in the nation. The City is investing in multimodal transportation, trail connections, and will have four light rail stations to increase walkability, livability, and sustainability. Funding for the Public Works Assistance Account and financing tools, such as a state public bank, can support critical local infrastructure projects. Redmond requests increased resources for pavement preservation, funding to address road safety, and supports exploring funding options for state and local transportation needs. Redmond supports ongoing state resources for parks, trails, and recreation maintenance.

General Government

Giving cities local option flexibility with revenue streams is critical to accomplishing state priorities, such as meeting the state-provided housing targets. Redmond supports tax reforms that provide progressive, equitable, stable, and reliable revenue sources, including a local option to exceed the 1% annual property tax growth limit. When there are new state mandates, ensuring funding is critical for city financial sustainability. Redmond supports tools that protect voting rights and equitable access to voting.

Community Vitality

As the City grows, so too does its need to provide living wage jobs, employment training, and human and social services. Redmond actively engages with Eastside partners and other partners in seeking regional solutions for homelessness. Redmond supports state investments in human and behavioral services programs, workforce support, childcare accessibility and affordability, and healthcare that respects individual rights. The City encourages support for multicultural small businesses and local economic development programs to build community vitality.

Public Safety

Significant capital needs and workforce shortages continue to put pressure on the City's public safety services. Redmond supports safe neighborhoods, gun safety, and adequately resourced public safety programs, including alternative crisis response programs and training. Redmond supports funding for treatment alternatives and youth drug education awareness.



Memorandum

Date: 9/9/2025

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

File No. CM 25-473

Type: Committee Memo

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

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

Finance	Haritha Narra	Deputy Finance Director
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TITLE:

Budget Process Update

OVERVIEW STATEMENT:

To provide Council with updates for work plan items related to the budget process.

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

REQUESTED ACTION:

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

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

OUTCOMES:

The following information will be reviewed with Council:

1. Long-Range Financial Strategy
 - a. Updated draft of revisions available for review in Council SharePoint site.
 - b. Currently working to enhance the document with additional material.
 - c. Communications Team is working on a new design and graphics for the document.

- d. Final draft document will be presented at the November 12 Study Session.
 - e. Council review to be discussed at the January and February FAC meetings.
2. Performance Measures
 - a. Communications Team is working on design of document.
 - b. Performance information is being collected from departments.
 - c. Design and content completed to date will be presented at the November 12 Study Session to collect feedback.
 - d. Performance Report and performance measures will be reviewed with Council at monthly Study Sessions from February - May 2026.
3. Budget Contingency Plan
 - a. Phase 1 is complete. Finance staff have confirmed that a general recession can be managed through administrative budget reductions with minimal impact to service levels.
 - b. Documentation of Phase 1 work is underway.
 - c. Phase 2 has begun, and citywide staff are working to analyze and solve for impacts of tariff changes.
4. HB 2015
 - a. Options for Council to consider will be presented at the November 12 Study Session.
 - b. Timeline will be developed with Council at the same time.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

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

BUDGET IMPACT:

Total Cost:
N/A

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

Budget Offer Number:
N/A

Budget Priority:
Strategic and Responsive

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

Funding source(s):
N/A

Date: 9/9/2025

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

File No. CM 25-473

Type: Committee Memo

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
6/10/2025	Committee of the Whole - Finance, Administration, and Communications	Receive Information

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
10/14/2025	Committee of the Whole - Finance, Administration, and Communications	Provide Direction

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

N/A