

Resolution NO. 87-28

WHEREAS, it is desirable and for the public benefit that the Town of Spring Hill be able to hire and retain qualified and competent employees;

WHEREAS, prospective and present employees expect the standard fringe benefits of employment to include paying for, or reimbursing the amount of certain health and medical costs, such as dental vision and hospital expenses, providing life insurance, and providing accidental death and dismemberment insurance for themselves and their dependents;

WHEREAS, it is desirable and for the public benefit that the Town of Spring Hill be able to offer such a governmental employee benefit program at a reasonable cost and on a consistent basis;

WHEREAS, in 1984 two Tennessee local governments pursuant to the Tennessee Interlocal Cooperation Act, T.C.A. Section 12-9-101 et seq., entered into an Agreement to Establish the Tennessee Municipal Health Trust, Inc., a not-for-profit corporation, to provide such a benefit program for Tennessee municipalities by providing a method through which participating municipalities may pool their obligations and their financial and administrative resources;

WHEREAS, the corporation, now known as the Tennessee Municipal Health Plan, exists to provide employee benefit programs to municipalities entering into the Interlocal Cooperation Agreement and into individual benefit plan agreements;

WHEREAS the Town of Spring Hill, together with the other municipalities which have entered into the Interlocal Cooperation Agreement and into benefit plan agreements are subject to assessments if the funds paid as premiums by the individual municipalities and their employees for the benefit plan agreements are insufficient to meet the obligations of the Tennessee Municipal Health Plan;

WHEREAS it appears to the Town of Spring Hill that participation in the Tennessee Municipal Health Plan is an appropriate way to provide benefits to its employees and that joining the Interlocal Cooperation Agreement for the Tennessee Municipal Health Plan and accepting the privileges and obligations thereof is appropriate for the Town of Spring Hill;

NOW THEREFORE BE IT (ORDAINED/RESOLVED) BY THE (LEGISLATIVE BODY) OF THE TOWN OF SPRING HILL AS FOLLOWS:

1. The Town of Spring Hill enters into the Interlocal Cooperation Agreement for the Tennessee Municipal Health Plan a copy of which is attached hereto and incorporated herein as though fully copied.

2. The Mayor and Recorder are hereby authorized, empowered and directed on behalf of the Town of Spring Hill to execute said Interlocal Cooperation Agreement for the Tennessee Municipal Health Plan and to take such other steps as may be necessary to carry out and implement this (ordinance/resolution).

This (ordinance/resolution) shall become effective upon its passage, the public welfare requiring it.

Approved and adopted this 27 day of December, 1987.

Henry Jones  
Mayor

Attest.

James Quirk

INTERLOCAL COOPERATION AGREEMENT  
FOR THE TENNESSEE MUNICIPAL HEALTH PLAN

This Agreement is entered into by the undersigned political subdivision of the State of Tennessee pursuant to the Interlocal Cooperation Act, Tennessee Code Annotated, Section 12-9-101 et seq.

The political subdivision entering into this Interlocal Cooperation Agreement hereby agrees to exercise its powers, privileges, authority, and financial and administrative resources jointly with other political subdivisions in order to provide a governmental employee benefit plan for its employees. Such plan may include a method of paying for, or reimbursing the cost of, certain health and medical expenses (including but not limited to, dental, vision and hospital expenses), or life insurance, or accidental death and dismemberment insurance, or elected and appointed officials and employees, whether current or retired, of these political subdivisions, and to family members and dependents of such officials and employees.

The political subdivisions entering into this Interlocal Cooperation Agreement find and believe that operation of a separate legal entity, a Tennessee not-for-profit corporation, to provide this employee benefit plan service will allow them to hire and retain better employees by compensating them fairly through providing adequate, standard fringe benefits. This may allow each political subdivision to better compete with private employers for qualified employees. It may also allow each political subdivision, working jointly and cooperatively, to obtain these benefits with greater control, stability, and flexibility and at lower cost than may be obtained by contracting with private health and medical insurance companies. Such a legal entity will serve a public function; its establishment serves a public purpose. It is not an insurance company; it is a contracting mechanism by which political subdivisions may provide an employee benefit program including health and medical protection and benefits.

The Agreement to Establish the Tennessee Municipal Health Trust, Inc., an interlocal cooperation agreement between the Tennessee cities of Kingston and Savannah, became effective in 1984 and the corporation was created. The corporate name was changed to Tennessee Municipal Health Plan (hereinafter, the "Health Plan"). Political subdivisions who have participated in the Health Plan pursuant to the 1984 Agreement hereby ratify that Agreement, and amend it by substituting this Agreement. Any other political subdivision of the State of Tennessee may become a participant in this agreement by passage of an ordinance or resolution as may be legally appropriate. This Agreement shall exist and be of full force and effect perpetually, provided that at least two political subdivisions have not repealed, revoked, or otherwise rescinded their approval of the Agreement. This Agreement may be partially terminated by the act of any participating political subdivision in repealing, revoking or rescinding the action authorizing and effectuating its participation. Any such action shall also be in accordance with the terms of any employee benefit plan agreement between the political subdivision and the entity. This Agreement shall

only be completely terminated upon the action of all but one participating political subdivision to repeal, revoke, or rescind the action authorizing and effectuating their participation.

In order for his political subdivision to maximize the advantages of exercising its powers, privileges, authority and financial and administrative resources jointly with other political subdivisions and to effectuate this agreement, it hereby agrees to cooperate in creating, establishing and contracting with the not-for-profit Tennessee corporation to be known as the Tennessee Municipal Health Plan which is organized in substantially the form shown in Exhibit A attached hereto and incorporated herein, with the powers, purposes, and attributes therein set forth.

Subsequent to joining the Interlocal Cooperation Agreement, each political subdivision may enter into plans, agreements, or contracts with the Health Plan or the provision of any or all of the services which the Health Plan is created to provide upon such terms as are agreed upon by the political subdivision and the Health Plan, which shall include terms on the nature and scope of services to be provided, the method by which contributions, premiums, or assessments shall be levied and paid, and any other necessary terms.

The Health Plan shall be financed from contributions or premiums paid by the political subdivisions participating therein to the Health Plan, in accordance with the terms of their plans, agreements or contracts with the Health Plan. Each political subdivision participating in the Health Plan is subject to assessment if the funds paid as premiums are insufficient to meet the obligations of the Health Plan. Establishment and maintenance of a budget for the Health Plan shall be the responsibility of the Board of Directors of the Health Plan. The Health Plan shall be eligible to participate in the Local Government Reinsurance Fund of Tennessee.

Date: December 21, 1987

Town of Spring Hill  
George Jones Mayor  
City and Title

Attest:

June Quirk