

LOWER PROVIDENCE TOWNSHIP
Montgomery County, Pennsylvania

ORDINANCE NO. 645

AN ORDINANCE OF THE TOWNSHIP OF LOWER PROVIDENCE, MONTGOMERY COUNTY, PENNSYLVANIA, AUTHORIZING LOWER PROVIDENCE TOWNSHIP'S WITHDRAWAL FROM THE SUSQUEHANNA MUNICIPAL TRUST AND ITS PARTICIPATION IN THE DELAWARE VALLEY WORKERS' COMPENSATION TRUST IN ACCORDANCE WITH THE PENNSYLVANIA WORKERS' COMPENSATION ACT AND THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION LAW.

WHEREAS, Lower Providence Township enacted Ordinance No. 614 on November 21, 2013 authorizing Lower Providence Township to join as a member of the Susquehanna Municipal Trust ("Susquehanna") and execute an Intergovernmental Agreement for such membership; and

WHEREAS, Lower Providence Township desires to withdraw from Susquehanna and join the Delaware Valley Workers' Compensation Trust ("DVWCT") for the purpose of enabling Lower Providence Township to reduce the cost of worker's compensation claims; and

WHEREAS, in joining the DVWCT, Lower Providence Township shall delegate to the DVWCT the authority to pay workers' compensation benefits on its behalf in accordance with the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act; and

WHEREAS, the Commonwealth of Pennsylvania Department of Labor and Industry Bureau of Workers' Compensation has approved the issuance of a permit to the DVWCT to operate as a group self-insurance fund subject to certain conditions; and

WHEREAS, Lower Providence Township has satisfied the ninety (90) day notice requirement to withdraw from Susquehanna, and has posted the proper security for said withdrawal in accordance with its Intergovernmental Agreement with Susquehanna; and

WHEREAS, Lower Providence Township intends to withdraw from Susquehanna and pursuant to the Pennsylvania Workers' Compensation Act, 77 P.S. §1 et seq., as amended and the Pennsylvania Intergovernmental Cooperation Law, 53 Pa.C.S.A. §2301, et seq., Lower Providence Township intends to execute the DVWCT Agreement for its participation in the DVWCT.

NOW, THEREFORE, it is hereby **ENACTED and ORDAINED** by the Board of Supervisors of Lower Providence Township as follows:

SECTION I.

Ordinance No. 614 enacted by the Lower Providence Township Board of Supervisors on November 21, 2013 is hereby repealed in its entirety terminating Lower Providence Township's Intergovernmental Agreement with the Susquehanna Municipal Trust.

SECTION II.

Lower Providence Township is hereby authorized to enter into an Intergovernmental Agreement with the DVWCT to delegate to the DVWCT the authority to pay workers' compensation benefits on its behalf in accordance with the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act as part of group self-insurance fund. A true and correct copy of the Intergovernmental Agreement, which is adopted hereby, is attached hereto and incorporated herein as ***Exhibit "A"*** and is on file for inspection and review at the Lower Providence Township Building located at 110 Parklane Road, Eagleville, 19403.

SECTION III.

- A. As set forth in the DVWCT Agreement, the following conditions, among others, apply to Lower Providence Township as a participant in the DVWCT:
- (1) The Trust shall consist of at least (5) five homogeneous municipal participants organized as local government agencies under Pennsylvania law;
 - (2) Each participant shall satisfy all eligibility and admission requirements for membership in the Trust;
 - (3) Each participant shall pledge and agree to appropriate funds to pay all its 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;
 - (4) Each participant agrees to jointly and severally assume and discharge the workers' compensation liabilities of each and every other participant in accordance with the DVWCT Agreement when required to do so by the Department of Labor and Industry Bureau of Workers' Compensation;
 - (5) Each participant 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 its employees;
 - (6) Each participant shall 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;
 - (7) Each participant shall designate a person to be responsible for all contacts with the Trust;

- (8) Each participant shall provide any information to the Administrator or Board of Trustees as may be required to effect the purposes and objectives of the Trust; and
 - (9) Each participant shall 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.
- B. Lower Providence Township agrees to participate in the DVWCT for a minimum period of two (2) years, subject to the terms and conditions of the DVWCT Agreement. After the expiration of that minimum two-year period, each participant may withdraw under the following conditions as provided in the DVWCT Agreement:
- (1) 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;
 - (2) The withdrawing participant is not then in default of its obligation to pay premiums, contributions or assessments;
 - (3) The withdrawing participant shall pay any additional assessments as determined by the Board of Trustees in accordance with the Trust Agreement and By-Laws; and
 - (4) The Board of Trustees shall have received a certification from the Trust actuary that the withdrawal of the participant 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.
- C. 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 DVWCT Agreement and any By-Laws adopted pursuant thereto.

- D. As set forth in the DVWCT Agreement, the funds required for the creation and operation of the Trust shall be provided by the participating municipalities through annual appropriations.
- E. The DVWCT is empowered to enter into contracts for policies of group insurance and employee benefits, including social security, for any of its employees.
- F. The participation of Lower Providence Township in the DVWCT will be effective by January 1, 2018 or thereafter, as approved by the Board of Trustees.
- G. All contributions and assessments paid by Lower Providence Township shall be made with funds appropriated by Lower Providence Township for that purpose.
- H. As a condition of participating in the DVWCT, Lower Providence Township agrees to:
 - (1) Pay all annual contributions and assessments as may be required by the Board of Trustees;
 - (2) 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;
 - (3) 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 DVWCT Agreement;
 - (4) Withdraw from the Trust only upon satisfaction of the conditions set forth in the DVWCT Agreement;
 - (5) Perform all covenants contained in the DVWCT Agreement and delegate to the Board of Trustees the powers and authorities enumerated in that Agreement;
 - (6) Comply with all the conditions set forth in the DVWCT Agreement governing the handling and payment of claims, including the defense and settlement thereof;
 - (7) Appropriate the funds needed to pay all contributions and assessments as may be required by the Board of Trustees in accordance with the DVWCT Agreement;
 - (8) 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 IV. Repealer

All ordinances or parts of ordinances which are inconsistent herewith are hereby repealed.

SECTION V. **Severability**


If any section, paragraph, subsection, clause or provision of this Ordinance shall be declared invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of this Ordinance as a whole or any part thereof other than that portion specifically declared invalid.

SECTION VI. **Effective Date**


This Ordinance shall become effective five (5) days after final enactment.

ENACTED and *ORDAINED* this 16th day of November, 2017.

**LOWER PROVIDENCE TOWNSHIP
BOARD OF SUPERVISORS**

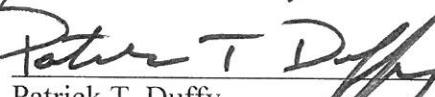

Colleen Eckman, Chair

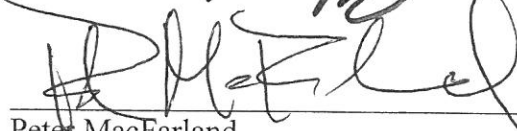
ATTEST:


Don D. Delamater, Township Manager




Jason Sorgini, Vice Chair


Patrick T. Duffy


Peter MacFarland


Jim Zimmerman