

Interlocal Agreement



Non-Risk Qualified Employer



TML MultiState Intergovernmental Employee Benefits Pool
Austin, Texas

INTERLOCAL AGREEMENT
(NON-RISK PARTICIPATING QUALIFIED EMPLOYER)

WHEREAS, the TML MultiState Intergovernmental Employee Benefits Pool d.b.a. TML Health Benefits Pool, hereinafter referred to as TML Health, is a legal governmental entity created by Political Subdivisions of the State of Texas and governed by a Board of Trustees; and

WHEREAS, the undersigned Qualified Employer represents (1) that it is (a) a Political Subdivision of the State of Texas or of its state of domicile, (b) an Affiliated Service Contractor (as defined by Section 172.003, Texas Local Government Code) of a Political Subdivision of this state or of its state of domicile (each of which is referred herein to as "Political Subdivision"), or (c) an Economic Development Corporation organized under Subtitle C1, Title 12, Texas Local Government Code; (2) that it is qualified under the interlocal cooperation law of the Employer's domiciliary state to enter into this Interlocal Agreement; and (3) that its governing body has acted by majority vote, at a duly called and posted public meeting, to authorize the Employer to participate in this Interlocal Agreement; and

WHEREAS, the undersigned Qualified Employer has examined all the facts and issues it deems relevant and determined that it is in the best interest of the Employer, its Employees, officials, and retirees and their dependents to enter into this Interlocal Agreement and obtain the services provided by the TML Health in connection with one or more life, sick, accident and other health benefits provided to its employees, officials, and retirees and their dependents; and

WHEREAS, the undersigned Qualified Employer acknowledges that it is not an Employer Member participating in TML Health risk pool, and therefore, is not entitled to rights and privileges of an Employer Member under the First Amended and Restated Trust Agreement for the TML Multistate Intergovernmental Employee Benefits Pool (the Trust), as amended; and

WHEREAS, the undersigned Qualified Employer acknowledges that the purpose of this Interlocal Agreement is to permit Qualified Employer to access benefits contracts and services through TML Health as authorized under Chapter 791 of the Texas Government Code; and

WHEREAS, the TML MultiState IEBP represents that it is a Local Government qualified to enter into this Interlocal Agreement pursuant to Chapter 791 of the Texas Government Code;

NOW, THEREFORE, in consideration of the covenants and agreements herein set forth, the undersigned Qualified Employer, enters into this Interlocal Agreement for the purpose of obtaining services for the administration of one or more life, sick, accident and other health benefits provided by the Qualified Employer. The services will be provided under the authority of the laws of the State of Texas including the Interlocal Cooperation Act (Chapter 791, Texas Government Code). The Employer hereby designates the TML MultiState IEBP as its instrumentality to administer the business and supervise the performance of the Interlocal Agreement. The conditions are agreed upon by and between the parties as set forth hereinafter.

1. When used in this Interlocal Agreement, the capitalized terms shall have the meanings specified in this paragraph unless the context clearly requires otherwise:

"Board of Trustees" or "Board" or "Trustees" means the trustees selected pursuant to the Trust Agreement Establishing the TML MultiState Intergovernmental Employee Benefits Pool to supervise the operation of the TML MultiState IEBP.

"Qualified Employer" means a non-risk Political Subdivision, Affiliated Service Contractor, or Economic Development Corporation as these terms are defined herein that is qualified to enter into this Interlocal Agreement under Chapter 791 of the Texas Government Code.

"Employer Member" means a risk participating Political Subdivision, Affiliated Service Contractor, or Economic Development Corporation.

"Plan" or "Plans" mean the health benefit plan(s) and other benefit plans as contracted by the Qualified Employer through TML Health.

"Political Subdivision" means any legal entity included within the definition of political subdivision in Chapter 791, Texas Government Code.

"TML Health" means the TML MultiState Intergovernmental Employee Benefits Pool.

"Interlocal Agreement" or "this Agreement" means the TML MultiState Intergovernmental Employee Benefits Pool Non-Risk Qualified Employer Interlocal Agreement.

"Local Government" means any legal entity included within the definition of "local government" in Chapter 791, Texas Government Code.

"Affiliated Service Contractor" means an entity described by Section 172.003(1) of the Texas Local Government Code.

"Economic Development Corporation" means a corporation organized under Subtitle C1, Title 12, Texas Local Government Code.

2. The Qualified Employer agrees to be bound by this Interlocal Agreement and the policies and procedures established by the TML Health which collectively establish the conditions for non-risk Qualified Employers services.
3. TML Health and the Qualified Employer will comply in all respects with their respective obligations under the applicable benefits contracts accessed through this Interlocal Agreement.
4. This Interlocal Agreement may be terminated by either the Qualified Employer or the TML Health with 30 days written notice.

5. The Qualified Employer shall furnish all the information TML Health deems necessary and useful for the purposes of this Agreement and shall abide by the policies and procedures adopted for the benefits contracts services. TML Health may amend its policies and procedures at the time of annual renewal of this Agreement and its Trust Agreement. TML Health may contract with a third party administrator to perform some or all of TML Health's duties under this Interlocal Agreement.
6. Qualified Employer will designate and appoint a contact of department head rank or above and agrees that TML Health shall not be required to contact or provide notices to any other person. Further, any notice to, or agreement by a Qualified Employer's contact, with respect to services or claims hereunder, shall be binding on the Qualified Employer. Qualified Employer reserves the right to change the contact from time to time by giving written notice to the TML Health.
7. The Qualified Employer hereby acknowledges that TML Health will be responsible for any and all request for proposal processes pertaining to the benefits contracts and/or services Qualified Employer seeks to access and TML Health will not be responsible nor have any administrator responsibilities in relation to the benefit contracts and/or services Qualified Employer accesses through this Interlocal Agreement, unless by mutual written agreement of the Parties.
8. Any benefit contract coverages or services accessed by Qualified Employer will be subject to applicable carrier's payment provisions for the accessed coverages or services. In the event, Qualified Employer fails to comply with applicable carrier's payment provisions, TML Health may terminate this Interlocal Agreement for cause and any rates and/or coverage quoted as a result of Qualified Employers access to benefit contracts or service through TML Health will no longer be valid upon the effective date of termination of this Interlocal Agreement.
9. Each Qualified Employer, as the employer, acknowledges it has responsibility for compliance with the state and federal laws applicable to employee benefits.
10. To the extent authorized by law, the Qualified Employer agrees to indemnify and hold harmless TML Health for all claims, damages and expenses, including but not limited to attorney's fees and costs of court, arising out of acts or omissions of officers or employees of the Qualified Employer in connection with accessing benefits contracts through TML Health. Qualified Employer agrees to pay all such claims, damages, and expenses out of current revenues at the time the obligation is determined. In the event current revenues are inadequate to fund the obligation at the time it is determined, the Qualified Employer agrees to take the appropriate budgetary action sufficient to pay the obligation.
11. The Qualified Employer and the TML Health may contract for additional administrative services relating to the Qualified Employer benefits contracts.
12. No bond is required of the Board of Trustees of the TML Health.
13. If any part of this Interlocal Agreement, save and except paragraph 3, is declared invalid, void or unenforceable, the remaining parts and provisions shall continue in full force and effect. It is further agreed that venue for any dispute arising under the terms of this Interlocal Agreement shall be in Austin, Travis County, Texas.
14. This Agreement with attachment represents the complete understanding of the TML Health and the Qualified Employer and may not be amended, modified or altered without the written agreement of both parties.

15. The term of this Interlocal Agreement shall be concurrent with that of the applicable benefits contracts accessed by Qualified Employer. Absent notice of termination, the Qualified Employer may annually renew and extend this Agreement.
16. This Interlocal Agreement is entered into in the State of Texas, and it is understood and agreed that this Interlocal Agreement shall be governed by, construed, and enforced in accordance with and subject to the laws of the State of Texas.
17. Qualified Employer represents and warrants that (a) this Agreement fully complies with the laws of the State of Texas and (b) Qualified Employer has full legal authority to enter into this Agreement. By entering into this Agreement, a Qualified Employer who is an Affiliated Service Contractor further warrants that it is an organization qualified for exemption under Section 501(c), Internal Revenue Code (26 U.S.C. Section 501(c)), as amended, that provides governmental or quasi-governmental services on behalf of a political subdivision and derives more than 25 percent of its gross revenues from grants or funding from the politicalsubdivision.

This Interlocal Agreement is entered into for the Employer Member under authorization of

City of Round Rock

(Employer Member)

at duly called meeting held on

(Date of Meeting)

By

(Signature)

(Typed or Printed Name)

Authorized Official Title

Date

This Interlocal Agreement entered into and Appointment Accepted By:

The TML MultiState Intergovernmental Employee Benefits Pool at Austin, Texas

By:

Approved as to Form:

Date

By:

Leah Simon, General Counsel

Public Employee Benefits Alliance

March 23, 2021

RE: NOTICE OF PUBLIC EMPLOYEE BENEFITS ALLIANCE ("PEBA") WIND-DOWN PLAN, effective 12/31/2021

Dear Tyler Jarl:

As a member of PEBA accessing the products listed below, we are writing to inform you that PEBA will be dissolving and winding down its operations effective December 31, 2021.

The Board of Directors has approved a wind-down plan ("Plan") to avoid any disruption to you or your employees. As part of the Plan, we have obtained a commitment that the following vendors will continue to honor the existing rates and benefits under the terms indicated below:

Deer Oaks Employee Assistance Program (EAP)—Deer Oaks has agreed to the assignment of the PEBA group program to TML Health. TML Health has adopted a new Non-Risk Interlocal so that employers who are not participating in TML Health's medical coverage can still access these fully-insured products with the discounts negotiated by the Pool. Deer Oaks has agreed to keep the current benefits and rates in place through October 1, 2023 for those employers who sign TML Health's Non-Risk Interlocal Agreement.

American Fidelity, Voluntary Benefits - American Fidelity has agreed to the assignment of the PEBA group program to TML Health. TML Health has adopted a new Non-Risk Interlocal so that employers who are not participating in TML Health's medical coverage can still access these fully-insured products with the discounts negotiated by the Pool. American Fidelity has agreed to keep the current benefits and rates in place indefinitely for those employers who sign TML Health's Non-Risk Interlocal Agreement.

The Standard, Life Insurance and AD&D—The Standard has agreed to honor your existing benefits and rates and your policy agreement will now be directly between you and The Standard. Your rates and benefits are guaranteed through the date indicated in your current agreement with The Standard.

United Healthcare Retiree Solutions, Post-65 Retiree Medical—This is the third year of a three-year agreement with United Healthcare Retiree Solutions (UHC) for the Post-65 retiree medical products. PEBA members currently have the options of a Medicare Advantage or a Senior Supplement, and Part D prescription plans through UHC. The vast majority of PEBA members are enrolled in the Senior Supplement products; however, UHC has indicated that they do not plan to offer Senior Supplements in 2022. As a result, TML Health is exploring other options for all current PEBA groups with retiree coverage. It is still early to get firm rate quotes from carriers for a January 1, 2022 effective date. TML Health will communicate the new carrier, plan design options and rates in July once all RFP negotiations have been concluded.

In order to continue accessing *not currently accessing any PEBA products* at the discounted rate, **City of Round Rock** will need to complete the attached Vendor Election Form. If you choose to participate as a non-risk member of TML Health, you must execute a Non-Risk Interlocal Agreement with the TML Intergovernmental Employee Benefits Pool d/b/a TML Health. The agreement will be executed

electronically via HelloSign. As a non-risk member of TML Health, you will be able to access these fully insured products even though you are not participating in the TML Health Benefits Pool for medical or dental coverage.

Also, as a non-risk member of TML Health, you will continue to be billed directly from the vendor and keep the same service contacts that you currently have in place. You will not be charged any annual dues for accessing the products and TML Health is not taking any fees on these products; we are simply creating an administrative vehicle to maintain the volume discounts for you as well as our existing Pool members.

We respectfully request that you complete and return the enclosed Vendor Election Form by April 30, 2021. Upon receipt, TML Health will forward an electronic copy of the Non-Risk Interlocal Agreement for signature via HelloSign. If you take no action, we will notify the vendors that you no longer wish to participate in the program and these coverages will be terminated as of December 31, 2021.

Once PEBA operations have concluded and the final financial statements are issued, any remaining member equity in PEBA will be returned to the PEBA members who are current with their dues payments.

If you have any questions about PEBA or the enclosed *SAMPLE* Non-Risk Interlocal Agreement, please contact Heather VonGonten at (512)921-8265.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Hoff", written over the printed name.

Jennifer Hoff

TML Health Executive Director



VENDOR ELECTION FORM

INSTRUCTIONS: To continue accessing *not currently accessing any PEBA products* at the discounted rate, *City of Round Rock* will need to select the applicable Vendor below and identify who is authorized to sign the Non-Risk Interlocal Agreement:

☒ **Deer Oaks Employee Assistance Program (EAP).** Deer Oaks has agreed to keep the current benefits and rates in place through October 1, 2023 for those employers who sign TML Health's Non-Risk Interlocal Agreement.

☐ **American Fidelity, Voluntary Benefits.** American Fidelity has agreed to keep the current benefits and rates in place indefinitely for those employers who sign TML Health's Non-Risk Interlocal Agreement.

☐ **The Standard, Life Insurance and AD&D.** The Standard has agreed to honor your existing benefits and rates and your policy agreement will now be directly between you and The Standard.

Electronic Signature Authorization:

Name of Person Authorized to Execute Non-Risk Interlocal: Craig Morgan

Title of Authorized Person: Mayor

Email Address for Authorized Person: tjarl@roundrocktexas.gov

IMPORTANT INFORMATION: *The Non-Risk Interlocal Agreement must be approved by your governmental entity's governing body at an open meeting prior to electronic signature.*