

Interlocal Cooperation Agreement Between The City of Austin and City of Austin Employees Retirement System For Employee Group Health and Welfare Benefits Services

This Agreement is made by and between the City of Austin Employees Retirement System (“COAERS”), 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. COAERS is Texas public retirement system established by TX REV CIV ST Art. 6243n for the benefit of City of Austin employees.
- B. The City is the sponsor of a group health and welfare benefits program described more fully below (the “Benefits Program”) that provides group healthcare and related benefits for City employees.
- C. COAERS desires to make its employees eligible to participate in the Benefits Program under the terms of this Agreement to provide suitable group healthcare coverage for its employee workforce in an efficient and cost-effective manner.
- D. The City desires to allow COAERS employees to participate in the Benefits Program under the terms of this Agreement so long as such participation is cost-neutral to the City with no overall negative expense to the City as a result of such participation.
- E. COAERS and the City each desire to commemorate the terms of their agreement set out below in compliance with the requirements of the Interlocal Cooperation Act, Texas Local Gov’t Code Chapter 791.

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 create a means for COAERS to provide a suitable group health and welfare 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 COAERS 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 providing access by COAERS employees to 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 governing authority of that Party; and (c) the individual signing this Agreement on its behalf is authorized to execute this Agreement.

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3. Current Funds. The City acknowledges and agrees that all payment obligations of COAERS to the City under this Agreement shall be payable from current funds available to COAERS.

4. Rights and Duties of the City Under This Agreement. Under this Agreement:

A. Enrollment of COAERS Employees. The City shall permit and cooperate with COAERS to facilitate the enrollment of current eligible COAERS employees and retirees in the Benefits Program prior to the start of each plan year. Individuals who become employed by COAERS 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 COAERS for such individuals.

B. Participation by COAERS Employees. Eligible COAERS employees and retirees 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.

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 COAERS employees in the Benefits Program during the applicable plan year.

D. Limitations, Modifications, and Additions to the Benefits Program. Participation by COAERS employees and retirees 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

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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 COAERS employees and comparable City employees. If the City elects to add a new plan to the Benefits Program, the City and COAERS may mutually agree to allow COAERS employees to participate in such new plan during the Initial Term or any Renewal Term of this Agreement.

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

1. During the first week of each month in which COAERS employees participate in the Benefits Program, the City will provide a billing to COAERS for the total cost to the City of participation by COAERS employees 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 COAERS participating employees based on each employee's benefit elections and the rate sheet provided to COAERS by the City for that plan year, including any administrative fees charged by the service providers for the participation of the COAERS employees; plus (b) a City administrative fee per capita to offset the City's cost of administering the Benefits Program for COAERS employees. At the same time as the billing, the City will also provide to COAERS any utilization report(s) provided to the City by the third-party administrator which depict the amount of benefits provided and cost for each COAERS employee ("Utilization Reports").
2. All monthly billings for Monthly Costs shall be due and payable no later than 30 days from the date received by COAERS. 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 COAERS with a sheet setting out the coverage rates and administrative fees for plan year in advance of the open enrollment period for that Renewal Term.
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.

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

A. COAERS employees and retirees may enroll and participate in the Benefits Program

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as provided in paragraphs 4.A. and 4.B., above.

- B.** COAERS shall pay the City monthly for the Monthly Costs as provided in paragraph 4.E., above, resulting from participation in the Benefits Program.
- C.** COAERS shall cooperate reasonably with the City to facilitate the enrollment and participation of its employees and retirees in the Benefits Program.
- D.** COAERS's Human Resources Department will be responsible for providing benefit assistance to COAERS employees under the plans established 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 for five (5) years, unless either Party provides notice of termination to the other Party no less than 120 days before the beginning of a plan year.
- C. Termination.** Either Party may terminate this Agreement for any reason during the term by providing at least 120 days advance notice in writing to the other party of its intent to terminate this Agreement.
- D. 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.
- E. 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.

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- F. 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 COAERS:

Christopher Hanson (Executive
Director)
City of Austin Employees
Retirement System
4700 Mueller Boulevard,
Suite 100
Austin, Texas 78723
chris.hanson@coaers.org

With a copy to:

Paige Saenz (or successor)
General Counsel
The Knight Law Firm, LLP
223 W. Anderson Lane, Suite
A105
Austin, Texas 78701
paige@cityattorneytexas.com

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

[Note: This paragraph does not apply to monthly billings for Utilization Costs under Paragraph 4.E.2, above.]

- G. 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 COAERS 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 and shall not release the requested information if the information is confidential by law and does not require the City or COAERS to seek a Texas Attorney General ruling to withhold the information, or COAERS seeks a Texas Attorney General ruling and obtains a ruling that the information may be withheld. The City shall provide COAERS notice pursuant to the Texas Public Information Act of an open records request for information that is confidential under paragraph K.
- H. Records Retention.** COAERS shall identify to the City any records maintained by the City under the terms of this Agreement that are subject to retention requirements in accordance with 49 CFR 18.36(i). The City shall retain any such records for 3 years following project completion or tender such records to COAERS for retention purposes.
- I. No Joint Enterprise Created.** This Agreement does not change the legal status or relationship between COAERS and the City, and does not create a joint venture, partnership, or any other joint business enterprise between COAERS and the City. The relationship between COAERS 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 Employee) 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 COAERS employee 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 COAERS) any COAERS employee data, including Personally Identifiable Information, Health Insurance Portability and Accountability Act of 1996 (HIPAA) information, or any other confidential information (“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 COAERS 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 COAERS under this Agreement. The Parties shall cooperate reasonably with any such request by the other Party with the goal on ensuring that both Parties have full and clear understanding of all expenses billed to COAERS 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.C; 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]

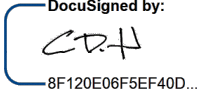
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CITY OF AUSTIN EMPLOYEES
RETIREMENT SYSTEM

THE CITY OF AUSTIN, TEXAS

By: 
Christopher Hanson

By: _____

Title: Executive Director

Title: Assistant City Manager

Date: 6/23/2025, 2025

Date: _____, 2025