

Agreement Between The City of Austin and Austin Firefighters Retirement Fund For Employee Group Health and Welfare Benefits Services

This Agreement (the “Agreement”) is made by and between the Austin Firefighters Relief and Retirement Fund (also known as Austin Firefighters Retirement Fund or “AFRF”), and the City of Austin, a Texas home rule city (the “City”) (each a “Party” or collectively the “Parties”), and is made with reference to the following facts:

- A. AFRF is a Texas public retirement system established by TX REV CIV ST Art. 6243e.1 for the exclusive purpose of providing retirement, death and disability benefits to firefighters employed by the City of Austin and their beneficiaries.
- B. The City is the sponsor of a benefits program described more fully below that provides group healthcare and other employee benefits for City employees (the “Benefits Program”).
- C. The City currently permits AFRF employees and their eligible dependents to participate in the Benefits Program during employment with AFRF and after retirement on the same terms as employees of the City.
- D. AFRF desires to continue its employees’ eligibility to participate in the Benefits Program under the terms of this Agreement to provide suitable group healthcare coverage and employee benefits for its employee workforce in an efficient and cost-effective manner.
- E. The City desires to allow current and retired AFRF employees (and their eligible dependents) to participate in the Benefits Program under the terms of this Agreement in a manner that is cost-neutral to the City with no overall negative expense to the City as a result of such participation.
- F. AFRF and the City each desire to commemorate the terms of their agreement set out below.

In light of these facts and in consideration of their mutual undertakings set out below, the Parties agree to the following terms and conditions:

- 1. Purposes of this Agreement.** The purposes of this Agreement are: (a) to memorialize the means by which AFRF provides a suitable benefits program for its employees in order to attract and retain the high-quality workforce needed to carry out its purposes; (b) to provide access by AFRF employees to the Benefits Program on the terms and conditions of this

Agreement; and (c) to create an administrative reimbursement system that fairly compensates the City for the costs associated with participation of AFRF Participants (as defined below) in the Benefits Program.

2. **Authority to Perform This Agreement.** Each Party certifies that: (a) it has authority to enter into this Agreement and to perform its obligations under this Agreement; (b) this Agreement has been approved by the the City Council; and (c) the individual signing this Agreement on its behalf is authorized to execute this Agreement.
3. **Current Funds.** The City acknowledges and agrees that all payment obligations of AFRF to the City under this Agreement shall be payable from current funds available to AFRF.
4. **Rights and Duties of the City Under This Agreement.** Under this Agreement:
 - A. **Enrollment of AFRF Employees.** The City shall permit and cooperate with AFRF to facilitate the enrollment of eligible current and retired AFRF employees (and their eligible dependents) in the Benefits Program prior to the start of each plan year. Individuals who become employed by AFRF in the future will be eligible to enroll in the Benefits Program subject to any limitations applicable to new City employees and subject to the cost-sharing model set by AFRF for such individuals.
 - B. **Participation by AFRF Employees.** Current and retired AFRF employees who enroll in the Benefits Program for a plan year will be eligible to participate in that program for themselves and their eligible dependents beginning January 1 of each plan year (“AFRF Participants”).
 - C. **Benefits Program Components.** The Benefits Program is comprised of the following group health and welfare benefits plans currently sponsored by the City:
 - Medical
 - Dental
 - Vision
 - CDHP Employer Contribution
 - Basic & Supplemental Life and Dismemberment (AD&D) insurance
 - Dependent Life
 - Flexible Spending Accounts
 - Long-term Disability
 - Employee Assistance Program
 - Legal

- Other services deemed eligible by the City of Austin

Specific coverage terms, limitations, and conditions for each of these plans applicable during a plan year are set out in the City's "Employee Benefits Guide" published for that plan year. All such terms, limitations, and conditions will apply to participation by AFRF Participants in the Benefits Program during the applicable plan year, including without limitation any provisions related to benefit claims and claims procedures.

D. Limitations, Modifications, and Additions to the Benefits Program. Participation by AFRF Participants in the Benefits Program is expressly subject to the terms and limitations established by the City that apply to employees of the City, which may change from time to time. The City remains solely responsible for determining all changes or modifications to eligibility standards and benefit levels under the Benefits Program. Nothing in this Agreement limits the City's authority to change or modify the eligibility standards or benefit levels for any part of the Benefits Program, or to eliminate all or any part of the Benefits Program, so long as such modification or elimination does not distinguish between AFRF employees and comparable City employees. If the City elects to add a new plan to the Benefits Program, the City and AFRF may mutually agree to allow AFRF employees to participate in such new plan during the Initial Term or any Renewal Term of this Agreement. The City shall notify AFRF of any changes to the Benefits Program as soon as administratively practicable.

E. Computation and Payment of Costs. The City shall receive from AFRF reimbursement for the cost of permitting AFRF Participants to participate in the Benefits Program as follows:

1. During the first week of each month in which AFRF Participants participate in the Benefits Program, the City will provide a billing to AFRF for the total cost to the City of participation by AFRF Participants in the Benefit Program for that month (the "Monthly Cost"). The Monthly Cost will include: (a) the cost for that month of providing coverage for all AFRF Participants based on each employee's benefit elections and the rate sheet provided to AFRF by the City for that plan year, including any administrative fees charged by the service providers for the participation of the AFRF Participants; plus (b) a City administrative fee per capita to offset the City's cost of administering the Benefits Program for AFRF Participants.
2. All monthly billings for Monthly Costs shall be due and payable no later than 30 days from the date received by AFRF. Late payments shall be governed by the Texas Prompt Payment Act, Texas Government Code Chapter 2251.
3. The Parties shall determine a mutually satisfactory protocol for verifying the amounts of Monthly Costs billed by the City and shall cooperate reasonably to resolve any questions or disputes concerning Monthly Costs.

4. The City will provide AFRF with a sheet setting out the proposed coverage rates and administrative fees for each plan year at least thirty (30) days in advance of the open enrollment period for that plan year.
5. The billing and payment provisions of this subparagraph E. shall survive the expiration of this Agreement until such time as the City has received payment for all Monthly Costs incurred under this Agreement.

F. Assistance with Benefits Program. The City's Human Resources Department will be responsible for providing benefit assistance to AFRF Participants regarding specific questions related to eligibility and level of benefits under the terms of the applicable plans established in the Benefits Program.

5. Rights and Duties of AFRF Under This Agreement. Under this Agreement:

- A. Current and retired AFRF employees may enroll and participate in the Benefits Program as provided in paragraphs 4.A. and 4.B., above.
- B. AFRF shall pay the City monthly for the Monthly Costs as provided in paragraph 4.E., above, resulting from participation in the Benefits Program.
- C. AFRF shall cooperate reasonably with the City to facilitate the enrollment and participation of its employees and retirees in the Benefits Program.
- D. AFRF will be responsible for assisting its current and retired employees with questions related to the cost-sharing arrangement established by AFRF in connection with their participation in the Benefits Program.

6. Other Terms and Conditions.

- A. **Effective Date.** This Agreement shall become effective upon approval by both Parties and the subsequent execution of this Agreement through the signature below of an authorized representative of each Party.
- B. **Term.** Once effective, this Agreement will be in effect until December 31, 2030, unless either Party provides notice of termination to the other Party no less than 120 days before the beginning of a plan year within such period ("Initial Term"). This Agreement shall be automatically renewed at the end of the Initial Term (and each subsequent term) for an additional year, unless either Party provides notice of termination to the other Party no less than 120 days before such renewal date ("Renewal Term").
- C. **Preservation of Immunities.** Each Party retains all legal immunities from liability and immunities from suit to which such Party is otherwise entitled at law. Nothing in this

Agreement is intended to waive any such immunities or to grant or transfer any such immunities to the other Party.

- D. No Indemnification.** Recognizing the prohibition against contractual indemnification in *Tex. Constitution Art. XI, Section 5*, the Parties expressly confirm that nothing in this Agreement is intended to or does require either Party to indemnify the other Party for any claims or liabilities asserted by a third party on any basis whatsoever. This disclaimer includes claimed liabilities arising from contract, tort, statute or regulation, administrative fine or penalty, judgment, or otherwise. This disclaimer also includes claims for attorney's fees or costs associated with any such liability.
- E. Notices.** Any notice required or permitted by this Agreement shall be made in writing sent by either electronic mail or postal mail to the following identified representatives of the Parties (or their successors) at the indicated addresses:

Notice to AFRF:

Anumeha Kumar (or successor)
Executive Director
Austin Firefighters Retirement Fund
4101 Parkstone Heights Drive
Suite 270
Austin, TX 78746
akumar@afrfund.org

Notice to the City:

Ms. Susan Sinz (or successor)
Director, Human Resources Dept.
City of Austin
P.O Box 1088
Austin, TX 78767
susan.sinz@austintexas.gov

With a copy to:

Deborah Thomas (or successor)
City Attorney
City of Austin
P.O Box 1088
Austin, TX 78767
deborah.thomas@austintexas.gov

- F. Texas Public Information Act.** Notwithstanding anything herein to the contrary (except for paragraph K), this Agreement is subject to the “Texas Public Information Act,” Texas Gov’t Code, Chapter 552. Each Party will endeavor to provide the other Party with advance notice if AFRF employee information covered by this Agreement is the subject of a Texas Public Information Act request it receives prior to providing the information to the public. Neither Party shall release the requested information if the information is confidential by law and does not require the City or AFRF to seek a Texas Attorney General ruling to withhold the information, or one of the Parties seeks a Texas Attorney General ruling and obtains a ruling that the information may be withheld. The City shall provide AFRF notice pursuant to the Texas Public Information Act of an open records request for information that is confidential under paragraph K.
- I. No Joint Enterprise Created.** This Agreement does not change the legal status or relationship between AFRF and the City, and does not create a joint venture, partnership, or any other joint business enterprise between AFRF and the City. The relationship between AFRF and the City shall continue to be governed by the applicable provisions of Texas state law, and any separate and applicable agreements made by the Parties.
- J. No Third-Party Beneficiaries.** No person or entity (including but not limited to any AFRF Participant) shall receive, obtain, or otherwise benefit from any rights, obligations or provisions of this Agreement. By way of example and without limiting the application of this provision, no AFRF Participant shall, except as provided above, gain any rights or privileges enforceable by law or by contract on account of any provision in this Agreement.
- K. Confidentiality.** Each Party agrees that neither it nor its employees shall use, divulge or communicate to any person (other than those whose province it is to know the same or with authority from AFRF) any AFRF employee data, including Personally Identifiable Information, Health Insurance Portability and Accountability Act of 1996 (HIPAA) information, or any other confidential information (collectively, the “Confidential Information”), which that Party may have received or obtained during the term of this Agreement, except as may be required in order to carry out the purposes of this Agreement. This restriction shall continue to apply after the termination of this Agreement for whatever cause without limit in point in time but shall cease to apply to information or knowledge that may come into the public domain otherwise than through the unauthorized disclosure by or the fault of the disclosing Party and/or its employees. The City shall return to AFRF upon its request all materials, whether documentary or otherwise, together with copies thereof containing Confidential Information and not to take further copies of any of the above-mentioned documents or materials after termination of this Agreement.
- L. Severability.** If any provision of this Agreement is invalid, illegal or unenforceable, that provision will, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as to most nearly retain the intent of the Parties hereto as expressed

herein. If such a modification is not possible, the Parties hereto shall negotiate in good faith a modification of such provision that reflects as closely as possible the economic purpose of the invalid, illegal or unenforceable provision. If no agreement with respect to such modification is reached, the invalid, illegal or unenforceable provision will be severed from this Agreement. In any case, the validity, legality and enforceability of the remaining provisions of this Agreement will not in any way be affected or impaired thereby for so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

- M. Venue and Choice of Law.** This Agreement is made under and shall be governed by the laws of the State of Texas without regard to conflicts of laws principles which would apply the law of any other jurisdiction. The state courts of Texas shall have exclusive jurisdiction of any dispute arising out of or concerning this Agreement, either administrative or judicial, and venue shall be proper and lie exclusively in Travis County Texas.
- N. Limitation of Liability.** To the extent allowed by Texas law, the Parties agree that each Party is responsible for its own proportionate share of any liability for the negligent or grossly negligent acts or omissions of its employees, agents, contractors, or subcontractors arising out of, connected with, or as a consequence of its performance under this Agreement. Neither Party shall be liable to the other for any indirect, special, incidental, punitive, or consequential damages (including, but not limited to loss of business, revenues, profits, or other economic advantage) however it arises, whether in an action of contract, negligence or gross negligence, tort or other action, arising out of or in connection with this Agreement, even if advised of the possibility thereof.
- O. Audit Rights.** Subject to applicable legal restrictions on the confidentiality of individual employee health information, the Parties shall have the mutual right to review any information used by the Parties relevant to the expenses billed to AFRF under this Agreement. The Parties shall cooperate reasonably with any such request by the other Party with the goal of ensuring that both Parties have full and clear understanding of all expenses billed to AFRF by the City under this Agreement.
- P. Resolution of Disputes.** Upon request of either Party, an informal attempt shall be made to negotiate a resolution of any dispute arising under this Agreement. Such request shall be in writing and shall seek a meeting between representatives of each Party within 14 calendar days after receipt of the request or such later period as agreed by the Parties. Each Party shall provide for the meeting, at a minimum, one senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within 30 calendar days after such meeting, the Parties have not succeeded in negotiating a resolution of the dispute, they shall proceed directly to mediation as described below. Informal negotiation may be waived by a written agreement signed by both Parties, in which event the Parties shall proceed directly to mediation as described below.

- i. The mediation shall take place in Austin, Travis County, Texas. The Parties shall select a mediator within 30 calendar days of the written waiver, or within sixty 60 calendar days of the informal negotiation meeting. The Parties agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in this Agreement prevents the Parties from relying on the skills of a person who is trained in the subject matter of the dispute. If the time period for selecting the mediator has expired with no agreement on the mediator, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The Parties agree to participate in mediation in good faith for up to 30 calendar days from the date of the first mediation session. The Parties will share the costs of mediation equally.
 - ii. Nothing in this Section shall limit either Party's right to terminate this Agreement for cause or pursuant to Paragraph 6.B; provided, however, this Section shall survive termination of this Agreement.
- Q. Complete Agreement; Amendments.** This Agreement constitutes the entire agreement and understanding between the Parties concerning the subject matter addressed herein, and supersedes all discussions, proposals, understandings, and representations concerning its subject matter. This Agreement may not be amended in whole or in part except in a written amendment authorized and properly executed by both Parties.

[SIGNATURES ON FOLLOWING PAGE]

AUSTIN FIREFIGHTERS RELIEF AND
RETIREMENT FUND

By: Anumeha K.
Anumeha Kumar

Title: Executive Director

Date: September 19, 2025

THE CITY OF AUSTIN, TEXAS

By: _____

Title: Assistant City Manager

Date: _____, 2025