

STATE OF TEXAS §
COUNTY OF WOOD §
§

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE OFFERING OF HEALTH BENEFITS COVERAGE TO CITY RETIREES; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING AN OPEN MEETINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of QUITMAN ("City") desires to provide health benefits coverage to its retirees;

WHEREAS, TML MultiState Intergovernmental Employee Benefits Pool is a health risk pool established pursuant to Texas Local Government Code Chapter 172, Texas Government Code Chapter 791, and the Texas Trust Code to provide health benefits coverage for employees and retirees and dependents of employees and retirees, of Texas political subdivisions under an Interlocal agreement;

WHEREAS, the City is currently offering health benefits coverage through the TML MultiState Intergovernmental Employee Benefits Pool pursuant to Interlocal agreement and Chapter 172 of the Texas Local Government Code, both of which would allow the extension of benefits to retirees of the City;

WHEREAS, the City desires to provide health benefits coverage to its retirees through the TML MultiState Intergovernmental Employee Benefits Pool and that the cost for such coverage be paid for *by the individual retiree or the City; (modify so addresses how the City wants coverage to be paid)*

WHEREAS, the City desires to select a plan of benefits for its retirees to be provided by the TML MultiState Intergovernmental Employee Benefits Pool; and

WHEREAS, providing retiree coverage under the TML MultiState Intergovernmental Employee Benefits Pool Interlocal Agreement is in the best interest of the City, its retirees, and the public generally;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY THAT:

SECTION 1: The foregoing recitals are incorporated into this Ordinance as findings of fact.

SECTION 2: The City hereby elects to provide health benefits coverage to its retirees through TML MultiState Intergovernmental Employee Benefits Pool under the Pool's Interlocal Agreement.

SECTION 3: The City hereby adopts the following definition of "retiree" for purposes of this ordinance:

SECTION 4: The Interlocal Agreement in effect between the City and the TML MultiState Intergovernmental Employee Benefits Pool provides that the Board of Trustees may adopt rules and regulations. The rules and regulations of the TML MultiState Intergovernmental Employee Benefits Pool allow the participating member entity to provide retiree medical coverage at the same contribution as charged to active employees, to select a contribution level which is an elevated percentage (150%, 160%, etc. which may change from time to time) of the active employee contribution or to offer over age 65 retirees a Medicare Supplement.

The City elects to have the retiree medical contribution for under age 65 retirees be _____ (choose either the same as the active employee or the current elevated percentage of the active employee) for as long as the TML MultiState Intergovernmental Employee Benefits Pool offers this rate structure for retiree medical coverage. The City elects to have the retiree medical contribution for over age 65 retirees be _____ (choose

either the same as the active employee or the current elevated percentage of the active employee or insert Medicare Supplement or Medicare Advantage rate). Other coverages will be as established annually by the TML MultiState Intergovernmental Employee Benefits Pool Board of Trustees.

SECTION 5: The City shall adopt on an annual basis any additional or alternative retiree benefit plans to be provided through TML MultiState Intergovernmental Employee Benefits Pool. The cost of these plans shall be paid for entirely by the retiree.

SECTION 6: This ordinance will only apply to individuals retiring after its effective date or to employees, which retired under a previous ordinance. For individuals retiring after the effective date of this ordinance to qualify they must enroll for this coverage within thirty (30) days of their retirement.

SECTION 7: This ordinance may be repealed or modified at any time, but will remain in effect for any employee retiring while it is in effect.

SECTION 8: The City Secretary is hereby ordered to enter a copy of this Ordinance in the City minutes.

SECTION 9: All existing City ordinances in conflict with the provisions of this Ordinance are repealed to the extent of the conflict.

SECTION 10: It is hereby officially found and determined that the meeting at which this Ordinance was considered was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

SECTION 11: This Ordinance shall be effective immediately upon its passage.

PASSED AND APPROVED this 15 day of December, 2016.

MAYOR



ATTEST:


City Secretary

STATE OF TEXAS §
COUNTY OF WOOD §

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PASSED AND APPROVED this 15 day of December, 2016

MAYOR

ATTEST:


City Secretary

COBRA Continuation of Coverage Administrative Agreement
CITY OF QUITMAN
January 2017

WHEREAS, the undersigned Employer is an Employer Member of the TML MultiState Intergovernmental Employee Benefits Pool (hereinafter referred to as the "Pool");

WHEREAS, the undersigned Employer sponsors an employee benefit plan;

WHEREAS, the undersigned Employer is responsible for the administration of its employee benefit plan as the Plan Administrator; and

WHEREAS, the undersigned Employer wants the Pool to assist the Employer in complying with the requirements of Continuation of Coverage as required by Federal law.

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained herein, the undersigned Employer and the Pool agree as follows:

I. Effective Date

As of the first day of January, 2017, the Pool will commence COBRA Continuation of Coverage administration for the undersigned Employer for all qualifying events occurring thereafter and during the term of this agreement.

II. Employer Duties

1. The undersigned Employer will notify the Pool's Billing/Eligibility Representative assigned to the Employer via FAX or Telephone (with a written follow up) within one (1) business day of a qualifying event, as defined by the COBRA Continuation of Coverage statute and its amendments, or a termination for gross misconduct of a Covered Employee for which the Employer has knowledge. Examples of qualifying events include termination; lump sum or severance settlement; resignation; death; retirement if the employee does not enroll for retiree coverage when offered under the Employer's benefit plan; reduction in hours [including reduction to zero (0) hours], call to duty for military service and absence from work for an injury or illness after all earned sick leave, vacation leave and FMLA has been exhausted.
2. The undersigned Employer will distribute Attachment A, which advises each Covered Individual of their rights and responsibilities under COBRA Continuation of Coverage. The Employer will certify through a letter to the Pool that Attachment A was distributed to all Covered Individuals as of the date the Pool commenced COBRA Continuation of Coverage Administration.
3. The undersigned Employer will distribute Attachment A to all employees who become covered by the Employer's benefit plan after the date the Pool commenced COBRA Continuation of Coverage administration and include verification of the distribution with the enrollment card when it is submitted to the Pool.
4. The undersigned Employer will notify the Pool via FAX or Telephone (with a written follow-up) within one (1) business day of gaining knowledge that a Covered Individual has legally separated, divorced or is no longer eligible for coverage, e.g., the Covered employee or dependent is voluntarily dropped from coverage.
5. The undersigned Employer will notify the Pool at least ten (10) business days prior to any open enrollment period. The notice to the Pool will include the dates of the open enrollment.
6. The undersigned Employer will immediately notify the Pool of any suspected claim, demand or suit arising from the administration of COBRA Continuation of Coverage.

7. To the extent allowed by law, the undersigned Employer will indemnify and hold harmless the Pool and its officers, agents, employees and representatives from all suits, actions, losses, damages (including punitive damages), claims or liability of any type, including without limiting the generality of the foregoing all expenses of litigation, court costs, and attorney's fees, resulting from the failure of the undersigned Employer to give any notice required by this Agreement. The foregoing reimbursement obligation shall specifically include any medical claim costs incurred by the Pool because of the failure of the Employer to give any notice of an employee termination or other qualifying event. The undersigned Employer will fund this obligation out of current revenues in the year the obligation is determined or will levy a tax to fund the obligation if current revenues are insufficient.
8. Any decision of whether an Employee was terminated because of gross misconduct will be made by the Employer no later than (a) the forty-fifth (45th) day following the termination or (b) the date a COBRA election notice is mailed to the Employee, whichever is earlier. Any determination of gross misconduct shall be based only on events prior to the termination of employment.

III. Pool Duties

1. The Pool staff will monitor changes in COBRA Continuation of Coverage and the case law which develops interpreting COBRA Continuation of Coverage.
2. The Pool will provide election notices within fourteen (14) days of the receipt of notices of qualifying events sent by the Employer.
3. The Pool will provide the appropriate notification letters to the employee or their dependent(s) as required by COBRA Continuation of Coverage statutes. These letters may include any or all of the following:
 - a. benefit availability - initial notice, enrollment card and cost;
 - b. confirmation of enrollment and payment coupons
 - c. notice of termination letters:
 - Failure to reply
 - Failure to make initial payment
 - Failure to make regular payment
 - End of eligibility (no longer qualified)
 - End of eligibility period
 - d. open enrollment
 - e. contribution change and revised payment coupons
 - f. conversion to an individual policy
 - g. Medicare eligibility
 - h. verification of incapacitated child status
4. The Pool will provide the COBRA Continuation of Coverage participants with ID cards, a benefit booklet, and other materials as the need may arise.
5. The Pool will maintain records that all required notifications were sent and copies are available to the Employer upon request.
6. The Pool will collect the required contributions at the maximum amount allowed by law. Upon notice for the Employer under II.1., the Pool has fourteen (14) days to send the COBRA Continuation of Coverage election notice. Once the election notice is mailed the qualifying beneficiary has sixty (60) days to elect COBRA Continuation of Coverage. If the qualified beneficiary elects COBRA Continuation of Coverage the qualified beneficiary has forty-five (45) days from election to make the first payment. If partial payments are made and the payment deficiency is insignificant, Pool contacts the qualified beneficiary for full payment. The qualified beneficiary has thirty (30) days from deficiency notification to make payment. Insignificant payment deficiency is the lesser of \$50 or 10% of amount due.

COBRA Continuation of Coverage Administrative Agreement

7. The Pool will periodically provide the Employer, for their review, with the text of the letter and notices to be used in administering this Agreement. The Pool maintains final authority over the text of these letters and notices. The Pool reserves unto itself the right to modify the letters and notices as may be required pursuant to the COBRA Continuation of Coverage statute, any applicable case law and to promote the efficient administration of the Agreement.
8. To the extent allowed by law, the Pool will indemnify, defend, reimburse, and hold harmless the Employer and its employees from any and all liabilities, claims, demands, or suits arising from or related to the provision of COBRA Continuation of Coverage administrative services unless those liabilities, claims, demands, or suits arise out of the Employer's failure to give any notice as required in II, 1, 2, 3, 4, 5 and 6 of this Agreement. This notice is required by the agreement or by law. The Pool, upon notice by the Employer will immediately investigate, handle, respond to and defend any such claims, demands or suits at the Employer's sole expense. If the liability, claim, demand or suit is based on negligence this contract of indemnity shall apply and the negligence of the Employer and the Pool will be on a percentage basis as in a pure comparative negligence situation under the law.
9. The Pool's responsibilities under this contract are for COBRA Continuation of Coverage that the Employer is required to provide under Federal law, and does not have any responsibility for other benefits such as group life insurance or disability.

IV. Notice

Any notice to be given under this Agreement, other than those in II, 1, 2, 3, 4 and 5 of this Agreement, shall be deemed given and received on the first to occur of the following: (a) actual receipt by the party to be notified; or (b) five days after deposit of such notice in the US Mail system if sent by Certified Mail, Return Receipt Requested, postage prepaid, and addressed to the party to be notified at the address of such party set forth below or as designated from time to time in writing by giving not less than ten days in advance notice to the other party. The initial addresses for the Pool and Employer shall be as follows:

Address of Pool

Executive Director

TML MultiState Intergovernmental Employee Benefits Pool

Texas Municipal Center

1821 Rutherford Lane, Suite 300

Austin, Texas 78754-5151

Address of Employer

City of Quitman

401 East Goode Street

Quitman, Texas 75783

V. Compensation

1. The Employer will pay the Pool a one-time \$50.00 set up fee and a \$0.50 Per Participant Per Month fee for each participating participant per month that enrolls in COBRA Continuation of Coverage.
2. Other special services which may be requested by the Employer but are not contained in this Agreement will be billed at a mutually agreeable hourly rate.

VI. Miscellaneous Provisions

1. This Agreement represents the complete understanding of the parties and may not be modified or amended without the written agreement of both parties.
2. The parties agree that venue for any dispute arising under the terms of this Agreement shall be in Austin, Travis County, Texas.
3. The parties agree that venue for any dispute arising out of the performance under their Agreement shall be in Austin, Travis County, Texas.
4. In performing the administrative services under this Agreement, the Pool may rely without qualification on the information provided by the Employer.

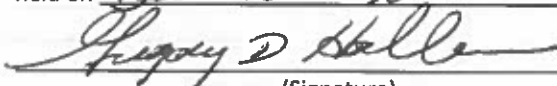
COBRA Continuation of Coverage Administrative Agreement

5. The Pool agrees to take over the remaining COBRA Continuation of Coverage administration for any of the Employer's current COBRA Continuation of Coverage participants, without Employer compensation, so long as the Employer furnishes the information necessary to effectuate the transfer.
6. This Agreement is entire as to all of the performance to be rendered under it. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision of this Agreement shall be void and of no force and effect.
7. It is understood that the Pool will charge the COBRA Continuation of Coverage participant the administration fee allowed by the COBRA Continuation of Coverage statute.

VII. Termination

1. Term of this initial Agreement shall be from its effective date through January 1, 2018, at 12:00 a.m. The Employer may annually renew the Agreement for the subsequent twelve (12) month period by executing and returning the Pool's re-rate notice and benefit selection for each year.
2. Either party may terminate this Agreement at any time by giving the other party written notice at least thirty (30) days prior to the specified date.
3. This Agreement terminates, without further notice, on the date the undersigned Employer is no longer an Employer of the Pool.
4. All records in possession of the Pool relating to COBRA Continuation of Coverage administration at termination of the Agreement will be transferred to the Employer within forty-five (45) business days.
5. Should this Agreement terminate for any reason it does not relieve either party of their duties nor obligations during the period when this Agreement was in full force and effect.

This Agreement is entered into for the Employer under authorization of QUITMAN CITY, at a duly called meeting held on December 15, 2016 by: COONS, L


(Signature)

City of Quitman
(Employer/Group Name)

CITY SECRETARY / ADMINISTRATOR
(Authorized Official Title)

12/15/16
(Date)

This Agreement Entered Into and Accepted By:

TML MULTISTATE INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL

BY: _____ at Austin, Texas _____
TITLE: (Executive Director) (Date)