

**INTERLOCAL COOPERATION AGREEMENT BETWEEN  
THE CITY OF GALVESTON  
AND  
THE PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON**

This Interlocal Cooperation Agreement is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2021 (“Effective Date”), pursuant to the Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code (the “Act”), by and between the **City of Galveston, Texas** (the City), a Texas home-rule municipality, and the **Park Board of Trustees of the City of Galveston** (the Park Board). The City and the Park Board are referred herein individually as “Party” and collectively as the “Parties.”

**WHEREAS**, on December 13, 2016, the Park Board voted to join the City health plan. An Interlocal Agreement was entered into by the Parties to allow eligible persons of the Park Board coverage under the City health plan effective from January 1, 2017; and,

**Whereas**, that Interlocal has an expiration date of December 31, 2021. The Parties wish to continue allowing the Park Board eligible persons health care plan coverage under the City’s health benefits plan; and,

**WHEREAS**, the Park Board of Trustees at their meeting on \_\_\_\_\_, 2021 agreed to enter into another Interlocal Agreement for the provisions of health benefits for Park Board employees utilizing the City of Galveston’s self-funded health benefits program; and,

**WHEREAS**, upon termination of the Park Board’s participation in the city’s health plan the appointed Board of Trustee member position will also automatically terminate; and,

**NOW, THEREFORE**, the City and the Park Board agree to the following terms, covenants, and conditions:

- 1. Term of Agreement.** This Interlocal Agreement begins on January 1, 2022. The Interlocal may be reviewed upon request of either party. Irrespective of the preceding, the Interlocal shall be reviewed by the parties approximately every five years from the effective date. Any substantive modification of the terms will require approval by the governing bodies.
- 2. Scope.** The City shall continue to extend to eligible employees, and dependents of the Park Board the right to participate in the City Health Plan, and take all acts necessary and appropriate to continue to provide health benefit services prior to the termination of this Agreement. The City represents that a true and correct copy of the Health Plan and any amendments as of the Effective Date is reflected in the Staff Report attached to this Agreement as **Exhibit A.**
- 3. Additional Benefits.** The City may extend to eligible employees, and dependents of the Park Board the right to participate in other City employee benefits effective January 1, 2022. These benefits may include coverage for dental benefits, vision benefits, short term disability benefits, accident/dismemberment insurance, and supplemental life insurance

utilizing providers previously selected by the City. It is agreed between the City and the Park Board that the employee shall be responsible for the payment of any costs or premiums associated with their election for additional benefits, but the Park Board shall deduct from the employee's payroll check the amount of such costs and premiums and forward the funds to the City for payment to the selected provider.

**4. Payments.** Contributions per participant may be adjusted from time to time by the City Council of the City in accordance with Health Plan amendments applicable to all participants in the Health Plan. Contributions payable by the Park Board into the Health Plan are due no later than the last business day of each calendar month during the term of this Agreement. The Park Board and the city may establish procedures for making such contributions, such as direct deposit into the Health Plan's fund, on such terms as the Parties may from time to time adopt. Such contributions for coverage under the Health Plan by the Park Board shall be made from local funds, including federal grant or contract pass-through funds, that are not dedicated by law to some other purpose. Contributions for coverage paid by the Park Board or its officials, employees, shall be deposited by the City to the credit of the Health Plan's fund and used as provided by rules of the Health Plan.

**5. Termination Procedures.** This agreement may be terminated at the request of either party upon 90 days prior written notice.

- a. During any transition period up to termination, the City and the Park Board will cooperate to ensure a smooth transition to the Park Board's new carrier and the processing of all claims, pursuant to the payment terms herein.
- b. In order to allow the Park Board to validate any claims reporting provided by the City's current plan consultant, the city's plan consultant will provide:
  - i. Claims reporting specific to the Park Board employees and covered dependents;
  - ii. Plan eligibility information that will allow calculation of the fixed fees for Administration and Stop Loss insurance;
  - iii. Stop Loss reimbursements for claims attributed to the Park Board employees and covered dependents; and
  - iv. A pro rata share of Prescription Drug Rebates.
- c. Validation shall be completed within 90 days of termination of the Park Board's participation in the plan.

**6. Termination Payments.** The Park Board is fully responsible for the payment of any costs, premiums, and associated claims, pertaining to the participation of the Park Board in the City self-funded health care plan.

- a. Upon termination, the Park Board will pay all of its employee and dependent expenses; including medical claims, pharmaceuticals, administration and stop-loss insurance until such time as the Park Board terminates its participation in the city plan;
- b. This will include all claims incurred in the current plan year prior to the Park Board acquiring its new health plan;

- c. This will include all claims and those paid, at a later date, and for up to one hundred and eighty (180) days following the new plan effective date;
- d. This will include administrative costs charged by the City's health benefits plan provider and a proportional share of stop-loss insurance premiums;
- e. The Park Board will pay to the City any surplus deficit incurred during its participation/tenure with the plan until their participation in the plan is terminated. The amount owed by the Park Board will be commensurate to the Park Board's actual portion of the deficit surplus;
- f. The City will invoice the Park Board monthly based on the reporting of the plan's financial performance. The City's benefits consultant will provide Monthly reporting based on the City's health benefits plan provider's plan claims and eligibility, summarizing the fixed cost and claims due to be paid by the Park Board. The fixed costs and claims owed by the Park Board will be commensurate to the Park Board's actual portion of the fixed cost and claims.

**7. Termination of Park Board Representative.** The appointed Board of Trustee member position will automatically terminate upon the date of termination of the Park Board of Trustee's participation in the city plan.

**8. Compliance with Laws.** Each party must conduct all activities under this Agreement in compliance with all applicable rules, regulations, ordinances, and laws in effect or promulgated during the term of this Agreement.

**9. Amendment.** No amendment, modification, or alteration of any provision of this Agreement is binding unless in writing, dated subsequent to the effective date and executed by the Parties.

**10. Severability.** In case any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision hereof and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein, if consistent with the overall intent of this Agreement.

**11. Delivery of Notices.** All notices, demands, or requests from one party to another must be in writing and must be personally delivered or sent by mail, certified, registered, express or overnight, postage prepaid, to the addresses stated in this paragraph, or to such other address as the party may request in writing, and are deemed to have been given at the time of receipt or delivery:

**To the City:**  
 City of Galveston  
 City Manager  
 P. O. Box 779  
 Phone: 409.797.3520  
 Fax: 409.797.3521

**With Copy to:**  
 City of Galveston  
 City Attorney  
 Galveston, Texas 77553  
 Phone: 409.797.3530  
 Fax: 409.797.3531

To the Park Board of Trustees:  
Park Board of Trustees of the City of Galveston  
Chief Executive Officer  
601 Tremont Street  
Galveston, Texas 77550

**12. Texas Law to Apply and Venue.** This Agreement must be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Galveston County, Texas.

**13. Counterparts.** This Agreement may be executed in any number of counterparts, and each counterpart is deemed to be an original instrument, but all such counterparts together constitute one Agreement. A photocopy or facsimile reproduction of an original signature of a party on this Agreement binds that party to the terms, covenants, and conditions of this Agreement.

**EFFECTIVE** as of the Effective Date described above.

**CITY OF GALVESTON, TEXAS**

ATTEST:

By: \_\_\_\_\_  
Name: Brian Maxwell  
Title: City Manager

By: \_\_\_\_\_  
Name: Janelle Williams  
Title: City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Attorney's Office

**PARK BOARD OF TRUSTEES OF  
THE CITY OF GALVESTON**

ATTEST:

By: \_\_\_\_\_  
Name: Kelly DeShaun  
Title: Chief Executive Officer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_

Name: Carla Cotropia  
Title: Counsel for the Board