



Recommendation for Action

File #: 23-3081, **Agenda Item #:** 23.

10/5/2023

Posting Language

Authorize negotiation and execution of an interlocal agreement with the Austin Transit Partnership Local Government Corporation to participate as an affiliated employer in the City's group benefits program for employee healthcare and related coverages.

Lead Department

Human Resources Department.

Fiscal Note

Participation is cost-neutral to the City with no overall negative expense to the City as a result of such participation.

Prior Council Action:

December 18, 2020 - Creation of Austin Transit Partnership Local Government Corporation.

For More Information:

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Additional Backup Information:

The City Council created the Austin Transit Partnership Local Government Corporation (ATP) to act on behalf of the City and Capital Metro with authority to finance, design, build, and implement a high-capacity transit system and transit-oriented development known as the Project Connect System. Securing a suitable group health and welfare benefits program for ATP staff members is important to ATP's ability to attract and retain the high quality workforce necessary to carry out the terms of the Project Connect Program.

The City has authority to allow affiliated employers such as ATP to access City employee health and welfare benefits benefit programs through an interlocal agreement. ATP will review its benefits plan annually to ensure it is cost effective in both the short and long term. With approval of this interlocal agreement, participation by ATP employees will become effective with the start of the City's benefit plan year that begins January 1, 2024. The proposed agreement has an initial term of one year, plus three one-year renewal terms, for a maximum total term of four years.

This interlocal agreement will be cost-neutral for the City of Austin with no overall negative expense to the City. ATP will fund the costs of participation by its employees in the City's group benefits program. The scope of the City's group benefits program that will be available to ATP employees includes group healthcare and related benefits, but does not include participation in any of the defined benefit retirement systems in which City employees participate.

The ATP Board of Directors reviewed and approved entering into this interlocal agreement on September 20, 2023.

