

EAST NORRITON TOWNSHIP  
MONTGOMERY COUNTY, PENNSYLVANIA

ORDINANCE NO. 300

AN ORDINANCE AUTHORIZING THE PARTICIPATION OF EAST NORRITON TOWNSHIP IN THE DELAWARE VALLEY WORKERS COMPENSATION TRUST IN ACCORDANCE WITH THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION LAW AND THE PENNSYLVANIA POLITICAL SUBDIVISION TORT CLAIMS ACT.

The Board of Supervisors of East Norriton Township, Montgomery County, Pennsylvania does hereby enact and ordain:

SECTION 1.

That the Board of Supervisors of East Norriton Township is hereby authorized to execute the Delaware Workers Compensation Intergovernmental Agreement for the participation of East Norriton Township in the Delaware Valley Workers Compensation Trust, which Agreement shall be substantially in form as attached hereto as Exhibit "A". The Agreement is on file for inspection and review at the offices of East Norriton Township, Pennsylvania. This Agreement may be modified after the enactment of this Ordinance to conform to any requirements imposed by the Commonwealth of Pennsylvania Department of Labor and Industry Bureau of Workers' Compensation.

SECTION 2.

That the participation of East Norriton Township in the Delaware Valley Workers Compensation Trust is authorized for the purposes of enabling East Norriton Township to obtain a self-insurance exemption for the payment of workers compensation claims from the Pennsylvania Department of Labor and Industry pursuant to 77 P.S. Section 501 in an effort to ultimately reduce the cost of workers' compensation claims through the creation of a joint fund to be used for the payment of workers' compensation claims on behalf of all participants in the Delaware Valley Workers Compensation Trust.

SECTION 3.

As set forth in the Delaware Valley Workers Compensation Intergovernmental Agreement, the following conditions, among others, apply to the participation of East Norriton in the Delaware Valley Workers Compensation Trust:

1. That each participating municipality meets the admission and eligibility requirements set forth therein;

2. That each participating municipality agrees to pay all annual contributions and any assessments which are required for the creation of the General Operating and Restricted Surplus Funds created pursuant to the Delaware Valley Workers Compensation Intergovernmental Agreement;

3. That each participating municipality use its best efforts to provide appropriations for the payment of any contributions or assessments required by the Trust for the payment of workers compensation benefits;

4. That each participating municipality institute any and all loss prevention measures or risk management procedures as may be required for the purpose of minimizing or eliminating risks to its employees which could contribute to losses;

5. That each participating municipality cooperate fully with the Trust's service and fiscal agents, attorneys, claims adjusters and any other agents or employees of the Trust with respect to the investigation, defense and settlement of claims;

6. That each participating municipality designate a contact person to be responsible for all contacts with the Trust;

7. That each participating municipality provide any information to the Administrator or Board of Trustees as may be required to effect the purposes and objectives of the Trust;

8. That each participating municipality comply with all applicable statutes and regulations governing the payment of workers compensation claims, including, but not limited to, the Pennsylvania Workmen's Compensation Act.

#### SECTION 4.

That the participation of East Norriton Township in the Delaware Valley Workers Compensation Trust will not be effective unless and until it is granted a self-insurance exemption for the payment of workers compensation claims by the Pennsylvania Department of Labor and Industry pursuant to 77 P.S. Section 501 and any regulations promulgated thereunder.

#### SECTION 5.

That East Norriton Township agrees to participate in the Trust for a minimum period of two (2) years, subject to the requirement that it continue to retain a self-insurance exemption for the payment of workers compensation claims from the Pennsylvania Department of Labor and Industry. After the expiration of

that minimum two (2) year period, each participating municipality may withdraw under the following conditions, subject to the right of arbitration as provided in the Delaware Valley Workers Compensation Intergovernmental Agreement:

1. An opinion is rendered by the Trust certified actuary that such 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. That the withdrawing municipality is not then in default of its obligation to pay premiums, contributions or assessments;

3. That the withdrawing municipality shall pay the full amount of a Termination Contribution, as determined by the Board of Trustees in accordance with the Delaware Valley Workers Compensation Intergovernmental Agreement and any By-Laws adopted by the Participants pursuant to that Agreement; and

4. That the Board of Trustees shall have received a certification from the Trust Actuary that the withdrawal of the municipality will not reduce 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 participating municipalities, or any legal entity created for the purpose of incurring such debt. As used herein, the term "debt" includes any municipal bonds, certificates, letters of credit or other instruments of municipal indebtedness.

#### SECTION 6.

The effective date of the participating of East Norriton Township in the Delaware Valley Workers Compensation Trust will be January 1, 1992 provided that a self-insurance exemption for the payment of workers compensation claims is obtained by it from the Pennsylvania Department of Labor and Industry before that date.

#### SECTION 7.

Each participating municipality delegates to the Board of Trustees of the Delaware Valley Workers Compensation Trust the powers enumerated in the Intergovernmental Agreement, including the right to expel participants under certain conditions.

SECTION 8.

All contributions and assessments paid by East Norriton Township shall be made with funds appropriated by East Norriton Township for that purpose.

SECTION 9.

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

SECTION 10.

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

SECTION 11.

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 12.

As a condition of participating in the Delaware Valley Workers Compensation Trust, East Norriton Township will agree to:

1. Pay all annual contributions or 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. Agree not to withdraw from the Trust for a period of two (2) years following its admission to the Trust, provided that it maintains a self-insurance exemption for the payment of workers compensation benefits from the Pennsylvania Department of Labor and Industry;

4. Withdraw from the Trust only upon satisfaction of the conditions set forth in the Delaware Valley Workers Compensation Intergovernmental Agreement;

5. Perform all covenants contained in the Delaware Valley Workers Compensation Intergovernmental 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 Delaware Valley Workers Compensation Intergovernmental 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 Delaware Valley Workers Compensation Intergovernmental 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 may be requested by the Board of Trustees or their designee.

SECTION 13.

Nothing contained in this Ordinance shall be deemed to expand or in any manner modify the Township's obligations or responsibilities under the Agreement and nothing contained in this Ordinance shall be deemed to confer any rights to any persons or parties in excess of those contained in the Agreement.

SECTION 14

This Ordinance is being enacted pursuant to Title 53 Pennsylvania Consolidated Statutes Annotated, Section 65741.

ENACTED AND ORDAINED by the Board of Supervisors of East Norriton Township, Montgomery County, Pennsylvania this 28<sup>th</sup> day of May, 1991.

BOARD OF SUPERVISORS  
OF EAST NORRITON TOWNSHIP

By: John W. White  
Chairman

ATTEST:  
Helmut J. Barwald  
Secretary