

# Interlocal Agreement



Risk Participating Member (Pool)

Revised June 2023

**Texas Health Benefits Pool**  
Austin, Texas

**INTERLOCAL AGREEMENT**  
(RISK PARTICIPATING MEMBER)

WHEREAS, the TML Multistate Intergovernmental Employee Benefits Pool, d/b/a TX Health Benefits Pool, hereinafter referred to as TXHB, 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 Employer Member represents that (1) 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, or (c) an Economic Development Corporation organized under Subtitle C1, Title 12, Texas Local Government Code; (2) it is qualified under the interlocal cooperation law of the Employer Member's domiciliary state to enter into this Interlocal Agreement; and (3) its governing body has acted by majority vote, at a duly called and posted public meeting, to authorize the Employer Member to participate in this Interlocal Agreement; and

WHEREAS, the undersigned Employer Member has examined all the facts and issues it deems relevant and determined that it is in the best interest of the Employer Member, its Employees, officials, and retirees and their dependents to enter into this Interlocal Agreement and to obtain one or more life, sick, accident, and other health benefits, as well as the related services, by becoming a member of TXHB; and

WHEREAS, TXHB 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 Employer Member, together with other Employer Members executing identical or substantially similar Interlocal Agreements, enters into this Interlocal Agreement for the purpose of providing certain benefits and related services for their Employees, officials, and retirees and their dependents. The benefits will be provided under the authority of the laws of the State of Texas including the Texas Political Subdivision Uniform Group Benefits Program (Chapter 172, Texas Local Government Code), the Interlocal Cooperation Act (Chapter 791, Texas Government Code) and the Texas Trust Code (Title 9, Subtitle B, Texas Property Code). The Employer Member hereby designates TXHB as its instrumentality to administer the business and supervise the performance of the Interlocal Agreement and the operation of the Risk Pool. All money transferred by the Employer Member to TXHB under this Interlocal Agreement, together with any other property which may become subject to this Interlocal Agreement, will be held in trust by the Board of Trustees of TXHB for the benefit of the Employees, officials, and retirees and their dependents of the Employer Members. The conditions of membership in TXHB 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 TXHB to supervise the operation of the Pool.

"Covered Participant" means a person who is eligible for coverage and who has enrolled in a Plan.

"Employee" means a person who works at least 20 hours a week for an Employer Member.

"Employer Member" means a Political Subdivision, Affiliated Service Contractor, or Economic

Development Corporation member of TXHB that has executed the Interlocal Agreement.

"Interlocal Agreement" or "this Agreement" means this Risk Participating Member Interlocal Agreement.

"Plan" or "Plans" mean TXHB benefit plan(s) selected and adopted by the Employer Member.

"Political Subdivision" means (a) any legal entity included within the definition of "political subdivision" in Chapter 172, Texas Local Government Code or otherwise qualified as a political subdivision under Texas Law or (b) a political subdivision as defined by the laws of the Employer Member's domiciliary state.

"Schedule of Benefits" means the document outlining the Plan benefits and contribution level of the Employer Member.

"TXHB" means the TML Multistate Intergovernmental Employee Benefits Pool, d/b/a TX Health Benefits Pool.

"Local Government" means any legal entity included within the definition of "local government" in Chapter 791, Texas Government Code including any political subdivision as defined by the laws of the Employer Member's domiciliary state.

"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.

"Fund Contact" means the individual of department head rank or higher who is designated by the Employer Member to be the point of contact for all interaction with TXHB.

2. The Employer Member agrees to be bound by this Interlocal Agreement, the Trust Agreement Establishing the TXHB and all amendments thereto, and the Policies and Procedures established by the TXHB which collectively establish the conditions for membership in TXHB.
3. The Employer Member will adopt one or more of the TXHB Plans and make the payments and contributions set forth in the Schedule of Benefits. The payments required to be made by the Employer Member shall be made at Austin, Travis County, Texas. Interest, beginning the first day after the due date and continuing until paid, shall accrue at the maximum rate allowed by Texas law on the balance of any payment or contribution not paid when due. All such payments and contributions shall be available for payment of eligible benefits and administrative expenses for all participating Employer Members. Supplemental benefits, including but not limited to dental, vision, life, Medicare Supplement and Long and Short Term Disability will not be offered separately from medical benefits.
4. Except as may be otherwise specified in the TXHB Trust Agreement Establishing TXHB, as amended, this Interlocal Agreement may be terminated by either the Employer Member or TXHB upon 30 days written notice which will become effective on the first day of the month following the receipt of the 30 day notice by the party receiving the notice. Contributions are earned when paid. Withdrawing Employer Members are not entitled to a refund of contributions. The TXHB may terminate this Interlocal Agreement for non-payment of a payment or contribution immediately upon delinquency as determined by the TXHB Policies and Procedures. In the event of a disagreement between an Employer Member and TXHB regarding non-payment of a payment or contribution, the Employer Member may appeal to the Board. The decision of the Board on appeal is final.

TXHB may also terminate this Interlocal Agreement if the Employer Member fails to cooperate with claims agents or attorneys representing TXHB or if the Employer Member takes any other action detrimental to TXHB's ability to carry out its purposes in an efficient manner.

5. Every Employer Member shall furnish all the information TXHB deems necessary and useful for the purposes of this Interlocal Agreement and shall abide by the Policies and Procedures adopted for the administration of the benefits plans. TXHB may amend the Policies and Procedures and Trust Agreement Establishing the TXHB at anytime to the extent it deems advisable. TXHB may employ and contract with a third party administrator.
6. TXHB may purchase excess loss coverage or reinsurance as provided in Chapter 172, Texas Local Government Code, and all Employer Members are subject to the terms and conditions of any such excess loss coverage or reinsurance agreement.
7. Each Employer Member will designate and appoint a person of department head rank or above to be the Employer Member's Fund Contact with TXHB and agrees that TXHB shall not be required to contact or provide notices to any other person. Further, any notice to or agreement by an Employer Member's Fund Contact with respect to services or claims hereunder shall be binding on the Employer Member. The Employer Member reserves the right to change the Fund Contact from time to time by giving written notice to TXHB.
8. The Employer Member hereby appoints TXHB as its agent to act in all matters pertaining to the processing and handling of claims and agrees to cooperate fully and provide all information necessary. All decisions on individual claims shall be made by TXHB or by its contracted third party administrator.
9. TXHB shall be audited annually by an independent certified public accountant, and the audit shall be filed as required by the laws of the State of Texas (including, but not limited to Chapter 172 of the Texas Local Government Code) or as may be required by the Employer Member's domiciliary state. A summary financial report will be provided to each Employer Member upon request.
10. All monies available for investment shall be invested by TXHB in compliance with the Texas Public Funds Investment Act of 1987 (TEX. GOV'T CODE. ANN. Sec. 2256.001, et seq.) or the Texas Trust Code (Subtitle B, Title 9, Property Code).
11. Each Employer Member, as Plan Administrator, retains the rights, duties and privileges of the Plan Administrator and acknowledges it has responsibility for compliance with the state and federal laws applicable to employee benefits. For purposes of delivery of any Continuation of Coverage notices, TXHB is not the Group Administrator for any Employer Member unless and until a separate contract for administration of Continuation of Coverage is entered into between TXHB and that Employer Member.
12. To the extent authorized by law, the Employer Member agrees to indemnify and hold harmless TXHB 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 Employer Member in connection with the Plan. The Employer Member 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 Employer Member agrees to take the appropriate budgetary action sufficient to pay the obligation.
13. The Employer Member agrees that all conditions of coverage for the benefits provided shall be as specified in the Plan booklet/document furnished to the Employer Member by TXHB. The Employer Member agrees that the Employees and the Board of Trustees of TXHB and individuals and entities with whom TXHB contracts for staff functions may receive

Plan benefits.

14. Each Employer Member acknowledges that health Plan benefits provided in accordance with Chapter 172 of the Texas Local Government Code are not insurance and that TXHB is not an insurer under the Insurance Code or other laws of the State of Texas or of another state in which an Employer Member is located.
15. The Employer Member and TXHB may contract for additional administrative services related to the Employer Member's employee benefit programs as long as the Employer Member is a full medical risk participating member of TXHB.
16. The Employer Member agrees that no Covered Participant shall have any claim against the property of the trust. The rights of Covered Participants are limited to the benefits specified in the Plan.
17. The Employer Members desire to join together to purchase life insurance benefiting their Employees, officials, and retirees and their dependents. Therefore, the Employer Member authorizes TXHB to purchase life insurance coverage insuring the lives of all Covered Participants under the Plan.
18. No bond is required of the Board of Trustees of TXHB.
19. 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.
20. This Interlocal Agreement represents the complete understanding of TXHB and the Employer Member and may not be amended, modified or altered without the written agreement of both parties.
21. The initial term of this Interlocal Agreement shall be from the First day of October, 2024, at 12:01 a.m. and continue until September 30, 2025. Absent notice of termination, the Employer Member may annually renew and extend the Interlocal Agreement by executing and returning the rerate notice and benefit selection form as authorized at the inception of this Interlocal Agreement.
22. 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.
23. Employer Member represents and warrants that (a) this Agreement fully complies with the laws of its state of domicile and (b) Employer Member has full legal authority to enter into this Agreement. By entering into this Agreement, an Employer Member 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 political subdivision.
24. The parties agree that this agreement, and other agreements related to services provided by TXHB, may be electronically signed. The parties agree that the electronic signatures appearing on this agreement are the same as handwritten signatures for the purposes of validity and admissibility. City of Bay City may withdraw their consent to do business electronically at any time.

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

City of Bay City

at a duly called meeting held on August 13, 2024

by:  
Mayor



Robert K Nelson

on:

08 / 06 / 2024

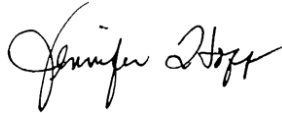
**This Interlocal Agreement entered into and Appointment Accepted By:**

TML Multistate Intergovernmental Employee Benefits

Pool, D/B/A TX Health Benefits Pool

at Austin, Texas

By



Jennifer Hoff, Executive Director

**APPROVED AS TO FORM:**

BY:



Chief Legal Officer

**TO BE COMPLETED BY EMPLOYER MEMBER:**

**EMPLOYER MEMBER BENEFITS FUND CONTACT**

Rhonda Clegg

Name

Director of Human Resources

Title

1901 5th Street, Bay City, Texas 77414, United States

Mailing Address

Street Address (if different from above)