EAST ROCKHILL TOWNSHIP
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE NO. 286

AN ORDINANCE AUTHORIZING THE PARTICIPATION OF EAST ROCKHILL TOWNSHIP IN THE DELAWARE VALLEY WORKERS' COMPENSATION TRUST IN ACCORDANCE WITH THE PENNSYLVANIA WORKERS' COMPENSATION ACT AND THE PENNSYLVANIA INTER-GOVERNMENTAL COOPERATION LAW.

PREAMBLE

A. A number of political subdivisions within the Commonwealth of Pennsylvania have investigated whether it would be mutually beneficial to cooperate with each other in obtaining workers' compensation insurance.

B. The Delaware Valley Workers' Compensation Trust (the "Trust") has been established for the purpose of providing workers' compensation coverage to its members.

C. The Trust is established pursuant to an intergovernmental cooperation agreement entitled the Delaware Valley Workers' Compensation Trust Intergovernmental Agreement ("the Agreement"), a copy of which is attached hereto and marked as Exhibit "A".

D. Pursuant to the provisions of Chapter 23, Subchapter A, Intergovernmental Cooperation, of the General Local Government Code, 53 Pa. C.S. §2301, et seq. ("Intergovernmental Cooperation Law"), a municipality may enter into an intergovernmental cooperation agreement upon the passage of an Ordinance by its governing body.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Township of East Rockhill Board of Supervisors as follows:

Section 1. The Board of Supervisors of the Township of East Rockhill is hereby authorized to execute the Delaware Valley Workers' Compensation Trust Agreement for the participation of the Township of East Rockhill in the Delaware Valley Workers' Compensation Trust, which Agreement is attached hereto and marked as Exhibit "A" and is on file for inspection and review at the offices of East Rockhill Township. This Agreement may be amended after the enactment of this Ordinance to conform to any requirements imposed by the Commonwealth of Pennsylvania and any of its agencies, including the Department of Labor and Industry, Bureau of Workers' Compensation.

Section 2. The participation of the Township of East Rockhill in the Delaware Valley Workers' Compensation Trust is authorized for the purpose of enabling the Township of East Rockhill to reduce the cost or workers' compensation claims through its participation in a group self-insurance fund.

Section 3. The Township of East Rockhill delegates to the Delaware Valley Workers' Compensation Trust the authority to pay workers' compensation benefits on its behalf in

accordance with the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act.

Section 4. The Commonwealth of Pennsylvania Department of Labor and Industry Bureau of Workers' Compensation has approved the issuance of a permit to the Delaware Valley Workers' Compensation Trust to operate as a group self-insurance fund subject to certain conditions.

Section 5. As an approved self-insurance fund, the Delaware Valley Workers' Compensation Trust will be responsible for the payment of workers' compensation claims on behalf of all Trust participants.

Section 6. As set forth in the Delaware Valley Workers' Compensation Trust Agreement, the following conditions, among others, apply to the participation of the Township of East Rockhill in the Delaware Valley Workers' Compensation Trust:

a) That the Trust shall consist of at least five homogeneous municipal participants organized as local government agencies under Pennsylvania law;

b) That East Rockhill Township and the other Trust participants satisfy all eligibility and admission requirements for membership in the Trust.

c) That East Rockhill Township and the other participants pledge and agree to appropriate funds to pay all their respective annual contributions and assessments which are required for the creation of a Fund maintained at a level sufficient to pay all workers' compensation claims and related expenses incurred by the Trust participants;

d) That East Rockhill Township and the other participants agree to jointly and severally assume and discharge the workers' compensation liabilities of each and every other participant in accordance with the Delaware Valley Workers' Compensation Trust Agreement when required to do so by the Department of Labor and Industry Bureau of Workers' Compensation;

e) That East Rockhill Township and the other participants will institute any and all safety regulations, loss prevention measures or risk management procedures as may be required for the purpose of minimizing or eliminating work place risks to their respective employees;

f) That East Rockhill Township and the other participants cooperate fully with the Trust's service and fiscal agents, attorneys, claims adjusters and any agents or employees of the Trust with respect to the investigation, defense and settlement of claims;

g) That East Rockhill Township and the other participants designate a person to be responsible for all contacts with the Trust;

h) That East Rockhill Township and the other participants provide any information to the Administrator or Board of Trustees as may be required to effect the purposes and objectives of the Trust; and

i) That East Rockhill Township and the other participants comply with all applicable statutes and regulations governing the payment of workers' compensation claims, including, but not limited to, the Pennsylvania Workers' Compensation Act and any regulations promulgated thereunder.

Section 7. That the Township of East Rockhill agrees to participate in the Delaware Valley Workers' Compensation Trust for a minimum period of two (2) years, subject to the terms and conditions of the Delaware Valley Workers' Compensation Trust Agreement. After the expiration of that minimum two-year period, East Rockhill Township may withdraw under the following conditions as provided in the Delaware Valley Workers' Compensation Trust Agreement:

a) An opinion is rendered by the Trust certified actuary that withdrawal will not result in the number of participants falling below the minimum required to assure the fiscal and actuarial soundness of the Trust itself;

b) That the Township of East Rockhill is not then in default of its obligation to pay premiums, contributions or assessments;

c) That the Township of East Rockhill shall pay any additional assessments as determined by the Board of Trustees in accordance with the Trust Agreement and By-Laws;

d) That the Board of Trustees shall have received a certification from the Trust actuary that the withdrawal of the Township will not impair the actuarial soundness of the Trust and, if any municipal debt has been incurred by the participants to finance any portion of the Trust reserves, an opinion is obtained from bond counsel that such withdrawal will not adversely affect the tax-exempt status of any interest paid and any debt incurred by the participants, or any legal entity created for the purpose of incurring such debt. As used herein, the term "debt" includes any municipal bonds, certificate, letters of credit or other instruments of municipal indebtedness.

Section 8. The organizational structure of the Trust shall consist of a Board of Trustees, an Administrator, a claims administrator/loss control consultant and various service agents appointed by the Board of Trustees in accordance with the Delaware Valley Workers' Compensation Trust Agreement and any By-Laws adopted pursuant thereto.

Section 9. As set forth in the Delaware Valley Workers' Compensation Trust Agreement, the funds required for the creation and operation of the Trust shall be provided by the participating municipalities through annual appropriations.

Section 10. The Delaware Valley Workers' Compensation Trust is empowered to enter into contracts for policies of group insurance and employee benefits, including social security, for any of its employees.

Section 11. That the participation of the Township of East Rockhill in the Delaware Valley Workers' Compensation Trust will be effective by January 1, 2017 or thereafter, as approved by the Board of Trustees.

Section 12. All contributions and assessments paid by the Township of East Rockhill shall be made with funds appropriated by the Township for that purpose.

Section 13. As a condition of participating in the Delaware Valley Workers' Compensation Trust, the Township of East Rockhill agrees to:

a) Pay all annual contributions and assessments as may be required by the Board of Trustees;

b) Appoint a representative to sit on the Board of Trustees and designate a contact person for the purpose of communicating with the Trust or its representatives;

c) Not withdraw from the Trust for a period of two (2) years following its admission to the Trust, subject to the terms and conditions of the Delaware Valley Workers' Compensation Trust Agreement;

d) Withdraw from the Trust only upon satisfaction of the conditions set forth in the Delaware Valley Workers' Compensation Trust Agreement;

e) Perform all covenants contained in the Delaware Valley Workers' Compensation Trust Agreement and delegate to the Board of Trustees the powers and authorities enumerated in that Agreement;

f) Comply with all the conditions set forth in the Delaware Valley Workers' Compensation Trust Agreement governing the handling and payment of claims, including the defense and settlement thereof;

g) Appropriate the funds needed to pay all contributions and assessments as may be required by the Board of Trustees in accordance with the Delaware Valley Workers' Compensation Trust Agreement;

h) Cooperate with the Trust, its agents or employees and provide the Trust with all information it needs for the operation of the Trust, including any underwriting or claims data which it may be requested by the Board of Trustees or their designee.

Section 14. This Ordinance is being enacted pursuant to the Pennsylvania Second Class Township Code and the Pennsylvania Intergovernmental Cooperation Law.

Section 15. All ordinances or resolutions or any part thereof, insofar as they are inconsistent with this Ordinance, are hereby repealed.

Section 16. The provisions of this Ordinance are severable, and if any section, sentence, clause, part or provision herein shall be held illegal, invalid or unconstitutional by any Court of competent jurisdiction, such decision of the Court shall not effect or impair the remaining sections, sentences, clauses, parts or provisions of the Ordinance. It is hereby declared to be the intent of the Township that this Ordinance would have been adopted as if such illegal, invalid or unconstitutional section, sentence, clause, part or provision had not been included herein.

Section 17. Nothing in this Ordinance shall be construed to effect any suit or proceeding pending in any court, or any rights acquired or liability incurred, or any claim or causes of action existing prior to enactment of this Ordinance.

ENACTED and ***ORDAINED*** this 13th day of December, 2016.

EAST ROCKHILL TOWNSHIP
BOARD OF SUPERVISORS

David R. Nyman

Gary W. Volovnik

James C. Nietupski

Attest: _____
Marianne Morano, Manager/Secretary