

**TREASURER'S REPORT
AND OTHER MONTHLY REPORTS**

FEBRUARY 2017

1. Treasurer's Report
2. Planning, Zoning, Parks & Grants Report
3. Permit Activity Report
4. Public Works Department Report
5. Fire Marshal Report
6. Township Engineer Report
7. Worcester Volunteer Fire Department Report
8. Pennsylvania State Police Report

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Revenue Account	Description	Prior Yr Rev	Anticipated	Current Rev	YTD Revenue	Cancel	Excess/Deficit	% Real
Revenue Account Range: First Expend Account Range: First Print Zero YTD Activity: No								
		to Last	Include Non-Anticipated: No		Year To Date As Of: 02/28/17			
		to Last	Include Non-Budget: No		Current Period: 02/01/17 to 02/28/17			
					Prior Year As Of: 02/28/17			
001-301-100-000	Property Taxes- Current	46,361.79	47,200.00	2,351.63	2,828.78	0.00	44,371.22-	6
001-301-500-000	Property Taxes- Liened	594.30	770.00	21.72	31.75	0.00	738.25-	4
001-301-600-000	Property Taxes- Interim	255.86	260.00	3.48	62.15	0.00	197.85-	24
	Segment 3 Total	47,211.95	48,230.00	2,376.83	2,922.68	0.00	45,307.32-	6
001-310-010-000	Per Capita Taxes- Current	4,628.78	4,755.00	27.50	64.58	0.00	4,690.42-	1
001-310-030-000	Per Capita Taxes- Delinquent	904.72	1,010.00	60.50	84.70	0.00	925.30-	8
001-310-100-000	Real Estate Transfer Taxes	327,124.66	245,000.00	15,398.22	54,181.72	0.00	190,818.28-	22
001-310-210-000	Earned Income Taxes	2,625,725.54	2,535,000.00	476,279.87	558,563.52	0.00	1,976,436.48-	22
001-310-220-000	Earned Income Taxes- Prior Year	0.00	100.00	0.00	0.00	0.00	100.00-	0
*001-310-900-000	Impact Fees	32,038.40	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	2,990,422.10	2,785,865.00	491,766.09	612,894.52	0.00	2,172,970.48-	22
001-321-800-000	Franchise Fees	229,986.84	220,000.00	59,298.36	59,298.36	0.00	160,701.64-	27
	Segment 3 Total	229,986.84	220,000.00	59,298.36	59,298.36	0.00	160,701.64-	27
001-322-820-000	Road Opening Permits	400.00	500.00	50.00	150.00	0.00	350.00-	30
001-322-900-000	Sign Permits	122.15	250.00	0.00	0.00	0.00	250.00-	0
001-322-910-000	Yard Sale Permits	200.00	140.00	0.00	0.00	0.00	140.00-	0
001-322-920-000	Solicitation Permits	900.00	250.00	0.00	300.00	0.00	50.00	120
	Segment 3 Total	1,622.15	1,140.00	50.00	450.00	0.00	690.00-	39
001-331-120-000	Ordinance Violations	1,713.73	1,000.00	21.55	639.60	0.00	360.40-	64
	Segment 3 Total	1,713.73	1,000.00	21.55	639.60	0.00	360.40-	64
001-341-000-000	Interest Earnings	41,068.43	1,000.00	1,393.50	4,942.47	0.00	3,942.47	494
	Segment 3 Total	41,068.43	1,000.00	1,393.50	4,942.47	0.00	3,942.47	494
001-342-000-000	Rents & Royalties	15,311.00	17,681.00	2,050.00	3,550.00	0.00	14,131.00-	20
001-342-120-000	Cell Tower Rental	127,683.05	140,632.32	14,179.26	24,796.48	0.00	115,835.84-	18

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	Segment 3 Total	142,994.05	158,313.32	16,229.26	28,346.48	0.00	129,966.84-	18
001-354-090-000	Grants	0.00	4,275.00	0.00	0.00	0.00	4,275.00-	0
	Segment 3 Total	0.00	4,275.00	0.00	0.00	0.00	4,275.00-	0
001-355-010-000	Public Utility Realty Tax	2,823.49	2,823.00	0.00	0.00	0.00	2,823.00-	0
001-355-040-000	Alcohol License Fees	800.00	1,000.00	0.00	0.00	0.00	1,000.00-	0
001-355-050-000	Foreign Casualty- State Aid	56,870.40	56,870.32	0.00	0.00	0.00	56,870.32-	0
001-355-070-000	Foreign Fire	101,086.86	101,086.86	0.00	0.00	0.00	101,086.86-	0
	Segment 3 Total	161,580.75	161,780.18	0.00	0.00	0.00	161,780.18-	0
*001-357-080-000	Tennis Court Grant	8,822.00	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	8,822.00	0.00	0.00	0.00	0.00	0.00	0
001-361-300-000	Land Development Fees	7,850.00	2,250.00	1,000.00	1,000.00	0.00	1,250.00-	44
001-361-330-000	Conditional Use Fees	0.00	2,350.00	0.00	0.00	0.00	2,350.00-	0
001-361-340-000	Zoning Hearing Board Fees	9,250.00	5,300.00	1,600.00	2,400.00	0.00	2,900.00-	45
001-361-350-000	Zoning Amendment Fees	0.00	1,350.00	0.00	0.00	0.00	1,350.00-	0
001-361-500-000	Map And Publication Sales	49.66	50.00	0.00	50.00	0.00	0.00	100
	Segment 3 Total	17,149.66	11,300.00	2,600.00	3,450.00	0.00	7,850.00-	31
001-362-410-000	Building Permit Fees	166,141.61	120,000.00	11,595.60	14,683.70	0.00	105,316.30-	12
001-362-420-000	Zoning Permit Fees	13,892.50	8,500.00	685.00	960.00	0.00	7,540.00-	11
001-362-450-000	Commercial U&O Fees	775.00	500.00	0.00	0.00	0.00	500.00-	0
001-362-460-000	Driveway Permit Fees	490.00	195.00	110.00	110.00	0.00	85.00-	56
	Segment 3 Total	181,299.11	129,195.00	12,390.60	15,753.70	0.00	113,441.30-	12
*001-367-342-000	Park Cell Tower Rental	20,863.62	0.00	0.00	0.00	0.00	0.00	0
001-367-400-000	PRPS Ticket Sales	5,695.95	8,000.00	1,259.00	2,203.00	0.00	5,797.00-	28
001-367-408-000	Sports & Lesson Fees	20,528.00	23,000.00	0.00	0.00	0.00	23,000.00-	0
001-367-409-000	Park Trips	9,114.89	7,000.00	0.00	0.00	0.00	7,000.00-	0
001-367-420-000	Park Miscellaneous	8,289.16	4,900.00	4,921.62	13,821.62	0.00	8,921.62	282
	Segment 3 Total	64,491.62	42,900.00	6,180.62	16,024.62	0.00	26,875.38-	37

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Revenue Account	Description	Prior Yr Rev	Anticipated	Current Rev	YTD Revenue	Cancel	Excess/Deficit	% Real
001-381-000-000	Miscellaneous Income	27,824.98	8,160.00	12.67	29,871.95	0.00	21,711.95	366
001-381-001-000	Service Charge Fees	0.00	1,200.00	25.52	49.97	0.00	1,150.03-	4
	Segment 3 Total	27,824.98	9,360.00	38.19	29,921.92	0.00	20,561.92	320
001-383-200-000	Escrow Administration	800.00	800.00	0.00	0.00	0.00	800.00-	0
	Segment 3 Total	800.00	800.00	0.00	0.00	0.00	800.00-	0
001-392-300-000	Transfer From Capital Fund	383,872.00	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	383,872.00	0.00	0.00	0.00	0.00	0.00	0
001-395-000-000	Refund of Prior Year Expenditures	159.95	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	159.95	0.00	0.00	0.00	0.00	0.00	0
	Fund 001 Revenue Total	4,301,019.32	3,575,158.50	592,345.00	774,644.35	0.00	2,800,514.15-	22

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
001-400-000-000	LEGISLATIVE BODY:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-400-110-000	Legislative- Payroll	7,560.00	7,500.00	630.00	1,260.00	0.00	6,240.00	17
001-400-150-000	Legislative- Benefits	65,708.76	68,917.14	5,639.60	11,279.20	0.00	57,637.94	16
001-400-312-000	Legislative- Consultant Services	40,797.00	26,100.00	4,000.00	4,000.00	0.00	22,100.00	15
001-400-337-000	Legislative- Mileage Reimbursement	311.04	500.00	0.00	0.00	0.00	500.00	0
001-400-420-000	Legislative- Dues & Subscriptions	3,249.00	5,950.00	98.00	98.00	0.00	5,852.00	2
001-400-460-000	Legislative- Meetings & Seminars	4,118.67	4,725.00	1,610.00	1,610.00	0.00	3,115.00	34
	Segment 3 Total	121,744.47	113,692.14	11,977.60	18,247.20	0.00	95,444.94	16
001-401-000-000	MANAGER:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-401-120-000	Management- Payroll	77,975.74	139,050.00	10,384.62	20,769.24	0.00	118,280.76	15
001-401-150-000	Management- Benefits	45,609.88	68,868.99	5,699.94	11,200.48	0.00	57,668.51	16
001-401-312-000	Management- Consultant Services	3,164.58	5,000.00	0.00	0.00	0.00	5,000.00	0
001-401-321-000	Management- Mobile Phone	600.00	600.00	50.00	100.00	0.00	500.00	17
001-401-337-000	Management- Mileage Reimbursement	4,800.00	4,800.00	400.00	800.00	0.00	4,000.00	17
001-401-460-000	Management- Meetings & Seminars	842.06	2,350.00	68.00	68.00	0.00	2,282.00	3

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Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
	Segment 3 Total	132,992.26	220,668.99	16,602.56	32,937.72	0.00	187,731.27	15
001-402-000-000	FINANCIAL ADMINISTRATION:							
001-402-120-000	Finance- Payroll	0.00	0.00	0.00	0.00	0.00	0.00	0
001-402-150-000	Finance- Benefits	53,416.39	63,375.90	4,921.70	9,748.75	0.00	53,627.15	15
001-402-321-000	Finance- Mobile Phone	30,629.71	28,436.27	2,074.68	3,909.02	0.00	24,527.25	14
001-402-337-000	Finance- Mileage Reimbursement	18.94	300.00	25.00	50.00	0.00	250.00	17
001-402-460-000	Finance- Meeting & Seminars	219.60	300.00	0.00	0.00	0.00	300.00	0
	Segment 3 Total	84,551.58	93,712.17	7,021.38	13,707.77	0.00	80,004.40	15
001-403-000-000	TAX COLLECTION:							
001-403-110-000	Tax Collection- Payroll	0.00	0.00	0.00	0.00	0.00	0.00	0
001-403-150-000	Tax Collection- Benefits	2,383.42	2,411.50	0.00	0.00	0.00	2,411.50	0
001-403-210-000	Tax Collection- Office Supplies	182.33	184.72	75.60	75.60	0.00	109.12	41
001-403-310-000	Tax Collection- Professional Services	5,074.84	4,740.00	0.00	0.00	0.00	4,740.00	0
	Segment 3 Total	32,483.31	32,956.30	6,109.43	7,111.49	0.00	25,844.81	22
001-404-000-000	LEGAL SERVICES:							
001-404-310-000	Legal- General Services	40,123.90	40,292.52	6,185.03	7,187.09	0.00	33,105.43	18
001-404-320-000	Legal- RTK Services	0.00	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	62,565.78	69,000.00	3,563.00	3,563.00	0.00	65,437.00	5
001-405-000-000	CLERICAL:							
001-405-140-000	Clerical- Payroll	113,188.40	81,000.00	3,843.00	3,843.00	0.00	77,157.00	5
001-405-150-000	Clerical- Benefits	68,082.02	80,150.48	5,114.78	10,093.27	0.00	70,057.21	13
001-405-210-000	Clerical- Office Supplies	50,870.20	31,475.85	2,019.40	3,866.64	0.00	27,609.21	12
001-405-310-000	Clerical- Telephone	5,313.03	7,900.00	293.52	293.52	0.00	7,606.48	4
001-405-325-000	Postage	13,664.05	14,850.00	1,073.20	2,166.19	0.00	12,683.81	15
001-405-337-000	Clerical- Mileage Reimbursement	5,646.61	5,085.00	239.52	449.25	0.00	4,635.75	9
001-405-340-000	Clerical- Advertising	4,822.21	4,181.00	0.46	0.92	0.00	4,181.92	0
001-405-460-000	Clerical- Meetings & Seminars	132.19	240.00	0.00	0.00	0.00	240.00	0
001-405-465-000	Computer Expense	3,779.03	9,000.00	971.73	1,067.94	0.00	7,932.06	12
001-405-470-000	Clerical- Other Expense	2,698.60	5,150.00	0.00	0.00	0.00	5,150.00	0
	Segment 3 Total	190,225.72	200,361.33	11,077.13	21,195.47	0.00	179,165.86	11

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Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
001-408-000-000	ENGINEERING SERVICES:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-408-310-000	Engineering Services	30,439.42	41,500.00	1,321.84	1,321.84	0.00	40,178.16	3
	Segment 3 Total	30,439.42	41,500.00	1,321.84	1,321.84	0.00	40,178.16	3
001-409-000-000	GOVERNMENT BUILDINGS & PLANT:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-409-136-000	Administration- Utilities	8,321.08	10,260.00	513.53	894.84	0.00	9,365.16	9
001-409-137-000	Administration- Maintenance & Repairs	18,920.69	16,779.00	641.40	1,251.60	0.00	15,527.40	7
001-409-142-000	Administration- Alarm Service	2,470.44	3,612.00	173.00	346.00	0.00	3,266.00	10
001-409-147-000	Administration- Other Expenses	1,372.01	2,400.00	48.44	48.44	0.00	2,351.56	2
001-409-236-000	Garage- Utilities	10,046.71	12,420.00	1,128.23	1,612.63	0.00	10,807.37	13
001-409-237-000	Garage- Maintenance & Repairs	9,682.37	9,464.40	451.90	891.15	0.00	8,573.25	9
001-409-242-000	Garage- Alarm Service	1,002.96	1,416.00	45.00	90.00	0.00	1,326.00	6
001-409-247-000	Garage- Other Expenses	1.70	1,500.00	30.46	30.46	0.00	1,469.54	2
001-409-373-000	Preserve Farmhouse	15,403.09	0.00	0.00	0.00	0.00	0.00	0
001-409-436-000	Community Hall- Utilities	3,446.21	5,340.00	114.76	531.43	0.00	4,808.57	10
001-409-437-000	Community Hall- Maintenance & Repairs	5,446.48	5,172.00	353.79	565.79	0.00	4,606.21	11
001-409-447-000	Community Hall- Other Expenses	425.52	600.00	0.00	0.00	0.00	600.00	0
001-409-536-000	Historical Bldg- Utilities	2,858.42	3,829.00	316.55	350.34	0.00	3,478.66	9
001-409-537-000	Historical Bldg- Maintenance & Repairs	2,664.32	1,699.92	0.00	0.00	0.00	1,699.92	0
001-409-636-000	Hollow Rd Rental- Utilities	104.32	250.00	0.00	62.41	0.00	312.41	25
001-409-637-000	Hollow Rd Rental- Maintenance & Repairs	2,105.51	4,080.00	2,850.00	2,850.00	0.00	1,230.00	70
001-409-737-000	Springhouse- Maintenance & Repairs	350.00	1,000.00	0.00	0.00	0.00	1,000.00	0
	Segment 3 Total	53,815.65	79,822.32	6,033.96	9,400.27	0.00	70,422.05	12
001-411-000-000	FIRE:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-411-380-000	Fire Protection- Hydrant Rentals	39,436.59	25,398.00	806.65	806.65	0.00	24,591.35	3
001-411-540-000	Fire Protection- WFFD Contributions	301,286.86	316,036.86	206,250.00	206,250.00	0.00	109,786.86	65
	Segment 3 Total	340,723.45	341,434.86	207,056.65	207,056.65	0.00	134,378.21	61
001-413-000-000	UCC & CODE ENFORCEMENT:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-413-110-000	Fire Marshal- Payroll	4,632.00	9,640.80	455.60	955.86	0.00	8,684.94	10
001-413-110-150	Fire Marshal- Benefits	450.69	942.48	38.72	81.24	0.00	861.24	9
001-413-140-000	Code Enforcement- Payroll	103,810.18	43,775.00	3,320.00	6,595.50	0.00	37,179.50	15
001-413-150-000	Code Enforcement- Benefits	46,165.21	26,773.33	1,875.05	3,573.99	0.00	23,199.34	13
001-413-210-000	Code Enforcement- Supplies	2,472.50	7,855.00	2,949.03	2,949.03	0.00	4,905.97	38
001-413-312-000	Code Enforcement- Consultant Services	69,796.00	77,880.00	2,108.00	2,108.00	0.00	75,772.00	3

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001-413-337-000	Code Enforcement- Mileage Reimbursement	615.60	660.00	0.00	0.00	0.00	660.00	0
001-413-460-000	Code Enforcement- Meetings & Seminars	312.50	1,000.00	25.00	25.00	0.00	975.00	2
	Segment 3 Total	228,254.68	168,526.61	10,771.40	16,288.62	0.00	152,237.99	10
001-414-000-000	PLANNING & ZONING:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-414-140-000	Zoning- Payroll	1,200.00	1,600.00	0.00	200.00	0.00	1,400.00	12
001-414-150-000	Zoning- Benefits	91.92	122.56	0.00	15.32	0.00	107.24	12
001-414-310-000	Zoning- Professional Services	2,938.50	2,700.00	0.00	0.00	0.00	2,700.00	0
001-414-313-000	Zoning- Engineering	3,640.28	1,500.00	0.00	0.00	0.00	1,500.00	0
001-414-314-000	Zoning- Legal	11,648.00	10,800.00	3,800.00	3,800.00	0.00	7,000.00	35
001-414-315-000	Zoning- Conditional Use	84,638.16	4,500.00	32.00	32.00	0.00	4,468.00	1
001-414-341-000	Zoning- Advertisement	2,591.20	2,750.00	0.00	0.00	0.00	2,750.00	0
001-414-460-000	Zoning- Meetings & Seminars	62.82	200.00	0.00	0.00	0.00	200.00	0
	Segment 3 Total	106,810.88	24,172.56	3,832.00	4,047.32	0.00	20,125.24	17
001-419-000-000	OTHER PUBLIC SAFETY:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-419-242-000	PA One Call	2,013.40	3,840.00	233.47	233.47	0.00	3,606.53	6
	Segment 3 Total	2,013.40	3,840.00	233.47	233.47	0.00	3,606.53	6
001-430-000-000	PUBLIC WORKS - ADMIN:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-430-140-000	Public Works- Payroll	356,850.36	396,706.44	27,142.89	55,488.25	0.00	341,218.19	14
001-430-150-000	Public Works- Benefits	165,190.98	172,336.31	10,924.68	21,171.25	0.00	151,165.06	12
001-430-238-000	Public Works- Uniforms	6,857.01	9,397.00	415.20	622.80	0.00	8,774.20	7
001-430-326-000	Public Works- Mobile phones	2,625.17	1,260.00	92.73	92.73	0.00	1,167.27	7
001-430-460-000	Public Works- Meetings & Seminars	1,841.27	3,100.00	190.00	190.00	0.00	2,910.00	6
001-430-470-000	Public Works- Other Expenses	3,116.23	2,540.00	40.00	40.00	0.00	2,500.00	2
	Segment 3 Total	536,481.02	585,339.75	38,805.50	77,605.03	0.00	507,734.72	13
001-432-000-000	WINTER MAINTENANCE- SNOW REMOVAL:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-432-200-000	Snow Removal- Materials	0.00	44,268.75	2,801.46	2,801.46	0.00	41,467.29	6
001-432-450-000	Snow Removal- Contractor	0.00	15,000.00	0.00	0.00	0.00	15,000.00	0
	Segment 3 Total	0.00	59,268.75	2,801.46	2,801.46	0.00	56,467.29	5
001-433-000-000	TRAFFIC CONTROL DEVICES:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-433-313-000	Traffic Signal- Engineering	5,690.41	6,500.00	0.00	0.00	0.00	6,500.00	0

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
001-433-361-000	Traffic signal- Electricity	3,831.53	3,240.00	262.32	262.32	0.00	2,977.68	8
001-433-374-000	Traffic signal- Maintenance	20,095.06	18,050.00	1,636.80	1,636.80	0.00	16,413.20	9
	Segment 3 Total	29,617.00	27,790.00	1,899.12	1,899.12	0.00	25,890.88	7
001-437-000-000	REPAIRS OF TOOLS AND MACHINERY:							
001-437-250-000	Machinery & Tools- Vehicle Maintenance	37,776.67	83,064.00	3,246.86	3,571.49	0.00	79,492.51	4
001-437-260-000	Machinery & Tools- Small Tools	7,342.17	6,850.00	1,278.75	1,278.75	0.00	5,571.25	19
001-437-370-000	Machinery & Tools- Small Tool Repairs	384.67	500.00	0.00	0.00	0.00	500.00	0
	Segment 3 Total	45,503.51	90,414.00	4,525.61	4,850.24	0.00	85,563.76	5
001-438-000-000	ROADS & BRIDGES:							
001-438-231-000	Gasoline	3,989.08	5,267.00	355.72	355.72	0.00	4,911.28	7
001-438-232-000	Diesel Fuel	12,255.29	22,330.00	876.52	1,002.93	0.00	21,327.07	4
001-438-242-000	Road Signs	3,378.04	3,200.00	0.00	0.00	0.00	3,200.00	0
001-438-245-000	Road Supplies	14,995.64	35,900.00	0.00	263.64	0.00	35,636.36	1
001-438-300-000	Contractor- Snow	7,062.50	0.00	0.00	0.00	0.00	0.00	0
001-438-313-000	Engineering	70,874.30	55,000.00	2,776.86	2,776.86	0.00	52,223.14	5
001-438-370-000	Road Program- Contractor	391,409.63	15,500.00	0.00	0.00	0.00	15,500.00	0
	Segment 3 Total	503,964.48	137,197.00	4,009.10	4,399.15	0.00	132,797.85	3
001-446-000-000	STORM WATER MANAGEMENT:							
001-446-313-000	Stormwater Management- Engineering	22,285.82	44,500.00	1,075.00	1,075.00	0.00	43,425.00	2
	Segment 3 Total	22,285.82	44,500.00	1,075.00	1,075.00	0.00	43,425.00	2
001-451-000-000	RECREATION- ADMINISTRATION:							
001-451-140-000	Recreation- Payroll	32,750.00	47,586.00	3,606.40	7,106.40	0.00	40,479.60	15
001-451-150-000	Recreation- Benefits	26,873.69	26,861.25	1,913.64	3,635.19	0.00	23,226.06	14
001-451-337-000	Recreation- Mileage Reimbursement	0.00	300.00	0.00	0.00	0.00	300.00	0
001-451-460-000	Recreation- Meetings & Seminars	0.00	1,025.00	120.00	120.00	0.00	905.00	12
	Segment 3 Total	59,623.69	75,772.25	5,640.04	10,861.59	0.00	64,910.66	14
001-452-000-000	PARTICIPANT RECREATION:							
001-452-247-000	Discounted Tickets (PRPS)	5,757.00	7,900.00	944.00	944.00	0.00	6,956.00	12
001-452-248-000	Camps & Sport Leagues	18,475.99	22,100.00	0.00	0.00	0.00	22,100.00	0
001-452-249-000	Bus Trips	10,944.07	6,800.00	0.00	440.00	0.00	6,360.00	6

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
001-452-250-000	Community Day	0.00	6,500.00	366.75	1,051.75	0.00	5,448.25	16
001-452-520-000	Library	6,000.00	6,300.00	0.00	0.00	0.00	6,300.00	0
	Segment 3 Total	41,177.06	49,600.00	1,310.75	2,435.75	0.00	47,164.25	5
001-454-000-000	PARKS:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-454-337-000	Park Auto/MiLeage	373.10	0.00	0.00	0.00	0.00	0.00	0
001-454-436-000	Heebner Park- Utilities	3,299.03	3,180.00	304.21	304.21	0.00	2,875.79	10
001-454-437-001	Heebner Park- Athletic Fields	13,126.52	16,400.00	0.00	0.00	0.00	16,400.00	0
001-454-437-002	Heebner Park- Expenses	9,492.57	12,000.00	0.00	0.00	0.00	12,000.00	0
001-454-438-001	Mount Kirk Park- Athletic Fields	3,027.89	3,000.00	0.00	0.00	0.00	3,000.00	0
001-454-438-002	Mount Kirk Park- Expenses	610.54	1,450.00	0.00	0.00	0.00	1,450.00	0
001-454-439-001	Sunny Brook Park- Athletic Fields	4,005.22	4,400.00	0.00	0.00	0.00	4,400.00	0
001-454-439-002	Sunny Brook Park- Expenses	1,883.23	4,900.00	0.00	0.00	0.00	4,900.00	0
001-454-440-000	Trail Expenses	4,509.61	0.00	0.00	0.00	0.00	0.00	0
001-454-446-000	Sunny Brook Park- Utilities	850.37	1,560.00	0.00	0.00	0.00	1,560.00	0
001-454-450-000	Nike Park Expense	93.58	0.00	0.00	0.00	0.00	0.00	0
001-454-460-000	Parks- Seminars & Meetings	1,095.04	0.00	0.00	0.00	0.00	0.00	0
001-454-470-000	Heyser Park- Horse Ring	0.00	500.00	0.00	0.00	0.00	500.00	0
001-454-471-000	Heyser Park- Expenses	45.00	1,300.00	0.00	0.00	0.00	1,300.00	0
001-454-480-000	Trail Expenses	79.66	5,600.00	0.00	0.00	0.00	5,600.00	0
001-454-490-000	Other Parks	0.00	4,400.00	0.00	0.00	0.00	4,400.00	0
	Segment 3 Total	42,491.36	58,690.00	304.21	304.21	0.00	58,385.79	1
001-459-000-000	PUBLIC RELATIONS:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-459-340-000	Public Relations- Community Newsletter	12,342.16	14,400.00	0.00	0.00	0.00	14,400.00	0
001-459-341-000	Public Relations- Other Communications	0.00	1,400.00	0.00	0.00	0.00	1,400.00	0
001-459-430-000	Public Relations	179.99	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	12,522.15	15,800.00	0.00	0.00	0.00	15,800.00	0
001-461-000-000	CONSERVATION OF NATURAL RESOURCES:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-461-711-000	North Penn Lra Acquisition	21,536.98	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	21,536.98	0.00	0.00	0.00	0.00	0.00	0
001-481-000-000	EMPLOYER PAID BENEFITS AND WITHHOLDING I	0.00	0.00	0.00	0.00	0.00	0.00	0
001-481-430-000	Inter Gov- Real Estate Taxes	0.00	7,160.00	763.80	763.80	0.00	6,396.20	11

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
	Segment 3 Total	0.00	7,160.00	763.80	763.80	0.00	6,396.20	11
001-486-000-000	INSURANCE:	0.00	0.00	0.00	0.00	0.00	0.00	0
001-486-350-000	Insurances	108,029.65	119,037.00	4,981.00	12,021.00	0.00	107,016.00	10
	Segment 3 Total	108,029.65	119,037.00	4,981.00	12,021.00	0.00	107,016.00	10
001-492-300-000	Transfer To Capital Fund	0.00	895,566.25	303,305.86	7,164,776.00	0.00	6,269,209.75-	800
	Segment 3 Total	0.00	895,566.25	303,305.86	7,164,776.00	0.00	6,269,209.75-	800
	Fund 001 Expend Total	2,868,116.53	3,575,158.50	655,377.47	7,619,258.77	0.00	4,044,100.27-	213

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Revenue Account	Description	Prior Yr Rev	Anticipated	Current Rev	YTD Revenue	Cancel	Excess/Deficit	% Real
008-341-000-000	Interest Earnings	742.50	600.00	38.86	77.71	0.00	522.29-	13
	Segment 3 Total	742.50	600.00	38.86	77.71	0.00	522.29-	13
008-364-110-000	Tapping Fees	501,551.74	11,400.00	941.57	7,123.21	0.00	4,276.79-	62
008-364-120-000	Sewer Fees- Residential	428,757.20	490,104.66	11,488.42	100,347.24	0.00	389,757.42-	20
008-364-130-000	Sewer Fees- Commercial	163,453.39	151,561.21	13,350.48	25,341.31	0.00	126,219.90-	17
008-364-140-000	Late Fees	7,152.96	6,000.00	805.54	1,119.00	0.00	4,881.00-	19
008-364-150-000	Certification Fees	1,060.00	1,080.00	60.00	60.00	0.00	1,020.00-	6
008-364-190-000	Liens	376.00	100.00	0.00	0.00	0.00	100.00-	0
	Segment 3 Total	1,102,351.29	660,245.87	26,646.01	133,990.76	0.00	526,255.11-	20
008-381-000-000	Miscellaneous Income	0.00	100.00	0.00	0.00	0.00	100.00-	0
	Segment 3 Total	0.00	100.00	0.00	0.00	0.00	100.00-	0
008-395-000-000	Refund of Prior Year Expenditures	32.55	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	32.55	0.00	0.00	0.00	0.00	0.00	0
	Fund 008 Revenue Total	1,103,126.34	660,945.87	26,684.87	134,068.47	0.00	526,877.40-	20

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
008-402-000-000	WASTE WATER FINANCIAL ADMINISTRATION:	0.00	0.00	0.00	0.00	0.00	0.00	0
008-402-470-000	Financial / CD Fees	10.00	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	10.00	0.00	0.00	0.00	0.00	0.00	0
008-405-000-000	WASEWATER CLERICAL:	0.00	0.00	0.00	0.00	0.00	0.00	0
008-405-150-000	Administrative Staff Costs	47,152.72	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	47,152.72	0.00	0.00	0.00	0.00	0.00	0
008-429-000-000	WASTEWATER COLLECTION AND TREATMENT:	0.00	0.00	0.00	0.00	0.00	0.00	0
008-429-242-000	Alarm Services	932.10	982.00	0.00	0.00	0.00	982.00	0
008-429-300-000	Other Expenses	25,421.38	63,570.00	2,500.00-	2,500.00-	0.00	66,070.00	4-
008-429-313-000	Engineering	10,630.91	10,750.00	0.00	0.00	0.00	10,750.00	0

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
008-429-314-000	Legal	330.23	3,900.00	0.00	0.00	0.00	3,900.00	0
008-429-316-000	Plant Operations	166,274.02	126,512.40	13,972.89	27,889.50	0.00	98,622.90	22
008-429-321-000	Telephone	861.35	888.00	67.96	102.19	0.00	785.81	12
008-429-361-000	Utilities	121,083.98	101,460.00	9,511.43	9,511.43	0.00	91,948.57	9
008-429-366-000	Water	389.14	0.00	0.00	0.00	0.00	0.00	0
008-429-374-000	Equipment & Repairs	25,508.01	12,600.00	945.63	945.63	0.00	11,654.37	8
008-429-421-001	Center Point- Operations	11,374.07	9,042.00	1,014.04	1,992.10	0.00	7,049.90	22
008-429-421-002	Center Point- Utilities & Repairs	8,445.66	4,452.00	387.22	387.22	0.00	4,064.78	9
008-429-422-001	Meadowood- Operations	18,727.25	9,042.00	429.81	1,992.10	0.00	7,049.90	22
008-429-422-002	Meadowood- Utilities & Repairs	547.45	1,752.00	34.05	68.36	0.00	1,683.64	4
008-429-423-001	Heritage Village- Operations	10,168.55	9,042.00	1,114.50	1,992.10	0.00	7,049.90	22
008-429-423-002	Heritage Village- Utilities & Repairs	3,604.92	4,380.00	318.79	355.09	0.00	4,024.91	8
008-429-424-001	Fawn Creek- Operations	10,860.54	9,042.00	1,072.79	1,992.10	0.00	7,049.90	22
008-429-424-002	Fawn Creek- Utilities & Repairs	2,905.61	3,804.00	186.24	186.24	0.00	3,617.76	5
008-429-425-001	Chadwick Place- Operations	10,977.50	9,042.00	1,061.12	1,992.10	0.00	7,049.90	22
008-429-425-002	Chadwick Place- Utilities & Repairs	3,936.34	4,488.00	357.74	391.50	0.00	4,096.50	9
008-429-426-001	Adair Pump- Operations	10,295.25	9,042.00	1,255.90	1,992.10	0.00	7,049.90	22
008-429-426-002	Adair Pump- Utilities & Repairs	4,828.84	3,228.00	168.06	203.01	0.00	3,024.99	6
008-429-700-000	Capital Improvements	0.00	90,000.00	0.00	0.00	0.00	90,000.00	0
	Segment 3 Total	448,103.10	487,018.40	29,398.17	49,492.77	0.00	437,525.63	10
008-471-000-000	DEBT PRINCIPAL:	0.00	0.00	0.00	0.00	0.00	0.00	0
008-471-200-000	General Obligation Bond- Principa	0.00	120,000.00	0.00	0.00	0.00	120,000.00	0
	Segment 3 Total	0.00	120,000.00	0.00	0.00	0.00	120,000.00	0
008-472-000-000	DEBT INTEREST:	0.00	0.00	0.00	0.00	0.00	0.00	0
008-472-200-000	General Obligation Bond- Interest	47,890.17	50,821.26	0.00	0.00	0.00	50,821.26	0
	Segment 3 Total	47,890.17	50,821.26	0.00	0.00	0.00	50,821.26	0
008-475-000-000	Fiscal Agent Fees- 2016 Bond	74,471.67	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	74,471.67	0.00	0.00	0.00	0.00	0.00	0
008-486-000-000	INSURANCE:	0.00	0.00	0.00	0.00	0.00	0.00	0
008-486-350-000	Insurance Expense	3,134.40	3,095.00	0.00	0.00	0.00	3,095.00	0
	Segment 3 Total	3,134.40	3,095.00	0.00	0.00	0.00	3,095.00	0

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
Fund 008	Expend Total	620,762.06	660,934.66	29,398.17	49,492.77	0.00	611,441.89	7

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Revenue Account	Description	Prior Yr Rev	Anticipated	Current Rev	YTD Revenue	Cancel	Excess/Deficit	% Real
030-341-000-000	Interest Earnings	14,612.17	17,000.00	5,464.38	6,627.12	0.00	10,372.88-	39
	Segment 3 Total	14,612.17	17,000.00	5,464.38	6,627.12	0.00	10,372.88-	39
030-363-100-000	Traffic Impact Fees	0.00	45,857.00	11,931.00	33,806.00	0.00	12,051.00-	74
	Segment 3 Total	0.00	45,857.00	11,931.00	33,806.00	0.00	12,051.00-	74
030-381-000-000	Miscellaneous Income	0.00	6,000.00	0.00	21,526.00	0.00	15,526.00	359
	Segment 3 Total	0.00	6,000.00	0.00	21,526.00	0.00	15,526.00	359
030-392-010-000	Transfer From General Fund	0.00	895,566.25	303,305.86	7,164,776.00	0.00	6,269,209.75	800
030-392-040-000	Transfer from Revolving Fund	349,823.02	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	349,823.02	895,566.25	303,305.86	7,164,776.00	0.00	6,269,209.75	800
	Fund 030 Revenue Total	364,435.19	964,423.25	320,701.24	7,226,735.12	0.00	6,262,311.87	749

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
030-402-000-000	FINANCE ADMINISTRATION:	0.00	0.00	0.00	0.00	0.00	0.00	0
030-402-470-000	Investing/CD Fees	645.68	0.00	10.00	10.00	0.00	10.00-	0
	Segment 3 Total	645.68	0.00	10.00	10.00	0.00	10.00-	0
030-405-000-000	SECRETARY/CLERK:	0.00	0.00	0.00	0.00	0.00	0.00	0
030-405-720-000	Office Equipment	0.00	29,800.00	77.02	5,730.57	0.00	24,069.43	19
	Segment 3 Total	0.00	29,800.00	77.02	5,730.57	0.00	24,069.43	19
030-409-000-000	GOVERNMENT BUILDINGS & PLANTS:	0.00	0.00	0.00	0.00	0.00	0.00	0
030-409-600-000	Building Improvements	0.00	39,700.00	9,373.01	10,310.51	0.00	29,389.49	26
	Segment 3 Total	0.00	39,700.00	9,373.01	10,310.51	0.00	29,389.49	26
030-430-600-000	Capital Roads	0.00	504,000.00	0.00	0.00	0.00	504,000.00	0
030-430-740-000	Equipment Purchases	0.00	207,200.00	0.00	77,958.00	0.00	129,242.00	38

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
	Segment 3 Total	0.00	711,200.00	0.00	77,958.00	0.00	633,242.00	11
030-433-600-000	Traffic Signs & Signals	0.00	10,100.00	0.00	0.00	0.00	10,100.00	0
	Segment 3 Total	0.00	10,100.00	0.00	0.00	0.00	10,100.00	0
030-454-600-000	Parks and Trails	0.00	77,500.00	0.00	0.00	0.00	77,500.00	0
030-454-710-000	Land Acquisition	0.00	80,000.00	0.00	0.00	0.00	80,000.00	0
	Segment 3 Total	0.00	157,500.00	0.00	0.00	0.00	157,500.00	0
030-492-010-000	Transfer to General Fund	383,872.00	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	383,872.00	0.00	0.00	0.00	0.00	0.00	0
	Fund 030 Expend Total	384,517.68	948,300.00	9,460.03	94,009.08	0.00	854,290.92	10

TOWNSHIP OF WORCESTER
Statement of Revenue and Expenditures

Revenue Account	Description	Prior Yr Rev	Anticipated	Current Rev	YTD Revenue	Cancel	Excess/Deficit	% Real
035-341-000-000	Interest Earnings	862.46	250.00	0.18	0.37	0.00	249.63-	0
	Segment 3 Total	862.46	250.00	0.18	0.37	0.00	249.63-	0
035-355-020-000	Liquid Fuel Funds	325,426.98	343,000.00	0.00	0.00	0.00	343,000.00-	0
	Segment 3 Total	325,426.98	343,000.00	0.00	0.00	0.00	343,000.00-	0
	Fund 035 Revenue Total	326,289.44	343,250.00	0.18	0.37	0.00	343,249.63-	0

Expend Account	Description	Prior Yr Expd	Budgeted	Current Expd	YTD Expended	Cancel	Balance	% Expd
035-432-000-000	WINTER MAINTENANCE- SNOW REMOVAL:	0.00	0.00	0.00	0.00	0.00	0.00	0
035-432-250-000	Snow & Ice Removal	44,180.25	0.00	0.00	0.00	0.00	0.00	0
	Segment 3 Total	44,180.25	0.00	0.00	0.00	0.00	0.00	0
035-438-000-000	ROADS & BRIDGES:	0.00	0.00	0.00	0.00	0.00	0.00	0
035-438-370-000	Road Maintenance Contractor	344,000.00	340,000.00	0.00	0.00	0.00	340,000.00	0
	Segment 3 Total	344,000.00	340,000.00	0.00	0.00	0.00	340,000.00	0
	Fund 035 Expend Total	388,180.25	340,000.00	0.00	0.00	0.00	340,000.00	0

BUDGET REPORT

February 28, 2017

GENERAL		WASTE WATER	
Revenue YTD:	\$ 774,644.35	Revenue YTD:	\$ 134,068.47
Revenue Budget:	\$ 542,840.39	Revenue Budget:	\$ 144,873.39
Revenue to Budget:	142.70%	Revenue to Budget:	92.54%
Expenditure YTD:	\$ 454,482.77 *	Expenditure YTD:	\$ 49,492.77
Expenditure Budget:	\$ 632,997.27	Expenditure Budget:	\$ 83,108.47
Expenditure to Budget:	72%	Expenditure to Budget:	60%
CAPITAL		STATE	
Revenue YTD:	\$ 61,959.12 *	Revenue YTD:	\$ 0.37
Revenue Budget:	\$ 11,476.17	Revenue Budget:	\$ 41.67
Revenue to Budget:	539.89%	Revenue to Budget:	0.89%
Expenditure YTD:	\$ 94,009.08	Expenditure YTD:	\$ -
Expenditure Budget:	\$ 397,550.00	Expenditure Budget:	\$ -
Expenditure to Budget:	24%	Expenditure to Budget:	#DIV/0!

*does not include interfund transfers

ERECTED INTO A TOWNSHIP IN 1733
TOWNSHIP OF WORCESTER
AT THE CENTER POINT OF MONTGOMERY COUNTY
PENNSYLVANIA

Board of Supervisors:
SUSAN G. CAUGHLAN, CHAIR
STEPHEN C. QUIGLEY, VICE CHAIR
ARTHUR C. BUSTARD, MEMBER

1721 Valley Forge Road
P.O. Box 767
Worcester, PA 19490

Planning, Zoning, Parks & Grants Report
February 2017

Planning Commission (February 15)

- Joint Meeting with Board of Supervisors
- continued review on Center Point Village Ordinance

Planning Commission (February 23)

- consideration of approval of Planning Module Component 4A
- continued review on Center Point Village Ordinance

Zoning Hearing Board – *did not meet this month*

Park Updates

- Heebner Park will be the event site of Worcester Township's First Annual Community Day on Saturday, May 13, 2017 (Rain Date: May 14).
 - Sponsorships received to date total \$11,251.
 - All of the information for the event is listed on the Township's website (worcestertwp.com) under "Community Day."

Grant Updates

- Montco 2040: Submitted application on 2/27/17– to construct a pedestrian trail and bridge connecting the neighborhood at Defford Road to the Center Point Shopping Center.



WORCESTER TOWNSHIP
Building and Codes Department
February 2017

Report Dates: 2/1/2017 - 2/28/2017

Item	Count / Fee
Total Issued Permits	11 / \$14,845.40

Issued Permits			
Fee Item	No. Permits	Construction Value	Permit Fee
Building			
1 Commercial Alterations	1	\$17,000.00	\$54.00
2 Generator	1	\$2,500.00	\$69.00
3 New Single Family Dwelling	2	\$230,000.00	\$14,195.40
Electrical			
4 New Electrical Work	2	\$6,127.19	\$33.00
Mechanical			
5 New Mechanical	1	\$7,076.00	\$84.00
Zoning			
6 Fence	3	\$15,942.00	\$135.00
7 Grading	1	\$0.00	\$275.00
TOTALS:	11	\$278,645.19	\$14,845.40

Other Fees Collected	
State Fee	\$28.00

Public Works Department Report

February 2017

1) Road Maintenance

- A. Cleared inlets and drains throughout the Township
- B. Filled potholes throughout the Township
- C. Straightened and pruned around roadway signage throughout the Township
- D. Cleaned edge of roadway swales throughout the Township
- E. Performing routine maintenance on traffic lights
- F. Closed Green Hill Road to through traffic until repairs are made to the culvert 300 yards west of Kriebel Mill Road

2) Storm Maintenance

- A. 2.8.17 Applied brine to all Township roadways
- B. 2.9.17 Crew dealt with winter roadway conditions throughout the day. Contractor assistance utilized for this storm
- C. 2.10.17 Crew dealt with drifting snow on Township roadways

3) Parks

- A. Twice weekly cleaning of public restrooms, emptying trash receptacles, and filling dog bag stations
- B. Repairing washouts and general trail maintenance
- C. Cut and chipped dead trees throughout the parks
- D. Seeded and installed turf blankets on problematic areas of playing fields
- E. Started spring clean-up on Township properties

4) Vehicle Maintenance

- A. Performed weekly maintenance of all Township vehicles
- B. Detailed all vehicle exteriors after storm events
- C. Inspection performed on 64-08 and 64-25

5) Miscellaneous

- A. Set and cleaned the Community Hall for all Township events and rentals
- B. Assisted with filing and organizing Administrative Office's basement
- C. Completed the Administrative office renovation project
- D. Assembled new office furniture for the Administrative Office

February 2017 Fire Marshal Report to Board of Supervisors

- 1/ Fire Marshal investigations on 8 dispatches.
- 2/ Review of Meadowood Community Center building plans
- 3/ \$47,000 fire damage on property valued at \$708,420.
- 4/ Three open burning letters were sent to residents.
- 5/ The firefighter that fell in parking lot after drill Feb 2nd. remains in rehab at Meadowood.
- 6/ Met with county at the EOC regarding revised dispatch zone map.
- 7/ Advised county of first responders dispatch procedures regarding Green Hill Road closure.

Respectfully Submitted,

David Cornish
Fire Marshal

MEMORANDUM

TO: Worcester Township Board of Supervisors
FROM: Joseph J. Nolan, P.E., Township Engineer
DATE: March 1, 2017
SUBJECT: Engineering Report - Project Status

This memorandum will provide an update and status report on the various projects that are ongoing within the Township as of March 1, 2017.

1. Heebner Road Soccer Field

We are in the Maintenance Bond Period for this project.

2. Meadowood Pumping Station Generator Replacement.

The project is now complete. We are in the warranty period.

3. Miscellaneous Items

- a. CKS Engineers assisted the Township on numerous zoning and land development related issues as requested during the month.
- b. CKS Engineers performed various site inspections in conjunction with finalizing Use & Occupancy Permits during the month.
- c. CKS reviewed numerous grading permit applications for the Township during the month.
- d. CKS Engineers, Inc. continued to provide inspection services in conjunction with all ongoing land development and subdivision projects throughout the Township. This also included verifying completion of items and preparation of escrow releases for these projects.

- e. CKS assisted in reviewing numerous subdivisions submitted to the Township. These include Whitehall Estates, 2044 Berks Road and the Coughlin Tract.
- f. CKS has completed the field work for the 2017 Road Improvements Program. We have prepared a cost estimate for a "base bid" contract, and four alternative add-on roads as well. We have prepared the specifications and contract documents for bidding. We anticipate a bid opening date of April 12, 2017, and contract award at the April 19, 2017 Board Meeting.
- g. We will assist the Township with several small drainage projects as part of the road program in 2017. The survey work has been completed and we will provide a design plan for use by Public Works to complete the work.

The above represents a status report on the projects and services currently being performed by CKS Engineers, Inc. Please contact me if you have any questions on any of these items.

Respectfully submitted,
CKS ENGINEERS, INC.
Township Engineers

Joseph J. Nolan, P.E.

JJN/mdm

cc: Tommy Ryan, Township Manager
File

February 2017 WORCESTER VOLUNTEER FIRE DEPARTMENT REPORT

WORCESTER TOWNSHIP

MUTUAL AID

TYPE	NUMBER OF CALLS	TYPE	LOCATION	NUMBER OF CALLS
Automatic Fire Alarm	3	Field/woods	Hatfield	1
Accident With Injuries	3	Gas leak	Whitpain	1
Building	3		Total Out of Town	2
Vehicle Fire	1			
Pole/wires	1			
Assist EMS	2	FIRE POLICE	1	
TOTAL WORCESTER TOWNSHIP	13	Vehicle Accident		
TOTAL CALLS	15	Average Manpower per Call	5	
		Hours in Service	1 hr 5 min	
AVERAGE MANPOWER PER CALL	13.47			
HOURS IN SERVICE	9 hr 59 min	Department Totals		
		Man Hours in service on fire calls	151 hours 22 min	
DRILLS FOR THE MONTH	3	Man Hours in Service for Fire Police	5 hours 25 min	
HOURS IN SERVICE FOR DRILLS	7 hr	Man Hours in Service for Officers only	0	
AVERAGE MANPOWER PER DRILL	23.67	Man Hours in Service on Drills	172 hours 0 min	
		Total for Month	328 hours 47 min	
FIRE LOSS				
LOSS AMOUNT				
\$47,000				
	PROPERTY VALUE			
	\$708,420			



PENNSYLVANIA STATE POLICE CAD Call Print Synopsis

Number of Records Returned: 141

Search Criteria: which_cad='P' and occ_date between '02/01/2017' and '02/28/2017' and case_type<>'TS' and municipality='46226' and jurisdiction='PA'

Call Date	Time	Call Number	Call Type	Original/Final	Location	Founded Report #	Cleared By
Feb-01-2017	08:25:20	103106	INTERSTATE HIGHWAY - CLEAR	LIN	INTERSTATE HIGHWAY - CLEAR	2017-103106	CLOSED CAD
Feb-01-2017	10:25:36	103715	ALARM - BURGLA/ALARM FALSE	FAU	ALARM - BURGLA/ALARM FALSE	2017-103715	CLOSED CAD
Feb-01-2017	10:34:37	103784	REQUEST ASSIST - LOCAL PD	FAU	REQUEST ASSIST - LOCAL PD	2017-103784	CLOSED CAD
Feb-01-2017	10:47:00	103842	POLICE INFORMATION	FAU	POLICE INFORMATION	2017-103842	CLOSED CAD
Feb-01-2017	12:06:39	104206	SEE OFFICER GO	FAU	SEE OFFICER GO	2017-104206	PAPER REPORT
Feb-01-2017	12:23:51	104276	ALARM - BURGLA/ALARM FALSE	FAU	ALARM - BURGLA/ALARM FALSE	2017-104276	CLOSED CAD
Feb-01-2017	13:42:33	104592	WELFARE CHECK	FAU	WELFARE CHECK	2017-104592	CLOSED CAD
Feb-01-2017	19:29:48	105812	PATROL CHECK	FAU	PATROL CHECK	2017-105812	GENERAL OFFENSE
Feb-02-2017	07:46:59	106992	MVC - NON-REPO/MVC - INJURIES	FAU	MVC - NON-REPO/MVC - INJURIES	2017-106992	TRACS CRASH REPORT
Feb-02-2017	09:49:27	107400	DOMESTIC SECURITY CHECK	FAU	DOMESTIC SECURITY CHECK	2017-107400	CLOSED CAD
Feb-02-2017	10:02:24	107457	MVC - INJURIES	FAU	MVC - INJURIES	2017-107457	TRACS CRASH REPORT
Feb-02-2017	12:46:53	108041	ALARM - FINANC/ALARM FALSE	FAU	ALARM - FINANC/ALARM FALSE	2017-108041	CLOSED CAD
Feb-02-2017	15:01:58	108442	ALARM - BURGLA/ALARM FALSE	FAU	ALARM - BURGLA/ALARM FALSE	2017-108442	CLOSED CAD
Feb-02-2017	17:45:16	108960	ROAD HAZARD - /MVC - NON-REPOR	FAU	ROAD HAZARD - /MVC - NON-REPOR	2017-108960	TRACS CRASH REPORT
Feb-02-2017	17:54:45	108993	HARASSMENT - C/SEE OFFICER	FAU	HARASSMENT - C/SEE OFFICER	2017-108993	GENERAL OFFENSE
Feb-02-2017	21:24:02	109589	ALARM - BURGLA/ALARM FALSE	FAU	ALARM - BURGLA/ALARM FALSE	2017-109589	CLOSED CAD
Feb-02-2017	23:24:42	109761	VEHICLE REPOSSESSION	FAU	VEHICLE REPOSSESSION	2017-109761	CLOSED CAD
Feb-03-2017	09:27:31	110781	POLICE INFORMATION	FAU	POLICE INFORMATION	2017-110781	CLOSED CAD
Feb-03-2017	17:51:23	112743	ALARM - BURGLA/ALARM FALSE	FAU	ALARM - BURGLA/ALARM FALSE	2017-112743	CLOSED CAD
Feb-03-2017	22:20:46	113534	SUSPICIOUS VE/DISABLED MOTORI	FAU	SUSPICIOUS VE/DISABLED MOTORI	2017-113534	CLOSED CAD
Feb-03-2017	23:27:14	113631	ALARM - BURGLA/ALARM FALSE	FAU	ALARM - BURGLA/ALARM FALSE	2017-113631	CLOSED CAD
Feb-04-2017	12:26:10	115223	FIRE MARSHAL /FIRE - UNDETERM	FAU	FIRE MARSHAL /FIRE - UNDETERM	2017-115223	GENERAL OFFENSE
Feb-04-2017	15:53:38	115776	ALARM - BURGLA/ALARM FALSE	FAU	ALARM - BURGLA/ALARM FALSE	2017-115776	CLOSED CAD



PENNSYLVANIA STATE POLICE CAD Call Print Synopsis

Call Date	Time	Call Number	Call Type	Original/Final	Location	Founded	Report #	Cleared By
Feb-04-2017	19:41:54	116527	MVC - NON-REPO/DISABLED MOTORI			Yes	2017-116527	CLOSED CAD CALL
Feb-05-2017	01:34:15	117415	DISABLED MOTOR/DISABLED MOTORI			Yes	2017-117415	CLOSED CAD CALL
Feb-06-2017	10:44:44	121733	MVC - NON-REPO/MVC - DUI - NON			Yes	2017-121733	TRACS CRASH REPORT
Feb-06-2017	14:33:16	122736	ALARM - BURGLA/ALARM FALS NO			Yes	2017-122736	CLOSED CAD CALL
Feb-06-2017	16:48:24	123234	MVC - COMMONWE/MVC - REPORTABL			Yes	2017-123234	TRACS CRASH REPORT
Feb-06-2017	17:43:00	123507	THEFT - FRAUD//IDENTITY THEFT			Yes	2017-123507	PAPER REPOR
Feb-07-2017	06:55:53	124882	MVC - NON-REPORTABLE			Yes	2017-124882	TRACS CRASH REPORT
Feb-07-2017	08:15:05	125120	MVC - NON-REPO/MVC - REPORTABL			Yes	2017-125120	TRACS CRASH REPORT
Feb-07-2017	09:48:28	125509	ALARM - BURGLA/ALARM FALS NO			Yes	2017-125509	CLOSED CAD CALL
Feb-07-2017	10:26:34	125669	SUSPICIOUS VE/ABANDONED VEHIC			Yes	2017-125669	GENERAL OFFENSE
Feb-07-2017	12:57:53	126244	DOMESTIC SECURITY CHECK			Yes	2017-126244	CLOSED CAD CALL
Feb-07-2017	13:25:57	126370	REQUEST ASSIST - LOCAL PD			Yes	2017-126370	CLOSED CAD CALL
Feb-07-2017	14:08:22	126512	INTERSTATE HIGHWAY - CLEAF LIN			Yes	2017-126512	CLOSED CAD CALL
Feb-07-2017	14:58:27	126655	MVC - NON-REPORTABLE			Yes	2017-126655	TRACS CRASH REPORT
Feb-07-2017	15:08:52	126685	ALARM - BURGLA/CANCELLED BY CO			Yes	2017-126685	CLOSED CAD CALL
Feb-07-2017	17:12:12	127131	ALARM - PANIC /ALARM FALSE FAU			Yes	2017-127131	CLOSED CAD CALL
Feb-07-2017	18:16:20	127335	MVC - NON-REPORTABLE			Yes	2017-127335	TRACS CRASH REPORT
Feb-07-2017	18:21:42	127339	MVC - NON-REPORTABLE			Yes	2017-127339	TRACS CRASH REPORT
Feb-07-2017	20:41:30	127720	DISTURBANCE/NOISE COMPLAINT			Yes	2017-127720	GENERAL OFFENSE
Feb-08-2017	07:45:09	128536	MVC - NON-REPORTABLE			Yes	2017-128536	TRACS CRASH REPORT
Feb-08-2017	10:33:30	129347	THEFT			Yes	2017-129347	PAPER REPOR
Feb-08-2017	11:30:23	129633	BURGLARY OR ATTEMPTED BURGLARY			Yes	2017-129633	PAPER REPOR
Feb-08-2017	21:09:48	131940	ALARM - BURGLA/CANCELLED BY CO			Yes	2017-131940	CLOSED CAD CALL
Feb-08-2017	23:57:05	132242	SUSPICIOUS PER/SEE OFFICER			Yes	2017-132242	GENERAL OFFENSE
Feb-09-2017	05:29:08	132691	MVC - INJURIES/MVC - NON-REPOR			Yes	2017-132691	TRACS CRASH REPORT



PENNSYLVANIA STATE POLICE CAD Call Print Synopsis

Call Date	Time	Call Number	Call Type	Original/Final	Location	Founded	Report #	Cleared By
Feb-09-2017	05:47:43	132731	MVC - REPORTAB/MVC - NON-REPOR			Yes	2017-132731	TRACS CRASH REPORT
Feb-09-2017	07:33:19	133045	MVC - REPORTAB/MVC - NON-REPOR			Yes	2017-133045	TRACS CRASH REPORT
Feb-09-2017	09:19:33	133379	MVC - REPORTAB/MVC - INJURIES			Yes	2017-133379	TRACS CRASH REPORT
Feb-09-2017	11:34:00	133788	REFER TO OTHER AGENCY - PD			Yes	2017-133788	REFER
Feb-09-2017	12:09:25	133919	DOMESTIC - INAVDOMESTIC - OTHE			Yes	2017-133919	GENERAL OFFENSE
Feb-09-2017	12:13:00	133923	MVC - REPORTABLE, NO INJURIES			Yes	2017-133923	TRACS CRASH REPORT
Feb-09-2017	12:14:45	133931	911 HANG UP CALL			Yes	2017-133931	CLOSED CAD CALL
Feb-09-2017	13:06:08	134072	POLICE INFORMATION			Yes	2017-134072	CLOSED CAD CALL
Feb-09-2017	15:39:56	134518	MVC - REPORTABLE, NO INJURIES			Yes	2017-134518	TRACS CRASH REPORT
Feb-09-2017	17:30:55	134879	911 HANG UP CALL			Yes	2017-134879	CLOSED CAD CALL
Feb-09-2017	18:35:50	135062	REFER TO OTHER AGENCY - PD			Yes	2017-135062	CLOSED CAD CALL
Feb-09-2017	21:51:32	135432	MVC - NON-REPO/MVC - DUJ - NON			Yes	2017-135432	TRACS CRASH REPORT
Feb-09-2017	21:54:06	135437	DISABLED MOTOR/DISABLED MOTORI			Yes	2017-135437	CLOSED CAD CALL
Feb-10-2017	14:07:42	137503	MVC - NON-REPORTABLE			Yes	2017-137503	TRACS CRASH REPORT
Feb-10-2017	15:15:06	137675	INTERSTATE HIGHWAY - CLEAR LIN			Yes	2017-137675	CLOSED CAD CALL
Feb-10-2017	16:17:44	137887	DISABLED MOTORIST			Yes	2017-137887	CLOSED CAD CALL
Feb-11-2017	10:34:54	140345	MVC - REPORTABLE, NO INJURIES			Yes	2017-140345	TRACS CRASH REPORT
Feb-11-2017	18:44:48	141889	ROAD HAZARD - ANIMAL - DEBRIS			Yes	2017-141889	CLOSED CAD CALL
Feb-11-2017	20:17:58	142149	TOWED VEHICLE			Yes	2017-142149	GENERAL OFFENSE
Feb-11-2017	20:22:44	142164	ALARM - BURGLA/CANCELLED BY CO			Yes	2017-142164	CLOSED CAD CALL
Feb-12-2017	15:28:31	144279	MVC - HIT AND RUN, NO INJURIES			Yes	2017-144279	TRACS CRASH REPORT
Feb-12-2017	18:49:22	144710	POLICE INFORMATION			Yes	2017-144710	CLOSED CAD CALL
Feb-13-2017	01:24:06	145513	DISABLED MOTORIST			Yes	2017-145513	CLOSED CAD CALL
Feb-13-2017	07:39:05	145994	ROAD HAZARD - ANIMAL - DEBRIS			Yes	2017-145994	CLOSED CAD CALL
Feb-13-2017	09:05:37	146312	ROAD HAZARD - ANIMAL - DEBRIS			Yes	2017-146312	CLOSED CAD CALL



PENNSYLVANIA STATE POLICE

CAD Call Print Synopsis

Call Date	Time	Call Number	Call Type	Original/Final	Location	Founded	Report #	Cleared By
Feb-13-2017	10:42:31	146824	TRAFFIC CONTROL			Yes	2017-146824	CLOSED CAD CALL
Feb-13-2017	11:15:01	146977	REFER TO OTHER AGENCY - PI			Yes	2017-146977	REFER
Feb-13-2017	13:32:52	147653	THEFT			Yes	2017-147653	PAPER REPORT
Feb-13-2017	18:41:28	148980	REFER TO OTHER AGENCY - PI			Yes	2017-148980	CLOSED CAD CALL
Feb-13-2017	18:43:32	148982	DISABLED MOTORIST			Yes	2017-148982	CLOSED CAD CALL
Feb-14-2017	07:33:33	150282	DISABLED MOTORIST			Yes	2017-150282	CLOSED CAD CALL
Feb-14-2017	08:16:36	150449	DISABLED MOTORIST			Yes	2017-150449	CLOSED CAD CALL
Feb-14-2017	10:30:14	151158	ALARM - BURGLAR/ALARM FALSE FAU			Yes	2017-151158	CLOSED CAD CALL
Feb-14-2017	12:36:57	151810	THEFT - FRAUD/THEFT			Yes	2017-151810	PAPER REPORT
Feb-14-2017	14:49:08	152362	MVC - REPORTABLE, NO INJURIES			Yes	2017-152362	TRACS CRASH REPORT
Feb-14-2017	16:03:38	152595	DEATH - NATURAL			Yes	2017-152595	GENERAL OFFENSE
Feb-14-2017	16:36:52	152741	SUICIDE - ATTE/DISTURBANCE/NOI			Yes	2017-152741	GENERAL OFFENSE
Feb-14-2017	20:27:34	153398	MVC - NON-REPORTABLE			Yes	2017-153398	TRACS CRASH REPORT
Feb-14-2017	20:39:31	153419	ALARM - BURGLAR/ALARM FALSE FAU			Yes	2017-153419	CLOSED CAD CALL
Feb-15-2017	06:37:24	154133	MVC - INJURIES/MVC - REPORTABLE			Yes	2017-154133	TRACS CRASH REPORT
Feb-15-2017	16:38:13	156747	MVC - NON-REPORTABLE			Yes	2017-156747	TRACS CRASH REPORT
Feb-15-2017	18:54:36	157224	MVC - REPORTABLE/DISABLED MOTORI			Yes	2017-157224	CLOSED CAD CALL
Feb-15-2017	19:25:11	157298	MVC - DELAYED REPORTING			Yes	2017-157298	CLOSED CAD CALL
Feb-16-2017	07:43:16	158426	INTERSTATE HIGHWAY - CLEAR LIN			Yes	2017-158426	CLOSED CAD CALL
Feb-16-2017	14:35:06	159883	MVC - INJURIES/MVC - REPORTABLE			Yes	2017-159883	TRACS CRASH REPORT
Feb-16-2017	14:59:54	159945	ALARM - BURGLAR/CANCELLED BY CO			Yes	2017-159945	CANCELLED
Feb-16-2017	15:08:50	159958	THEFT - FRAUD/IDENTITY THEFT			Yes	2017-159958	PAPER REPORT
Feb-16-2017	18:07:38	160530	SUSPICIOUS PER/DISTURBANCE/NOI			Yes	2017-160530	GENERAL OFFENSE
Feb-16-2017	18:38:19	160631	DOMESTIC - INADOMESTIC - OTHE			Yes	2017-160631	GENERAL OFFENSE
Feb-16-2017	20:34:22	160947	REQUEST ASSIST - LOCAL PD			Yes	2017-160947	CLOSED CAD CALL
Feb-17-2017	01:11:56	161489	ALARM - BURGLAR/ALARM FALSE FAU			Yes	2017-161489	CLOSED CAD CALL



PENNSYLVANIA STATE POLICE CAD Call Print Synopsis

Call Date	Time	Call Number	Call Type	Original/Final	Location	Founded	Report #	Cleared By
Feb-17-2017	05:51:51	161790	DISABLED MOTORIST ON ROAD			Yes	2017-161790	CLOSED CAD CALL
Feb-17-2017	07:37:01	161925	MVC - NON-REPORTABLE			Yes	2017-161925	TRACS CRASH REPORT
Feb-17-2017	11:02:47	162753	MVC - NON-REPO/MVC - REPORTABLE			Yes	2017-162753	TRACS CRASH REPORT
Feb-17-2017	12:24:01	163065	ALARM - BURGLAR/ALARM FALSE FAU			Yes	2017-163065	CLOSED CAD CALL
Feb-17-2017	14:32:33	163516	DEATH - UNKNOWN/REQUEST ASSIST			Yes	2017-163516	CLOSED CAD CALL
Feb-17-2017	17:17:42	164199	MVC - NON-REPO/MVC - REPORTABLE			Yes	2017-164199	TRACS CRASH REPORT
Feb-17-2017	18:32:40	164446	ROAD HAZARD - ANIMAL - DEBRIS			Yes	2017-164446	CLOSED CAD CALL
Feb-17-2017	23:05:59	165255	REQUEST ASSIST/SEE OFFICER			Yes	2017-165255	GENERAL OFFENSE
Feb-18-2017	12:43:00	167318	MVC - NON-REPORTABLE			Yes	2017-167318	TRACS CRASH REPORT
Feb-19-2017	15:15:05	171855	911 HANG UP CALL			Yes	2017-171855	CLOSED CAD CALL
Feb-19-2017	15:44:49	171960	SHOTS FIRED IN/DISTURBANCE/NOI			Yes	2017-171960	GENERAL OFFENSE
Feb-20-2017	06:49:26	173712	ROAD HAZARD - ANIMAL - DEBRIS			Yes	2017-173712	CLOSED CAD CALL
Feb-20-2017	17:41:53	176406	DISTURBANCE/NO/DOMESTIC SECURI			Yes	2017-176406	CLOSED CAD CALL
Feb-20-2017	18:10:23	176514	DOMESTIC SECURITY CHECK			Yes	2017-176514	CLOSED CAD CALL
Feb-20-2017	20:07:32	176917	SUSPICIOUS VEHICLE			Yes	2017-176917	GENERAL OFFENSE
Feb-20-2017	21:08:58	177117	911 HANG UP CALL			Yes	2017-177117	CLOSED CAD CALL
Feb-21-2017	08:46:27	178189	MVC - NON-REPORTABLE			Yes	2017-178189	TRACS CRASH REPORT
Feb-21-2017	09:18:59	178317	ALARM - BURGLAR/ALARM FALSE FAU			Yes	2017-178317	CLOSED CAD CALL
Feb-22-2017	07:23:27	181833	ROAD HAZARD - ANIMAL - DEBRIS			Yes	2017-181833	CLOSED CAD CALL
Feb-22-2017	16:21:28	184353	REFER TO OTHER AGENCY - PD			Yes	2017-184353	CLOSED CAD CALL
Feb-22-2017	16:38:44	184418	SEE OFFICER GO			Yes	2017-184418	GENERAL OFFENSE
Feb-22-2017	19:37:34	185135	ALARM - BURGLAR/ALARM FALSE FAU			Yes	2017-185135	CLOSED CAD CALL
Feb-22-2017	19:52:51	185182	MVC - REPORTABLE, NO INJURIES			Yes	2017-185182	TRACS CRASH REPORT
Feb-22-2017	23:58:29	185723	CRIMINAL MISCH/SEE OFFICER			Yes	2017-185723	GENERAL OFFENSE
Feb-23-2017	16:59:53	188302	THEFT - FRAUD/FORGERY			Yes	2017-188302	PAPER REPORT



PENNSYLVANIA STATE POLICE CAD Call Print Synopsis

Call Date	Time	Call Number	Call Type	Original/Final	Location	Founded	Report #	Cleared By
Feb-24-2017	08:14:52	190182	ALARM - BURGLAR	ALARM FALSE		Yes	2017-190182	CLOSED CAD
Feb-24-2017	09:04:05	190379	MVC - REPORT	MVC - NON-REPOR		Yes	2017-190379	CALL TRACS CRASH REPORT
Feb-24-2017	10:08:24	190653	DOMESTIC SECURITY CHECK			Yes	2017-190653	CLOSED CAD CALL
Feb-24-2017	14:53:34	191814	ALARM - BURGLAR	CANCELLED BY CO		Yes	2017-191814	CLOSED CAD CALL
Feb-24-2017	15:25:54	191932	REFER TO OTHER AGENCY - PD			Yes	2017-191932	CLOSED CAD CALL
Feb-24-2017	20:27:08	193217	DISABLED MOTOR	DISABLED MOTOR		Yes	2017-193217	CLOSED CAD CALL
Feb-25-2017	14:19:13	195716	ROAD HAZARD - ANIMAL - DEBRIS			Yes	2017-195716	CLOSED CAD CALL
Feb-25-2017	17:54:07	196333	SHOTS FIRED IN/DISTURBANCE/NOI			Yes	2017-196333	CLOSED CAD CALL
Feb-25-2017	23:24:16	197127	POLICE INFORMATION			Yes	2017-197127	CLOSED CAD CALL
Feb-25-2017	23:41:24	197162	TRAF VIOL	ERRATIC DRIVER		Yes	2017-197162	CLOSED CAD CALL
Feb-26-2017	09:33:52	198062	DEATH - NATURAL			Yes	2017-198062	PAPER REPORT
Feb-26-2017	21:35:38	200116	DOMESTIC - IN /DOMESTIC - OTHE			Yes	2017-200116	GENERAL OFFENSE
Feb-27-2017	15:02:45	202960	POLICE INFORMATION			Yes	2017-202960	CLOSED CAD CALL
Feb-28-2017	09:32:20	205595	MVC - NON-REPORTABLE			Yes	2017-205595	TRACS CRASH REPORT
Feb-28-2017	13:46:59	206718	HARASSMENT - C/DISORDERLY COND			Yes	2017-206718	PAPER REPORT
Feb-28-2017	18:29:52	207496	REQUEST ASSIST - LOCAL PD			Yes	2017-207496	DUPLICATE CALL
Feb-28-2017	18:33:48	207512	REQUEST ASSIST - LOCAL PD			Yes	2017-207512	CLOSED CAD CALL

**WORCESTER TOWNSHIP BOARD OF SUPERVISORS BUSINESS MEETING
WORCESTER TOWNSHIP COMMUNITY HALL
FAIRVIEW VILLAGE, WORCESTER, PA
WEDNESDAY, FEBRUARY 15, 2017 – 7:30 PM**

CALL TO ORDER by Chair Caughlan at 7:36 PM

PLEDGE OF ALLEGIANCE

ATTENDANCE

PRESENT: SUSAN G. CAUGHLAN [X]
 STEPHEN C. QUIGLEY [X]
 ARTHUR C. BUSTARD [X]

INFORMATIONAL ITEMS

- Tommy Ryan, Township Manager, announced the Board of Supervisors did not meet in Executive Session following the Joint Meeting, as had been announced at the Joint Meeting. Mr. Ryan announced that following this evening's Business Meeting the Board of Supervisors will meet in Executive Session to discuss a personnel matter, in specific potential revisions to the terms of employment for certain Township employees, and a matter of potential litigation, regarding an application made to the Zoning Hearing Board.

PUBLIC COMMENT

- Jim Mollick, Worcester, commented on Member attendance at the Commonwealth Court, approval of the Township budget, and authorizations for specific expenditures.
- Chair Caughlan announced the Worcester Township 2017 Budget was recently awarded the Governor's Award for Local Government Excellence in Fiscal Accountability and Best Management Practices.

OFFICIAL ACTION ITEMS

- a) Consent Agenda – Chair Caughlan asked if any Member wished to remove an item from the consent agenda. There were no requests to remove an item from the consent agenda.

Supervisor Quigley made a motion to approve a consent agenda that includes (a) the Treasurer's Report and other Monthly Reports for January 2017, (b) bill payment for January in the amount of \$403,572.76; (c) the January 18, 2017 Work Session minutes; and, (d) the January 18, 2017 Business Meeting minutes. The motion was seconded by Supervisor Bustard.

Jim Mollick, Worcester, commented on the Township Solicitor's services and the Township Solicitor's bill for services, and a reimbursement made to a former Township employee.

By unanimous vote the Board adopted the motion to approve.

- b) Resolution 2017-05 – Mr. Ryan provided an overview of a proposed three-lot subdivision at 1631 Kriebel Mill Road.

Supervisor Bustard made a motion approve Resolution 2017-05, to grant Preliminary/Final Land Development Approval for the Coughlin Subdivision, 1631 Kriebel Mill Road. The motion was seconded by Supervisor Quigley.

There was no public comment.

By unanimous vote the Board adopted the motion to approve.

- c) Resolution 2017-06 – Mr. Ryan provided an overview of a resolution to authorize the destruction of certain public records in accordance with Act 428 of 1968 and the *Municipal Records Manual*.

Supervisor Bustard made a motion approve Resolution 2017-06, to authorize the destruction of certain public records in accordance with Act 428 of 1968 and the *Municipal Records Manual*. The motion was seconded by Supervisor Quigley.

Dr. Mollick commented on document classifications listed on the resolution, meeting audio recording files and Right-to-Know files.

By unanimous vote the Board adopted the motion to approve.

- d) Resolution 2017-07 – Mr. Ryan provided an overview of a proposed application to the Montgomery County 2040 Implementation Grant Program for funds to construct a pedestrian trail and bridge at Defford Road Park.

Supervisor Bustard made a motion approve Resolution 2017-07, to approve the submission of a grant application to the Montgomery County 2040 Implementation Grant Program. The motion was seconded by Supervisor Quigley.

There was no public comment.

By unanimous vote the Board adopted the motion to approve.

- e) waiver – Mr. Ryan provided an overview of a proposed waiver of land development to permit the construction of an entryway at the City Restaurant, 2974 Germantown Pike.

Supervisor Bustard made a motion approve a waiver of land development to permit the construction of an entryway at the City Restaurant, 2974 Germantown Pike. The motion was seconded by Supervisor Quigley.

There was no public comment.

By unanimous vote the Board adopted the motion to approve.

- f) Agricultural Security Area – Mr. Ryan noted the Township had received applications to add two properties, 2045 Bethel Road and 1907 Berks Road, to the Worcester Township Agricultural Security Area.

Supervisor Bustard made a motion acknowledge receipt of applications made to add two properties, 2045 Bethel Road and 1907 Berks Road, to the Worcester Township Agricultural Security Area. The motion was seconded by Supervisor Quigley.

There was no public comment.

By unanimous vote the Board adopted the motion to approve.

- g) insurance – Mr. Ryan noted the Township had shopped property, liability and workers compensation insurances for Township employees for the coming policy year, and he recommended the Township obtain these coverages from the Delaware Valley Insurance Trust and the Delaware Valley Workers Compensation Insurance Trust.

Bob Solarz, Executive Director for the Delaware Valley Insurance Trusts, provided an overview of the Trusts and the Trusts' history, and he commented on a Trust design created to address the needs of its municipal clients.

Chair Caughlan commented on customer service. Mr. Solarz noted Trust staff who serve as a liaison between its members and insurance companies.

Supervisor Quigley inquired on coverages offered by various insurance companies. Mr. Solarz commented on the Trust's self-insured component, and its emphasis on rate stabilization. Supervisor Quigley commented on surpluses. Mr. Solarz noted a portion of these dollars are reserved for projected claims, and a portion is returned to the members in the form of dividends and rate stabilization contributions.

Supervisor Bustard inquired as to Trust membership. Mr. Solarz stated the Insurance Trust has 53 municipal, school district and authority members, and the Workers Compensation Trust and Health Insurance Trust have 70 and 135 members, respectively.

Mr. Solarz commented on reinsurance provisions.

Supervisor Bustard made a motion to obtain the property, liability and workers compensation insurances for Township employees from the Delaware Valley Insurance Trust and the Delaware Valley Workers Compensation Insurance Trust. The motion was seconded by Supervisor Quigley.

Karen Vavra, Worcester, commented on the Trusts' customer service.

By unanimous vote the Board adopted the motion to approve.

OTHER BUSINESS

- There was no other business discussed at this evening’s Business Meeting.

ADJOURNMENT

There being no further business brought before the Board, Chair Caughlan adjourned the Business Meeting at 8:20 PM.

Respectfully Submitted:

Tommy Ryan
Township Manager

DRAFT

**TOWNSHIP OF WORCESTER
MONTGOMERY COUNTY, PENNSYLVANIA**

ORDINANCE 2017-263

**ORDINANCE APPROVING COLLECTION PROCEDURES AND
ADOPTING INTEREST AND SCHEDULE OF ATTORNEY FEES
AND CHARGES TO BE ADDED TO THE AMOUNT COLLECTED
AS PART OF UNPAID MUNICIPAL CLAIMS AND REAL ESTATE
TAXES FOR DELINQUENT ACCOUNTS**

WHEREAS, to be fair to all property owners in Worcester Township (the "Township"), it is necessary for the Township to recover promptly unpaid, delinquent sewer fees, real estate taxes and Township Code violations, if necessary, by legal proceedings; and,

WHEREAS, the Municipal Claims and Tax Liens Act, 53 P.S. § 7101, *et seq.* (the "Act"), authorizes the addition of attorney fees, charges, costs, expenses, commissions and fees to the total payable with respect to the unpaid, delinquent sewer fees, real estate taxes and Township Code violations, but only if the municipality involved has approved by ordinance a schedule of such fees; and,

WHEREAS, the Township has determined that it is in the best interest of all property owners and other residents to have vigorous enforcement of all delinquent and other unpaid charges, utilizing the procedures set forth in the Act, except in cases of serious hardship, which the Township will address on a case-by-case basis pursuant to uniform policies; and,

WHEREAS, the Township has reviewed the subject of interest and attorney fees for collection matters, and has determined that the fees set forth in the schedule hereby adopted are reasonable in amount for the services herein described.

NOW, THEREFORE, IT IS HEREBY ORDAINED AND ENACTED BY THE TOWNSHIP AS FOLLOWS:

1. Township Code Chapter 135, Article VI, is hereby repealed and replaced in its entirety with the following:

ARTICLE VI

Collection of Unpaid Municipal Claims and Real Estate for Delinquent Accounts

§ 135-31. Fees to be Added to the Unpaid Claims. The Township hereby approves the following fee schedule for the collection of unpaid, delinquent sewer fees, real estate taxes and Township Code violations (the "Unpaid Claims"), which fees shall be added to the Unpaid Claims.

- (a) Notice Expense. A charge of \$40.00 plus applicable postage shall be added to the Unpaid Claims for providing notice of fee shifting pursuant to § 7106 of the Act. The Township may hire a private company to perform this service and add the amount of this charge to the Unpaid Claims.

(b) Legal Fees.

Initial review and sending first demand letter	\$160.00
File lien and prepare satisfaction	\$250.00
Prepare Writ of Scire Facias	\$250.00
Obtain re-issued writ	\$ 30.00
Prepare and mail letter under Pa. R.C.P. 237.1	\$ 30.00
Prepare Motion for Alternate Service	\$250.00
Obtain vehicle identification number (VIN) for mobile home	\$ 35.00
Prepare discovery in preparation for trial	\$100.00
Prepare Pre-Trial Memorandum	\$150.00
Prepare Motion for Judgment for Want of Sufficient Affidavit of Defense pursuant to 53 P.S. § 7271	\$150.00
Prepare Default Judgment	\$175.00
Prepare Writ of Execution	\$800.00
Attendance at sale; review schedule of distribution and resolve distribution issues	\$400.00
Continue sheriff sale	\$ 50.00
Prepare Petition to Assess Damages	\$ 50.00
Prepare Petition for Free and Clear Sale	\$400.00
Services not covered above	At an hourly rate between \$60.00-\$275.00 per hr.

(c) Collection Fees.

Bookkeeping fee for payment plan of 3 months or less	\$ 25.00
Bookkeeping fee for payment plan of more than 3 months	\$ 50.00
Guaranteed payoff fee	\$ 25.00
Handling fee for returned check	Bank charge, if any

§ 135-32. Costs to be Added to the Unpaid Claims. In addition to the fees set forth in paragraph 1 above, the reasonable and necessary out-of-pocket charges, costs, expenses, commissions and fees incurred in collection, including, but not limited to, postage, title searches, VIN searches, prothonotary fees and charges, and sheriff fees, shall be added to the Unpaid Claims.

§ 135-33. Credit Card and Debit Card Charges. The Township authorizes any attorney or private collector collecting the Unpaid Claims on behalf of the Township to accept payment of the Unpaid Claims by credit card or debit card. Where payment is made by credit card or debit card, any fees charged by the credit card or debit card company and/or the credit card or debit card servicing agent shall be charged immediately to the credit card or debit card used to make payment. This applies to credit card or debit card payments made by mail, telephone, over the internet, or in person.

§ 135-34. Interest. Interest will be assessed upon the Unpaid Claims at a rate of 10% per annum and added to the Unpaid Claims.

§ 135-35. Collection Procedures. The following collection procedures are hereby established in accordance with the Act:

- (a) At least thirty (30) days prior to assessing or imposing attorney fees in connection with the collection of an Unpaid Claim account, the Township or its designee shall mail or cause to be mailed, by certified mail, return receipt requested, a notice of such intention to the property owner or other entity liable for the account (the "Property Owner").
- (b) If the certified mail notice is undelivered, then, at least ten (10) days prior to assessing or imposing such attorney fees, the Township or its designee shall mail or cause to be mailed, by first class mail, a second notice to the Property Owner.
- (c) All notices required by this Ordinance shall be mailed to the Property Owner's last known post office address as recorded in the records or other information of the Township or such other address obtained by the Township from the county tax assessment office.
- (d) Each notice as described above shall include the following:
 - (i) The type of municipal claim or other charge, the year that it became due and the amount owed, including penalty and interest;
 - (ii) A statement of the Township's intent to impose or assess attorney fees no earlier than thirty (30) days after receipt of the first notice, or no earlier than ten (10) days after receipt of the second notice;
 - (iii) The manner in which the assessment or imposition of attorney fees may be avoided by payment of the account; and
 - (iv) The place of payment for accounts and the name and telephone number of the Township's representative designated as responsible for collection matters.

§ 135-36. Related Action. The proper officials of the Township are hereby authorized and empowered to take such additional action as they may deem necessary or appropriate to implement this Ordinance.

§ 135-37. Appointment of Solicitor. The Township appoints Michelle R. Portnoff, Esquire, as Solicitor for the limited purpose of collecting the Unpaid Claims and hereby authorizes her, and attorneys under her supervision, to sign any and all documents, including municipal claims and liens, on behalf of the Township.

2. Miscellaneous provisions.

- a. In the event that any section, subsection or portion of this Ordinance shall be declared by any competent court to be invalid for any reason, such decision shall not be deemed to affect the validity of any other section, subsection or portion of this Ordinance. The invalidity of section, clause, sentence, or provision of this Ordinance shall not affect the validity of any other part of this Ordinance, which can be given effect without such invalid part or parts. It is hereby declared to be the intention of the Township that this Ordinance would have been adopted had such invalid section, clause, sentence, or provision not been included therein.
- b. To the extent this Ordinance is inconsistent with the Code of Worcester Township, the provisions of this Ordinance shall take precedence. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.
- c. This Ordinance shall become effective immediately upon enactment.

ENACTED AND ORDAINED by the Supervisors of the Township of Worcester, Montgomery County, Pennsylvania on this 15th day of March, 2017.

FOR WORCESTER TOWNSHIP

By: _____
Susan G. Caughlan, Chair
Board of Supervisors

Attest: _____
Tommy Ryan, Secretary

**TOWNSHIP OF WORCESTER
MONTGOMERY COUNTY, PENNSYLVANIA**

ORDINANCE 2017-264

**AN ORDINANCE AUTHORIZING THE PARTICIPATION OF WORCESTER
TOWNSHIP IN THE DELAWARE VALLEY WORKERS' COMPENSATION TRUST
IN ACCORDANCE WITH THE PENNSYLVANIA WORKERS' COMPENSATION
ACT AND THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION LAW.**

The Board of Supervisors of Worcester Township, Montgomery County, Pennsylvania do hereby **ENACT and ORDAIN:**

Section 1. That the Township Manager of Worcester Township is hereby authorized to execute the Delaware Valley Workers' Compensation Trust Agreement for the participation of the Worcester Township ("Township") in the Delaware Valley Workers' Compensation Trust, which Agreement is attached hereto as Exhibit "A" and is on file for inspection and review at the Township offices, 1721 Valley Forge Road, Worcester. 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. That the participation of the Township in the Delaware Valley Workers' Compensation Trust is authorized for the purposes of enabling the Township to reduce the cost of workers' compensation claims through its participation in a group self-insurance fund.

Section 3. That the Township 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. That 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 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 each participant satisfies all eligibility and admission requirements for membership in the Trust.
- c) That each participant pledges and agrees 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 expense incurred by the Trust participants;

- d) That each participant agrees 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 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;
- f) That each participant 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 each participant designate a person to be responsible for all contacts with the Trust;
- h) That each participant 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 each participant 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 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, each participant 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 withdrawing participant is not then in default of its obligation to pay premiums, contributions or assessments;
- c) That the withdrawing participant 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 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.

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 in the Delaware Valley Workers' Compensation Trust will be effective by February 17, 2017 or thereafter, as approved by the Board of Trustees.

Section 12. All contributions and assessments paid by the Township 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 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 Intergovernmental Cooperation Law (53 PA C.S.A. Section 2301, et seq.), the Pennsylvania Workers' Compensation Act (77 P.S. Section 1 et seq.), and the Second Class Township Code (53 P.S. Sections 66507 and 66512).

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

ENACTED AND ORDAINED by the Supervisors of the Township of Worcester, Montgomery County, Pennsylvania on this 15th day of March, 2017.

FOR WORCESTER TOWNSHIP

By: _____
Susan G. Caughlan, Chair
Board of Supervisors

Attest: _____
Tommy Ryan, Secretary

EXHIBIT A

DELAWARE VALLEY WORKERS' COMPENSATION TRUST INTERGOVERNMENTAL AGREEMENT

This is the Delaware Valley Workers' Compensation Intergovernmental Agreement (the "Trust Agreement"), effective as of November 1, 1993, by and among various political subdivisions (as hereinafter defined) of the Commonwealth of Pennsylvania which are now and hereafter parties signatory to this Agreement and listed in Appendix "A" hereof, as may be amended from time to time. This Agreement is intended to amend and supersede the previous Trust Agreement which was effective as of January 1, 2008.

PREAMBLE

WHEREAS, certain political subdivisions (hereinafter referred to as "Participants") in the Commonwealth of Pennsylvania desire to create a group self-insurance trust fund for the payment of workers' compensation claims under the Pennsylvania Workers' Compensation Act, 77 P.S. §1, *et seq.*, as amended, and the Pennsylvania Occupational Disease Act, 77 P.S. §1201 *et seq.*;

WHEREAS, the Trust created under this Agreement shall be known as the Delaware Valley Workers' Compensation Trust;

WHEREAS, the Delaware Valley Workers' Compensation Trust hereby agrees to fully comply with the Pennsylvania Workers' Compensation Act, 77 P.S. §1 *et seq.*, as amended, and any regulations promulgated thereunder;

WHEREAS, this Agreement is being executed by the parties hereunder pursuant to the Pennsylvania Intergovernmental Cooperation Law, 53 Pa. C.S.A. §§2301 *et seq.* and the Workers' Compensation Act, 77 P.S. §1, *et seq.*, as amended;

WHEREAS, this Agreement is also authorized by the Pennsylvania Political Subdivision Tort Claims Act, 42 Pa. C.S.A. §8541 *et seq.*, and the Municipality Authorities Act of 1945, 53 Pa. C.S.A. 5301 *et seq.*;

WHEREAS, the Participants hereby delegate to the Delaware Valley Workers' Compensation Trust the authority and obligation to pay workers' compensation benefits on their behalf and discharge all of their liabilities under the Pennsylvania Workers' Compensation Act, 77 P.S. §1, *et seq.*, as amended, and the Pennsylvania Occupational Disease Act, 77 P.S. §1201, *et seq.*,

WHEREAS, the group self insurance fund and Trust created by this Agreement shall not be deemed an insurer or insurance company and shall not be subject to the provisions of any insurance laws and regulations, except as specifically otherwise provided in the Pennsylvania Workers' Compensation Act, 77 P.S. §1 *et seq.*, as amended and regulations promulgated thereunder;

WHEREAS, a Trust fund will be created through contributions by the Participants which fund shall be used for the payment of workers' compensation claims and related expenses incurred on behalf of each Participant. These funds shall be administered by a Board of Trustees in accordance with the terms and conditions of this Agreement;

WHEREAS, the Participants direct that the Trustees, pursuant to an independent fiduciary duty, collect, receive, hold, invest, reinvest, manage, dispose of, distribute, and otherwise to administer the Trust funds; and the Trustees have indicated their willingness to do so, all pursuant to terms of this Agreement;

WHEREAS, the Delaware Valley Workers' Compensation Trust is hereby designated as a "business trust" pursuant to 15 Pa. C.S.A. §9501, with the express understanding that such designation will not have any effect upon the tax exempt status of the Trust under federal or state law; and

WHEREAS, the Trustees and the Participants desire to establish the terms and conditions under which the Trust will be operated.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged by each party, one to the other, the Participants do hereby give and assign in trust the contributions made by them and all income and profits therefrom, and such other sums, income and profits as hereinafter may be made part of the Trust, to the Trustees, and the Trustees hereby accept the trusts herein contained and declare that they will hereby assume an independent fiduciary duty to administer, manage, collect, receive, dispose of, and distribute such trust property for the exclusive benefit of the Participants and their employees as hereinafter provided, all parties agreeing to abide by the terms and covenants contained in this Agreement, as follows:

ARTICLE I - DEFINITIONS

1.01 Definitions.

The terms defined in this Section 1.01 and in the preambles hereto (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement and of any amendment or supplement hereto shall have the respective meanings specified in this Section 1.01 and said Preamble.

Actuary — The actuarial firm selected by the Trustees, whose duties shall include, but not be limited to, the evaluation of loss data submitted by eligible municipalities and the rendering of opinions and certifications of loss reserves and IBNR as required by the Board of Trustees in accordance with this Agreement and By-Laws.

Adjustments – A decrease or increase of a participating municipality's annual contribution as determined by the Board of Trustees in accordance with this Agreement and By-Laws.

Administrator – The individual responsible for the day to day operations of the Trust.

Application – The document(s) which must be submitted by all eligible municipalities for admission to the Trust, including, but not limited to, any underwriting or loss data, or any other information which an eligible municipality may be required to provide for admission to the Trust.

Assessments – Any additional payment(s) to the Trust which a participating municipality may be required to make as determined by the Pennsylvania Department of Labor and Industry Bureau of Workers' Compensation or the Board of Trustees in accordance with this Agreement and By-Laws if the Surplus is exhausted by the payment of claims, the accumulation of reserves and IBNR, or the payment of other expenses.

Board of Trustees – The independent governing body of the Delaware Valley Workers' Compensation Trust whose members or Trustees are selected in accordance with this Agreement and By-Laws. The Board of Trustees shall also serve the function of a "plan committee" as defined in the Pennsylvania Workers' Compensation Act, 77 P.S. §1 et seq., as amended.

By-Laws – The By-Laws governing the operation of the Trust as adopted and amended by the Board of Trustees in accordance with this Agreement.

Claims – All claims for workers compensation benefits made by the Participants' employees under the Pennsylvania Workers' Compensation Act, 77 P.S. §1 et seq., as amended and the Pennsylvania Occupational Disease Act, 77 P.S. §1201 et seq.

Contact Person – An individual designated by each participating municipality as a liaison between that municipality and the Board of Trustees, and the Trust's officers, employees or agents.

Contributions or Premiums – The annual payments made thereafter by each Participant upon admission to the Trust, which shall include premiums for commercial excess or reinsurance.

Deficit – When expenses, claims payments, claims reserves and claims incurred but not reported (IBNR) for any year, exceed the premiums collected for that year.

Dividends – As determined by an independent actuary, any distributable amounts in excess of that necessary for the payment of all workers' compensation claims during any Trust Year.

Effective Date – The date determined by the Trustees on which a municipality shall be deemed a participant in the Trust.

Executive Committee – The Executive Committee appointed by the Board of Trustees in accordance with Section 2.07 hereof.

Expulsion – The involuntary removal or termination of a participant from the Trust by action of the Trustees as provided in Section 3.05 hereof and any applicable By-Laws.

Fiscal Agent – A financial institution selected by the Board of Trustees to handle and invest the monies held in the various accounts administered by the Trust.

Fund – As used in this Agreement, the "Fund" is the group self insurance fund used to pool the Participants' workers compensation liabilities as approved by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation.

Insurance – Various forms of commercial insurance coverage provided to participating municipalities or the Trust itself, including any excess, reinsurance or aggregate excess insurance coverage for the payment of workers compensation claims.

Participant – Any political subdivision of the Commonwealth of Pennsylvania eligible to participate in this Trust which becomes a party to this Agreement and the participation of which has not been terminated or cancelled in accordance with this Agreement and By-Laws.

Political Subdivision – Any county, city, borough, incorporated town, township, school district, vocational school district and county institution district, municipal authority or any other entity created by a political subdivision pursuant to law, as defined in Section 801 of the Pennsylvania Workers' Compensation Act, 77 P.S. §1036.1.

Permit – The document issued by the Pennsylvania Department of Labor and Industry Bureau of Workers' Compensation which authorizes the Trust to operate as self insurer or a group self-insurance fund under the Pennsylvania Workers' Compensation Act, 77 P.S. §1 et seq., as amended.

Rate Stabilization Fund – A fund established by the Trust which can be used by Participants to defray the cost of their annual contributions or premiums.

Service Agents – One or more service companies or consultants employed by the Trustees to be responsible for underwriting matters, claims administration, loss control, accounting and such other duties as determined by the Board of Trustees and specified by contract.

Service Contract – Any contract for service between the Trustees and a Service Agent.

Surplus – Net worth of the Trust since its inception.

Termination – The voluntary withdrawal of a Participant from the Trust in accordance with Section 3.03(b) hereof.

Termination Contribution – Payment required of all Participants who are expelled from the Trust, as determined by the Board of Trustees.

Trust – The Delaware Valley Workers' Compensation Trust.

Trust Coverage Document or Coverage Document – The document which describes the type of claims to be paid from the Trust funds, which claims shall include workers compensation benefits payable pursuant to the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act.

Trust Year – The first fiscal year of the Trust shall be from January 1 to December 31 of each year or any other period determined by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation.

Trustee – Each person serving as a member of the Board of Trustees referred to from time to time, collectively as the "Trustees" or "Board of Trustees" or "Board".

Underwriting Consultant – Advisor or firm selected to assist the Trust with underwriting and rating requirements for current Participants and new applicants. The underwriting consultant shall consult with the Trust Actuary as needed and as required.

1.02 Interpretation.

The words "hereof", "herein", "hereunder", and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Headings or titles to Articles, Sections, and other subdivisions of this Agreement are for convenience only and shall be given no effect, meaning, or construction whatsoever and shall not define or limit any provision of this Agreement.

ARTICLE II - TRUSTEES

2.01 Qualifications of a Trustee.

A Trustee shall be either (1) an elected or appointed official of a Participant, including any Township or Borough Managers, or (2) an employee of a Participant with expertise in finance or risk management. A Trustee shall not be employed by or have any direct or indirect financial interest in any Service Agent or other organization providing services to the Trust. A Trustee shall act in an independent fiduciary capacity in fulfilling his or her obligations under this Agreement.

2.02 Composition of Board of Trustees.

The Trust shall be governed by a Board of Trustees, which shall consist of a representative from each Participant. No Participant shall be represented by more than one Trustee on the Board of Trustees. However, a Participant may authorize its Trustee to appoint an Alternate for a scheduled meeting or event of the Board. An Alternate shall have the full voting rights and powers granted to the Trustee.

2.03 Election of Trustees.

The initial Board of Trustees shall provide in the By-Laws for the form and method of election of subsequent Trustees.

2.04 Resignation of a Trustee.

A Trustee may resign by giving at least thirty (30) days prior notice in writing sent by registered mail to the Chairperson of the Trustees. Such notice shall state the date said resignation shall take effect, and such resignation shall take effect on such date.

2.05 Removal of Trustees.

A Trustee may be removed from office in accordance with the By-laws if he fails, or subsequently ceases, to meet the qualifications of Section 2.01 hereof; and may be removed if he fails to attend three (3) consecutive meetings of the Board or is terminated for cause by a 2/3 vote of the Trustees. Upon removal of a Trustee, the position shall be filled pursuant to Section 2.06 hereof.

2.06 New Trustees.

- (a) In the event a Trustee resigns, is removed or is otherwise unable to serve, the municipality represented by that Trustee shall appoint a replacement to complete the original Trustee's term of office.
- (b) Any Trustee, upon leaving office, shall forthwith turn over and deliver to the principal office of the Trust, any and all records, books, documents or other property in his possession or under his control which belong to the Trust.

2.07 Board Chairperson and Executive Committee.

The Trustees shall elect a Chairperson of the Board by simple majority vote whose duties shall be set forth in the By-Laws. The Trustees shall also appoint an Executive Committee by majority vote consisting of not less than five (5) Trustees, two of whom will be the Chairperson and Vice Chairperson of the Board of Trustees. The Trustees may delegate in writing to the Executive Committee such powers and duties as the Trustees deem appropriate and desirable except the exercise of those powers for which a two thirds majority vote of the Trustees is required. The Executive Committee shall meet as determined by the Chairperson of the Board of Trustees.

ARTICLE III - PARTICIPANTS

3.01 Eligibility Requirements.

- (a) Participation in the Trust shall be limited to "political subdivisions" of the Commonwealth of Pennsylvania as that term is defined in Section 1.01 and under Section 801 of the Pennsylvania Workers' Compensation Act, 77 P.S. §1036.1.
- (b) Each Participant shall meet the underwriting standards established by the Board of Trustees, and any requirements established by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation.
- (c) Each Participant shall have a loss or claims history which does not present an undue risk to the actuarial soundness of the Trust.
- (d) Each Participant must receive a positive recommendation from the Underwriting Consultant or loss control manager prior to acceptance. This recommendation will be based upon a loss projection and a loss control survey which will include an evaluation of the applicant's risk management procedures.
- (e) Each applicant must be professionally managed, utilizing International City Management Association ("ICMA") Recognition Criteria or satisfy equivalent management criteria adopted by the Executive Committee.
- (f) Each successful applicant must comply with the guidelines established by the underwriting consultant employed by the Trust. Each applicant must agree to make a commitment to participate in the Trust for a minimum period of at least two (2) years, which period is necessary to assure the fiscal and actuarial soundness of the Trust.
- (g) The Board of Trustees may establish additional requirements for participation in the Trust by majority vote.

3.02 Approval of Participants.

- (a) All applicants must be approved by two thirds (2/3) majority vote of the Board of Trustees. The Administrator must certify in writing that the successful applicant has met all the criteria for admission to the Trust.
- (b) All applicants, including initial Participants, must pay an application fee which shall be based upon the actual cost of processing the application and completing the loss control survey for each applicant.
- (c) Each application must contain the following information: underwriting and claims data for a three (3) to five (5) year period prior to submission of the application; detailed information regarding the organization, personnel and administration of the applicant as requested by the underwriting consultant; names of all previous insurers and premium data for the three (3) year period prior to submission of the application; operating budgets and other financial information as may be required by the underwriting consultant for a period of one to five (5) years prior to submission of the application; and any other information required by the Board of Trustees or any of the Trust's officers, attorneys, service agents, consultants or employees.

(d) Each Participant shall submit evidence satisfactory to the Trustees of approval for participation by its governing body, including any ordinances which may be required under state law.

(e) Upon approval of all subsequent Participants by the Board of Trustees, the Board shall establish the effective date for that Participant's participation in the Trust.

3.03 Contributions.

Annual contributions shall be established by the Trustees in consultation with the underwriting consultant in compliance with the Pennsylvania Workers' Compensation Act, 77 P.S. § 1, et seq., as amended, and any regulations promulgated thereunder. Annual contribution estimates shall be established at least thirty (30) days before commencement of the Trust Year for which that contribution applies, or as determined by the Pennsylvania Department of Labor and Industry Bureau of Workers' Compensation.

Contributions shall be due and payable as determined by the Trustees, in accordance with this Agreement, the Trust By-Laws, and the Pennsylvania Workers' Compensation Act, 77 P.S. § 1, et seq., as amended, and any regulations promulgated thereunder.

3.04 Obligations, Duties and Liabilities of Participants.

(a) Each Participant agrees to fulfill all obligations and duties set forth in this Agreement. The withdrawal or expulsion of any Participant shall not affect this Agreement nor the Trust created herein, except where otherwise expressly provided.

Each Participant agrees to jointly and severally assume and discharge liabilities arising under the Pennsylvania Workers' Compensation Act, 77 P.S. § 1, et seq., as amended, and the Pennsylvania Occupational Disease Act, 77 P.S. § 1201, et seq., of each and every other party to this Agreement.

Each Participant is liable under this Agreement for the payment of contributions and assessments when due, and agrees to make an initial contribution upon admission to the Trust.

Each Participant will appropriate funds for the payment of any contributions and assessments required by the Trust.

Each Participant agrees to institute any and all reasonable safety regulations and loss prevention procedures that may be required by the Executive Committee or the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation for the purpose of minimizing or eliminating hazards or risks that could contribute to losses.

Each Participant agrees that it will cooperate fully with the Trust's service agent(s), attorneys, claims adjusters and any other agent or employee of the Trust in relation to the purpose and powers of the Trust, including, but not limited to, the investigation, defense and settlement of claims.

Each Participant agrees to designate a Contact Person to be responsible for all contacts with the Trust. The Trustees, the Administrator and the service agent(s) shall not be required to contact any other individual except the Contact Person in dealing with the Participant. Any notice to or any agreements with the Contact Person shall be binding upon the Participant. Each Participant reserves the right to change the Contact Person from time to time by giving written notice to the Administrator.

The Participants agree that any claim or suit brought against them shall be defended in the name of the Participant by counsel selected by the Trustees. Full cooperation shall be extended by such Participant to supply any information needed or helpful in such defense.

The Participants will furnish to the Trustees such underwriting information as may be required by the Trust prior to the end of the Trust Year, and any other information which may be requested by the Board.

Participants hereby acknowledge and agree that this Agreement may be amended, altered or modified pursuant to Article VIII hereof. Any amendment adopted pursuant to the provisions of Article VIII hereof shall be considered by each Participant to be a reasonable and proper amendment to the Agreement.

(k) The Participants also agree to submit all coverage disputes to the appropriate subcommittee of the Board of Trustees, whose decisions shall be appealable to the entire Board.

(l) The Participants further agree that once an adverse decision is rendered by the Board in any coverage dispute, and the dispute cannot be resolved by the parties, then the decision of the Board of Trustees shall be final, with no further right to challenge that decision before any arbitration panel or court of competent jurisdiction. That notwithstanding, the Participants and the Trust reserve the right to file an action in such a court solely to enforce the decision by the Board. The same is true for all decisions by the Board of Trustees involving the expulsion or withdrawal of a Participant.

3.05 Expulsion and Withdrawal of Participants.

(a) Expulsion. The Trustees shall have the authority by an affirmative vote of two thirds (2/3) of all Trustees to expel any Participant from the Trust for cause, based upon any of the following:

Failure to pay any premiums, contributions or assessments when due;

Failure to implement a reasonable safety or loss prevention program or other failure to implement guidelines required by the loss control consultant or manager hired by the Trust;

Failure to cooperate with any loss control service and fiscal agents of the Trust or with any attorney representing that Participant in the defense of any covered claim;

Failure to provide any information requested by the Administrator, Board of Trustees or any agent or representative of the Trust as required for the handling, settlement or defense of any covered claims;

Knowing and willful failure to observe and perform any covenants, conditions in this Agreement and any other agreement between the Participant and the Trust;

The filing of a case in bankruptcy, or the subjection of any right or interest of a Participant under this Agreement to any execution, garnishment, attachment, adjudication of such Participant as a bankrupt, assignment by such Participant for the benefit of creditors, or the approval by a court of competent jurisdiction of a petition applicable to that Participant in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar state or federal statute which may thereafter be enacted;

The assignment by a Participant of any right or interest in this Trust Agreement without first obtaining the approval of two-thirds of the Board of Trustees;

Knowingly taking any action detrimental to the fiscal and/or actuarial soundness of the Trust; or

Failure to comply with the Pennsylvania Workers' Compensation Act, 77 P.S. § 1, et seq., as amended, or any regulations promulgated thereunder.

Expulsion shall become effective after sixty (60) days written notice to the Participant, or ten (10) days written notice for non payment of contributions or assessments and no liability shall accrue to the Trust after the effective date of expulsion except as provided in Section 3.05(c) hereof. A terminated Participant shall remain fully obligated for claims incurred during the period of its participation in the Trust, including the payment of any assessments and a Termination Contribution, in accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder.

The Participant whose expulsion is sought shall have a full and fair opportunity to appear before the Board of Trustees and present any evidence on its behalf before the Board renders its decision. All decisions by the Board of Trustees regarding expulsion of a Participant shall be final, with no right for a further appeal or arbitration of that decision.

The Participant, upon notification of expulsion of coverage by the Trustees, understands that its participation in this Trust will terminate and the Participant will retain responsibility for the payment of all workers' compensation claims in accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder.

Upon expulsion, a Participant shall forfeit any and all rights to any dividends and Rate Stabilization Fund monies to which it may otherwise be entitled during the last year of the Participant's membership in the Trust and all times thereafter.

Upon expulsion, a Participant will be required to pay a Termination Contribution and may be required to pay additional assessments after expulsion as determined by the Board of Trustees upon recommendation of the Executive Committee. A Participant may be required to make additional payments, including assessments, after the effective date of its expulsion caused by deficits which occurred because of claims which were incurred while that Participant was a member of the Trust. A claim is "incurred" when the employee injury occurs and not when a claim is made for that injury.

The Trust shall immediately notify the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation in the event that the expulsion of a Participant causes the Trust to fail to meet any requirements imposed upon it by the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder.

Withdrawal by a Participant. As provided herein, each participating municipality hereby agrees that it shall not withdraw from the Trust for a period of two (2) years from the date upon which it was first admitted as a Participant. In addition, it is also agreed that each Participant may withdraw from the Trust after giving at least one hundred twenty (120) days prior written notice to the Trust Administrator at any time after the expiration of the two year period, which withdrawal will be effective on the first day of the following year unless:

An opinion is rendered by the Trust's actuary that such withdrawal will result in the number of Participants falling below the minimum required to assure the fiscal and actuarial soundness of the Trust itself;

That the withdrawing municipality is then in default of its obligation to pay any contributions or assessments; and

The Board of Trustees shall have received a certification, from the Trust actuary that the withdrawal will 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 adversely affect the tax exempt status of any interest paid on 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.

Any Participant who withdraws from the Trust shall forfeit any and all of its rights to any dividends and Rate Stabilization Fund monies to which it may otherwise be entitled during the last year of the Participant's membership in the Trust and all times thereafter.

Upon the effective date of withdrawal, or at any time thereafter, a Participant may be required to pay additional assessments as required by the Board of Trustees in accordance with this Agreement and the By-Laws based upon any deficits which were caused by any claims paid while that Participant was provided coverage by the Trust. A claim is "incurred" when an employee injury occurs and not when a claim is made for that injury.

If there is a dispute over the withdrawal of a Participant, that Participant will have a full and fair opportunity to present any relevant evidence or information to the Board of Trustees who shall decide the dispute by majority vote. All decisions by the Board of Trustees regarding the withdrawal of a Participant shall be final, with no right for a further appeal or arbitration of that decision. A withdrawn Participant shall remain fully obligated for claims incurred during the period of its participation in the Trust, including the payment of any assessments and a Termination Contribution, in accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder.

The Trust shall immediately notify the Pennsylvania Department of Labor and Industry Bureau of Workers' Compensation in the event that the withdrawal of a Participant causes the Trust to fail to meet any requirements imposed upon it by the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder.

(c) Liability of Trust after Withdrawal or Expulsion of a Participant.

(1) The Trust shall continue to service, defend and otherwise be responsible for any claim which occurred prior to expulsion or withdrawal of a Participant which is covered under Section 13.08 hereof.

The Trust will not pay, defend, or otherwise be responsible for, a claim which arises out of an injury which occurs after the effective date of the Participant's withdrawal or expulsion.

In addition to forfeiture as provided in subsections 3.05(a) and (b) above, no dividends or Rate Stabilization Fund monies shall be paid to a Participant who has been expelled from the Trust or to any Participant who has voluntarily withdrawn after the effective date of withdrawal or expulsion.

ARTICLE IV - TRUSTEES' OBLIGATIONS

4.01 Acceptance.

Trustees hereby accept the trusts imposed upon them by this Agreement and agree to perform said trusts in accordance with the terms and conditions of this Agreement. Trustees shall hold legal title to all property of the Trust and shall have absolute and exclusive power and control over the management and conduct of the business of the Trust subject to their independent fiduciary obligations under this Agreement.

4.02 Future Trustees.

Whenever any change shall occur in the Board of Trustees, the legal title to the property hereby created by this Trust shall pass to those duly appointed Trustees. Each future Trustee appointed in accordance with this Agreement shall accept the Office of Trustee and the terms and conditions of this Agreement in writing.

4.03 Trustees' Duties and Obligations.

The Trustees shall discharge their independent fiduciary duties and obligations under this Agreement solely in the interests of the Participants with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The Trustees shall adopt By-Laws for the management and control of the Trust, so long as such By-Laws are not inconsistent or in conflict with the terms and provisions of this Agreement. Said By-Laws may be amended by the Trustees as they shall provide.

4.04 Liability of Trustees.

The Trustees shall not be liable for errors of judgment either in holding property originally conveyed to them, in acquiring and afterwards holding additional property, in the performance of their duties hereunder, nor for any act or omission to act, performed or omitted by them, in the execution of the trusts created hereunder.

Every act done, power exercised or obligation assumed by the Trustees, pursuant to the provisions of this Agreement, or in carrying out the trusts herein contained, shall be held to be done, exercised or assumed by them as Trustees and not as individuals, and any person or corporation contracting with the Trustees, shall look only to the Trust and property of the Trust available for payment under such contract, or for the payment of any debt, mortgage, judgment or decree or the payment of any money that may otherwise become due or payable on account of the trusts herein provided for, and any other obligation arising out of this Agreement in whole or in part, and neither the Trustees nor the Participants, present or future, shall be personally liable therefore.

Notwithstanding the provisions of (a) and (b) above, a Trustee shall be personally liable in connection with the performance of his duties hereunder for his own willful misconduct or gross negligence.

The Board of Trustees shall use their best efforts to purchase so called directors and officers liability insurance.

ARTICLE V - OPERATION OF THE TRUSTEES

5.01 Office.

The Trustees shall designate a principal office of the Trust. Such principal office shall be in the County of Montgomery in the Commonwealth of Pennsylvania. At such principal office there shall be maintained the books, reports and records pertaining to the Trust and its administration.

5.02 Meetings.

There shall be an annual meeting of the Trustees on a day and at a place designated by the Trustees. At the annual meeting the Trustees shall elect a Chairperson and such other officers as provided in the By-Laws and transact such other business as may come before them. The Trustees shall hold such other meetings and shall establish such procedures for the conduct of those meetings as they shall provide in the By-Laws.

5.03 Extraordinary Votes.

An affirmative vote of two thirds (2/3) of all Trustees shall be required to expel or admit a Participant, amend this Agreement (except as otherwise provided in Art. XI), or determine a prudent or necessary purpose for which money from the Surplus may be used.

5.04 Indemnification.

The Trust shall indemnify and defend : (i) each member of the Board of Trustees and the estate, executor, administrator, personal representatives, heirs, legatees and devisees of any such person; and (ii) every officer and employee of the Trust and the estate, executor, administrator, personal representatives, heirs, legatees or devisees of such person; against all claims, suits or judgments including interest, fines, amounts paid or agreed upon in settlement, reasonable costs and expenses, including attorneys' fees and any other liability that may be incurred as a result of any claim, action, suit or proceeding, whether civil administrative, or other, prosecuted or threatened to be prosecuted, for or on account of any act performed or omitted or obligation entered into, if done or omitted in good faith without intent to defraud and within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interest of and in connection with the administration, management, conduct or affairs of the Trust. Provided, however, that if any such claim, action, suit, or proceeding is compromised or settled, it must be done with the prior and express approval of the Board of Trustees or such other persons as may be authorized to make determinations with respect to indemnification pursuant to subparagraph (d) of this Section.

Such indemnification and defense shall not depend upon whether or not such person is a member of the Board of Trustees at the time such claim, action, suit or proceeding is begun, prosecuted or threatened.

The right of indemnification and defense here under shall not be exclusive of other rights such person or Board may have as a matter of law or otherwise.

In each instance in which a question of defense and/or indemnification hereunder arises, determination to indemnification hereunder, and the time, manner and amount of payment thereof, shall be made by a majority vote of a quorum of the Board of Trustees provided, however, that no member of the Board of Trustees seeking indemnification hereunder as a result of the same occurrence shall participate in the determination. In the event that a majority of the members of the Board of Trustees are seeking indemnification hereunder as a result of the same occurrence or the number of Board of Trustees members eligible to vote does not constitute a quorum, such determination in the first instance shall be made by independent legal counsel retained by the Trust for the purpose of making the determination. Nothing in this paragraph is intended to make an adverse determination finally binding upon the person seeking indemnity under this Section, or to preclude any such person from appealing an adverse determination against him or it, or from instituting legal proceedings to enforce a right of indemnification under this Section.

The indemnification and defense provided for in this Section shall be deemed to be an expense of the Trust which may be paid from the operating funds. .

The indemnification and defense provided by this Section shall be secondary to any benefits which the person may be entitled to receive from any applicable insurance policy providing Directors and Officers, Errors and Omissions or other applicable insurance coverages which have been procured by the Trust or for which the Trust paid the required premium. The indemnification provided by this Section shall be primary over any indemnification provided by a trustee at his or her own expense.

(1) Notwithstanding any other provision of this Section to the contrary, a person may seek, and the Trust may pay, advance indemnification prior to the rendering of a final determination of entitlement to indemnification pursuant to the provisions of subparagraph (d) of this Section. Any award of such advance indemnification by the Trust shall be discretionary and subject to the provisions of this Section.

In each instance where a question of advance indemnification hereunder arises, determination of the right to indemnification and of any conditions or restrictions attached thereto shall be made by a majority vote of a quorum of the Board of Trustees provided, however, that no member of the Board of Trustees seeking indemnification hereunder as a result of the same occurrence shall participate in the determination. In the event that a majority of the members of the Board of Trustees are seeking indemnification as a result of the same occurrence or the number of members of the Board of Trustees eligible to vote does not constitute a quorum, such determination shall be made by independent legal counsel retained by the Trust for the purpose of making the determination.

Any determination of advance indemnification shall be discretionary and may provide for the time, manner and amounts advanced hereunder and shall include such limitations as may be deemed appropriate in the particular circumstances on rate of payment, the total amount to be advanced and the security, if required, for repayment of such advances.

Any advance authorized hereunder shall be repaid to the Trust if the person on whose behalf the advance was made is not entitled to indemnification of his costs and expenses under the provisions and in accordance with the standards for indemnification provided in this Section.

ARTICLE VI - PURPOSE OF THE TRUST; POWERS OF TRUSTEES

6.01 Purposes of Trust

The purposes and objectives of the Trust are as follows:

To assure the payment of workers' compensation benefits by each Participant through the creation of a common fund established for that purpose in accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder;

To minimize costs incurred by participating municipalities in the handling and payment of workers compensation claims;

To protect each participating municipality from the volatility and high premiums of the commercial insurance markets; and

To take whatever other action which may be necessary to preserve and protect the fiscal and actuarial integrity of the Trust, as required in the Trust Agreement and By-Laws.

It is the express intent of the Participants entering into this Agreement that they do not intend to waive, and are not waiving, any of the immunities which they or their commissioners, supervisors, council persons, officers or employees have now, and may have in the future, under the Pennsylvania Political Subdivision Tort Claims Act, any other applicable statutes or under the common law.

6.02 Powers of Trustees

The Trustees shall have the power to control and manage the Trust and to; perform such acts, enter into such contracts, engage in such proceedings, and generally to exercise any and all rights and privileges, although not specifically mentioned herein, as the Trustees may deem necessary or advisable to administer the Trust or to carry out the purposes of this Agreement. Any determination made by the Trustees in the exercise of these powers shall be binding upon all Participants. In addition to the powers set forth elsewhere in this Agreement, the powers and duties of the Trustees in connection with their managing and controlling the Trust shall include, but shall not be limited to, the following:

- a) To see that the Trust is safely and prudently administered to insure its financial stability in accordance with all applicable statutes and regulations and to be responsible for the investment of Trust monies at the best return possible in accordance with all applicable state and federal law.
- b) To receive, hold, manage, invest, reinvest, and control all monies at any time forming part of the Trust.
- c) To purchase contracts of insurance or reinsurance through such broker or brokers as the Trustees may choose and to pay premiums on such policies.
- d) To borrow or raise money for the purpose of financing any self insurance reserves of the Trust to the extent authorized under state and federal law. However, no municipal debt shall be incurred by the Trust, its participating municipalities or any entity created for that purpose without the consent of all participating municipalities and compliance with all state and federal law.
- e) To hold cash, uninvested, for such length of time as the Trustees may determine without liability for interest thereon.
- f) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance, including, but not limited to, deeds, leases, mortgages, conveyances, contracts, waivers and releases, and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.
- g) To employ suitable agents, advisors and other persons as the Trustees may deem necessary and advisable for the efficient operation and administration of the Trust, to delegate duties and powers hereunder to such agents, advisors and employees and to charge the expense thereof to the Trust. Trustees are entitled to rely upon and may act upon the opinion or advice of any attorney or Service Agent approved by the Trustees in the exercise of reasonable care. Trustees shall not be responsible for any loss or damage resulting from any action or non action made in good faith reliance upon such opinion or advice. All delegated authority shall be specifically defined in the By-Laws or the written minutes of the Trustees' meetings.
- h) To continue to have and to exercise, after the termination of the Trust and until final distribution, all of the title, powers, discretion, rights and duties conferred or imposed upon the Trustees hereunder, or by law.
- i) To construe and interpret this Agreement and any related documents.
- j) To receive from Participants and other relevant sources, such information as shall be necessary for the proper administration of the Trust.
- k) To maintain bank accounts for the administration of the Trust and to authorize certain Trustees, the Trust Administrator, Service Agent or other appropriate persons to make payments from any such account for purposes of the Trust.
- l) To receive and review reports of the financial condition and of the receipts and disbursements of the Trust.

- m) To adopt By-Laws, rules, regulations, formulas, rates, forms, and procedures by resolution from time to time as they deem advisable and appropriate for the proper administration of the Trust, including membership criteria, provided the same are consistent with the terms of this Agreement.
- n) To have a judicial settlement of their accounts and judicial determination of any questions in connection with their duties and obligations hereunder, or in connection with the administration or distribution thereof. The costs and expenses, including accounting and legal fees, for such judicial settlement of accounts or other judicial determination shall be paid by the Trust as a general administrative expense to the extent permitted by applicable law.
- o) To purchase as a general administrative expense of the Trust so called directors' and officers liability insurance and any other types of insurance for the benefit of the Trust, the Trustees, Trust employees, or agents, including group insurance, employee benefits and social security.
- p) To enter into any and all contracts and agreements for carrying out the terms of this Agreement and for the administration and operation of the Trust and to do all acts as they, in their discretion, may deem necessary or advisable, and such contracts and agreements and acts shall be binding and conclusive on Participants and Participants' employees. All such contracts and agreements, or other legal documents herein authorized, shall be approved by the Trustees and shall be executed by individuals authorized by the Trustees. This paragraph does not apply to the issuance of municipal debt for the funding of any self insurance reserves.
- q) To write off as uncollectible any Participant's contribution or any other indebtedness or other obligation as the Trustees may deem appropriate. A decision to write off as uncollectible shall be deemed appropriate if the Trustees determine that the unlikelihood of collection or the anticipated expense of collecting justifies such action. This paragraph does not apply to the issuance of municipal debt for the funding of any self insurance reserves.
- r) To receive premiums, contributions or assessments from any source whatsoever but such premiums, contribution or payments may not be utilized for any purpose unrelated to the purposes herein provided.
- s) To pay or contest any claim or to settle a claim by or against the Trust or any of its Participants by negotiation, compromise, arbitration, or otherwise.
- t) To pay taxes, assessments, and other expenses incurred in the collection, care, administration, and protection of the Trust.
- u) To review Applications for memberships in the Trust submitted to them and to approve or disapprove such Applications.
- v) To expel or cancel the coverage of any Participant in accordance with the terms of this Agreement.
- w) To amend the Agreement and By-Laws as provided herein.
- x) To make provision for proper accounting and reporting procedures for each of the Participants so that the Participants shall be informed at all times of the nature of the claims arising within their jurisdiction, the manner in which these claims are being handled, and the impact of those claims upon the Trust.
- y) To purchase an employee fidelity bond covering the Trustees, the Administrator and such others as the Trustees may determine.
- (z) To require assessments from each Participant in an amount equal to the ratio of that Participant's annual contribution to the total annual contributions paid by all Participants in the year in which a deficit occurred. Such amounts shall be certified by the Board as necessary for that purpose to the Participants.
- (aa) To hold all property received by the Trustees, which together with the income and gains therefrom and additions thereto, shall constitute the corpus of the Trust.
- (bb) To appoint for a fee or otherwise, a Trust Administrator who shall act at the direction of the Trustees to implement the decisions of the Trustees and to have direct responsibility for the operation and supervision of the Trust. The Trust Administrator shall not be an owner, officer or employee of the Service Agent or broker of the Trust.
- (cc) To employ and oversee one or more independent service companies and/or consultants to act as Service Agent(s). The services of a Service Agent shall be performed pursuant to a written agreement between the Service Agent and the Trust, and the Service Agent (s) shall be compensated from the Trust for such services. The Trustees may delegate to a Service Agent responsibility for underwriting matters, claims administration and disbursement, collection of Premiums, and other duties as are specified in the Service contract. The Trustees shall require any Service Agent who handles monies of the Trust to furnish an employee fidelity bond indemnifying the Trust. The proper limit of liability to be set for such bond shall be as determined by the Trustees, but not less than a fifty thousand (\$50,000) dollar limit per loss should be established.
- (dd) To employ counsel to advise and represent the Trustees on legal matters relating to the operation and administration of the Trust, and represent Participants in the defense of claims or suits.
- (ee) To employ an independent certified public accountant to conduct an annual audit of the financial statements of the Trust at the close of the Trust Year, such audit report to be submitted to the Participants no more than six (6) months after the close of the Trust Year.
- (ff) To employ a Fiscal Agent and delegate to it the duties to hold the monies of the Trust and to invest and reinvest all or part of the principal and interest of the General Operating Fund and the Surplus Fund in accordance with the requirements of this Agreement. Those monies shall be invested in accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder.
- (gg) To appoint any subcommittees of the Board as may be necessary for the operation of the Trust.
- (hh) To employ an actuarial firm to review, at least annually, the expected losses, IBNR calculations and recommend surplus requirements for the Trust.
- (ii) To resolve all coverage disputes between Participants and the Trust and any disputes regarding the withdrawal or expulsion of any Participants; and
- (jj) To do all acts, whether or not expressly authorized herein, which the Trustees may deem necessary in the best interests of the Trust.

6.03 Payment of Claims and Coverage Disputes.

The Executive Committee shall be responsible for adopting guidelines for the handling and payment of claims. The decision of whether to settle or pay a claim shall be made in the first instance by the manager responsible for claims handling, acting under the general supervision of the Trust Administrator. The decision to settle or defend a claim may then be reviewed by the Executive Committee, whose decision may be reviewed by the Board of Trustees at the request of the Participant. A decision by the entire Board to settle a particular claim made against a Participant shall be final. A refusal by a Participant to consent to such a settlement or execute the documentation required to effect a

settlement, shall, upon payment by the Trust of the settlement amount, relieve the Trust from any further obligation to pay that claim or otherwise represent the interests of that Participant.

Any disputes between a Participant and the Trust as to whether a particular claim is covered shall be decided in the first instance by the Board of Trustees or designated subcommittee. Decisions may be reviewed by the entire Board at the request of the Participant. A decision by a majority of the Board disclaiming or denying coverage for a claim made against a Participant shall be final and legally binding on the Trust and Participant, with no right to challenge the Board's decision before any arbitration panel or court of competent jurisdiction. That notwithstanding, the Trust and Participants reserve the right to file an action in such a court to enforce the Board's decision.

ARTICLE VII - OPERATION OF THE TRUST FUNDS

7.01 Payment of Contributions and Assessments.

Each Participant hereby agrees to make payments into various funds established under the Trust as set forth below:

(a) Initial Contribution - The initial payment made by all Participants upon their admission to the Trust.

(b) Annual Contributions - Annual contributions must be paid by each Participant. These contributions shall be established, and may be adjusted upward or downward on an annual basis, by the Executive Committee in accordance with this Agreement and the Trust By-Laws. Contributions shall be determined by the Executive Committee in accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder and also comply with the guidelines adopted by the Executive Committee based upon the actual claims or loss histories of each Participant. Contributions shall include:

An amount to provide for losses and general operating expenses of the Trust; and

A contribution to Surplus, as required by the Executive Committee.

In accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, each Participant may pay its annual contribution in installments, except that the initial installment shall be not less than twenty five percent (25%) of the total annual contribution. The balance of the annual contribution may be paid to the Trust on monthly, quarterly or semi-annual basis as required by the Trust's By-Laws and as approved by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation.

In accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, all annual contributions shall be based upon the annual payroll of the Trust Participants multiplied by the rates as utilized by the State Workmen's Insurance Fund minus any premium discounts. The Trust may, however, establish its own rates with the approval of an independent actuary and the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation.

Assessments - Any additional payments to the Trust which a Participant may be required to make to the Surplus upon a finding by the Board and the underwriting consultant that the funds available for the payment of claims have been exhausted by, among other things, the payment of claims, claims reserves, IBNR reserves and expenses; and that such assessments are required to preserve the fiscal and actuarial soundness of the Trust and its ability to pay claims and otherwise satisfy any outstanding indebtedness. All assessments shall be made in an amount equal to the ratio of the Participant's annual contribution to the total annual contribution paid by all Participants in the Trust year or years in which a deficit occurred. Any such assessments shall not be greater than that needed to eliminate the deficit or deficiency in the General Operating and Surplus Funds. Until the recently enacted amendments to the Pennsylvania Workers' Compensation Act (referred to as "Act 44") apply to the Trust on August 1, 1994 any assessments for each Participant shall be capped in any single Trust Year at no greater than the annual contribution paid by that Participant for the Trust Year for which the assessment is being made. After the withdrawal or expulsion of a Participant, that Participant shall remain liable for any assessments for any periods during which that Participant was provided coverage by the Trust.

Termination Contribution - Upon recommendation of the Executive Committee, the Board of Trustees shall determine the amount of the Termination Contribution due and owing on or after the effective date of a Participant's expulsion, as the Board of Trustees may determine. The Termination Contribution shall be sufficient to pay any outstanding contributions and any other expense and assessments due and owing on the effective date of the Participant's expulsion. An initial estimate of the Termination Contribution shall be determined by the Board of Trustees at least forty-five (45) days before the effective date of a Participant's expulsion, and a final Termination Contribution shall be determined no later than sixty (60) days after that effective date of the Participant's expulsion.

After the withdrawal or expulsion of a Participant, that Participant shall remain liable for any additional contributions, including any assessments, for any period during which that Participant was a member of the Trust.

All contribution estimates and assessments shall be determined by the Board of Trustees at least forty five (45) days before the commencement of the Trust year during which those payments must be made by the Participants. This will permit the Participants to adequately budget and appropriate the sums needed for those payments.

7.02 Establishment of Bank Accounts under the General Operating Fund.

The Trust Administrator shall establish one or more checking accounts, which may be interest or non interest bearing accounts, with the Fiscal Agent in the name of the Trust.

7.03 Dividends and Rate Stabilization Fund.

(a) Dividends - Subject to Section 3.05 of this Agreement, any funds in Surplus as the Trustees may deem necessary or prudent, may be returned to the Participants by the Board of Trustees in accordance with a formula to be adopted by the Trustees and in compliance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder. Dividends paid to each Participant will be based upon the loss experience of the Trust as a whole, the size of each Participant's contributions, and the loss experience of the individual Participant. No dividends shall be paid to any Participant unless the Underwriting Consultant certifies to the Executive Committee that said dividends shall not adversely affect the fiscal or actuarial soundness of the Trust and its ability to satisfy any indebtedness incurred by the Trust, any Participant or any other entity on behalf of the Trust in furtherance of its purposes and objectives. When municipal debt has been incurred by the Trust, its Participants, or any other entity created for that purpose, an additional certification will be required from Bond Counsel that such dividends will not adversely affect the tax exempt status of any outstanding municipal debt.

(b) Rate Stabilization Fund ("RSF") - A fund established by the Board of Trustees as a way of returning surplus funds to Participants to be used as credits toward the payment of their annual contributions or premiums upon renewal. The total amount appropriated for the RSF is determined by the Executive

Committee. Each Participant receives a share of that appropriation based on their proportion of the total annual contributions or premiums paid to the Trust and the losses incurred by the Trust.

7.04 Deficits.

In the event of a deficit for any Trust Year, the deficit shall be made up from any of the following:

- (1) Any contributions paid by the Trust Participants;
- (2) Unencumbered funds, including monies from the Surplus; and
- (3) Any assessments paid by Participants as required by the Board of Trustees in the event the Surplus is also exhausted by, among other things, the payment of claims.

7.05 Bonds.

The Trustees shall require that a fidelity bond be furnished as to all persons handling money for or on behalf of the Trustees, including but not limited to individual Trustees, the Administrator and the Service Agent.

ARTICLE VIII - HEALTH AND SAFETY

8.01 Accident and Illness Prevention Program.

In accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder, the Trust shall establish an accident and illness prevention program. Such program shall include surveys, recommendations, training programs, consultants, analyses of accident causes and other related services for the prevention of workers' compensation claims and enhance the welfare of the Participants' employees.

ARTICLE IX - EXCESS INSURANCE REQUIREMENTS

9.01 Specific and Aggregate Excess Insurance.

In accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder, the Trust will purchase single accident (single occurrence) excess insurance and aggregate excess insurance unless this requirement is waived by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation.

ARTICLE X - GUARANTY AGREEMENT AND ANNUAL REPORTS

10.01 Guaranty Agreement.

As required by the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder, the Trust shall execute a Guaranty Agreement with the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation which Guaranty Agreement is hereby adopted and incorporated by reference as though fully set forth herein.

10.02 Annual Reports.

The Trust shall submit an annual report to the Pennsylvania Department of Labor and Industry Bureau of Workers' Compensation in accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder.

ARTICLE XI - AMENDMENTS

11.01 Amendments Not Requiring Consent of Trustees. The terms and provisions of this Agreement may be amended at any time by a majority of the Executive Committee for one (1) or more of the following purposes:

To cure any ambiguity, defect or omission in this Agreement;

To change or modify any provision of this Agreement so as to comply with any applicable law, regulation or administrative ruling which may be in effect; or

11.02 Amendments Requiring Consent of the Trustees.

The Board of Trustees by a two thirds (2/3) vote may consent to and approve any other amendments to this Agreement as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering or amending, adding to or rescinding any of the terms or provisions contained in this Agreement, including, but not limited to, the inclusion of additional types of insurance coverages, subject to the limitations contained in Section 11.03 hereof. The Board shall prescribe rules and procedures for submission of proposed amendments to the Participants.

11.03 Limitation on Amendments.

No amendment shall be adopted which alters the basic purpose of the Trust or alters the rights of Participants to receive dividends as provided in Section 7.03 hereof or alters the obligation of Participants to pay any assessments or contributions which may be established under Section 7.05 hereof, which amendments would jeopardize the actuarial and fiscal soundness of the Trust.

ARTICLE XII - TERMINATION

12.01 Term of Trust.

The Trust shall continue unless and until terminated pursuant to law or by an instrument in writing signed by two thirds (2/3) of the Participants, and duly approved by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation.

12.02 Termination of the Trust.

In the event of termination of the Trust, the Participants covenant and agree to make any provision for the payment of any outstanding municipal indebtedness and for the payment of claims against the Trust or its Participants as may be required by the Trustees,

including the deposit with the Trustees of funds, surety bonds, or such other guarantees of payment as deemed required and sufficient by the Trustees. Upon termination, the Trustees shall continue to serve as Trustees to wind up the affairs of the Trust, including providing for all outstanding obligations, and each Participant shall be entitled to receive distribution of its pro rata share of any remaining funds, the calculation of such distribution to be determined by the Trustees.

ARTICLE XIII - MISCELLANEOUS

13.01 Title to the Trust.

Title to the Trust shall be vested in and remain exclusively in the Trustees to carry out the purposes hereunder and no Participant or any official, employee or agent of any Participant nor any individual shall have any right, title or interest in the Trust nor any right to Premiums made or to be made thereto, nor any claim against any Participant on account thereof, except to the extent of the right of Participants to receive their pro rata share of any excess funds as provided hereunder. No Participant may assign any right, claim or interest it may have under this Agreement.

13.02 Execution of Documents.

The Trustees may authorize any Trustee or the Administrator to execute any notice, certificate or other written instrument relating to the Trust (except an instrument of amendment or termination) and all persons, partnerships, corporations, or associations may rely upon such notice or instrument so executed as having been duly authorized and as binding on the Trust and the Trustees.

13.03 Notice.

All notices, requests, demands and other communications related to this Agreement, unless otherwise so provided herein, shall be in writing and shall be deemed to be duly given when sent by first class, registered or certified mail postage paid, return receipt requested, when personally delivered by hand, or when transmitted by cable, telex or telegraph, at such addresses as have been last provided to the Trust. The initial address for such notices, requests, demands or other communications to the Trustees and each Participant shall be provided to the Administrator. The parties shall notify the Administrator as to any change in address.

13.04 Construction.

This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

13.05 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, by the Trustees and the Chief Executive Officer of the local agency or municipality, of a counterpart signature page in the forms attached hereto, which together with this Agreement and all other duly executed signature pages shall constitute the complete Agreement among all the parties hereto.

13.06 Subrogation.

Each Participant agrees that in the event of the payment of any loss by the Trust under this Agreement, the Trust shall be subrogated to the extent of such payment to all the rights of the Participant against any person or other entity legally responsible for damages for said loss, and in such event the Participant hereby agrees to render all reasonable assistance, other than pecuniary, to effect recovery.

13.07 Defense by Trust.

The Trust shall have a duty to represent all Participants with respect to the payment of workers' compensation claims, as required by law.

13.08 Limitation of Liability.

Liability of the Trust to any Participant is specifically limited to the payment of workers' compensation claims in accordance with the Pennsylvania Workers' Compensation Act, 77 P.S. §1, et seq., as amended, and any regulations promulgated thereunder. Participants' liability shall be limited to the extent of the financial contributions to the Trust set forth herein, and any additional obligations as may come about through amendment hereto, including an obligation to repay any municipal debt as may be incurred by the Trust, its Participants or any entity created for that purpose. No Participant agrees or contracts herein to be held responsible for any claims in tort, contract or otherwise made against any other Participant. Nothing contained in this Agreement or in the By-laws thereto or the Coverage Document shall be deemed to create any relationship of surety, indemnification or responsibility between Participants for the debts of or claims against any other Participant.

13.09 Arbitration.

With the exception of any decisions by the Board disclaiming or denying coverage for any claim (s) made against any Participant, and decisions by the Board of Trustees regarding the expulsion or withdrawal of a Participant, all other disputes between a Participant and the Trust must be resolved by an arbitration panel or some other alternative dispute resolution entity selected by the parties in accordance with guidelines and procedures adopted by the Board of Trustees upon the recommendation of the Executive Committee. As to all disputes arising under this Agreement, neither the Trust nor the Participant may file suit in any court of law except to enforce a decision by the Board of Trustees, arbitration panel or other alternative dispute resolution entity.

13.10 General Representations of Participants.

The Participant is a body corporate and politic, a political subdivision of the Commonwealth of Pennsylvania, as defined under Pennsylvania law. The Participant has the power to enter into this Agreement and any other documents in connection herewith and the transactions contemplated hereunder and thereunder. The party executing this Agreement on behalf of the Participant has full power and authority to execute same and any documents executed in connection herewith.

This Agreement has been duly and validly executed and is a valid and binding agreement on the Participant under the laws of the Commonwealth of Pennsylvania, enforceable in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting creditors' rights generally and such principles of equity as the court, in its discretion, may impose with respect to remedies which may require enforcement by a court of equity.

13.11 Severability of Invalid Provisions.

If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and the remaining parts of this Agreement shall be construed so as to give practical realization to the purposes intended to be achieved by the parties as if such invalid or illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the Trustees, have executed this Trust Agreement, all as of the date above first mentioned.

**TOWNSHIP OF WORCESTER
MONTGOMERY COUNTY, PENNSYLVANIA**

ORDINANCE 2017-265

AN ORDINANCE AUTHORIZING THE PARTICIPATION OF WORCESTER TOWNSHIP IN THE DELAWARE VALLEY INSURANCE TRUST FOR THE PURPOSE OF POOLING LIABILITY RISKS WITH OTHER TRUST PARTICIPANTS IN ACCORDANCE WITH THE PENNSYLVANIA POLITICAL SUBDIVISION TORT CLAIMS ACT AND THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION LAW.

The Board of Supervisors of Worcester Township, Montgomery County, Pennsylvania do hereby **ENACT and ORDAIN:**

Section 1. That the Township Manager of Worcester Township ("Township") is hereby authorized to execute the Trust Agreement and any other agreements necessary for its participation in the Delaware Valley Insurance Trust. The Delaware Valley Insurance Trust Agreement is attached hereto as Exhibit "A" and incorporated herein by reference. The Trust Agreement attached hereto is on file for inspection and review at the Township offices, 1721 Valley Forge Road, Worcester.

Section 2. That the participation of the Township in the Delaware Valley Insurance Trust is authorized for the following purposes:

- a) To provide adequate and affordable insurance coverage to each Trust Participant at the lowest possible cost by pooling or sharing of certain liability risks;
- b) To reduce the amount and frequency of losses incurred by each Trust Participant which are covered under the Trust Coverage Document;
- c) To minimize costs incurred by Trust Participants in the handling and litigation of claims; and
- d) To protect each Trust Participant from the volatility and high premiums of the commercial insurance market.

Section 3. As set forth in the Trust Agreement and as otherwise stated herein, the following conditions apply to the participation of the Township in the Delaware Valley Insurance Trust:

- a) That each Trust Participant must meet the admission and eligibility requirements set forth therein.
- b) That each Trust Participant agrees to pay all annual premiums, contributions and assessments when due as provided in the Trust Agreement and By Laws;
- c) That each Trust Participant uses its best efforts to provide appropriations for the payment of any contributions, premiums and assessments required by the Trust;
- d) That each Trust Participant institute any and all safety regulations, loss prevention measures or risk management procedures as may be required for the purpose of minimizing or

eliminating hazards or risk that could contribute to losses;

- e) That each Trust Participant 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;
- f) That each Trust Participant designate a contact person to be responsible for all contacts with the Trust;
- g) That each Trust Participant provides any information to the Administrator or Board of Trustees as may be required to effect the purposes and objectives of the Trust.

Section 4. That the Township agrees to participate in the Delaware Valley Insurance Trust for a minimum period of two (2) years and thereafter may withdraw under the following conditions, among others, under the 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 withdrawing Participant is not then in default of its obligation to pay premiums, contributions or assessments;
- c. That the withdrawing Participant shall forfeit any and all of its rights to any dividends and Rate Stabilization Fund monies to which it may otherwise be entitled during the last year of the Participant's membership in the Trust and at all times thereafter;
- d. Upon effective date of withdrawal, or at any time thereafter, a Participant may be required to pay assessments as required by the Board of Trustees in accordance with the Trust Agreement and the By-Laws based on any deficits which were caused by any claims paid while that Participant was provided coverage under the Trust Coverage Document; and
- e. That the Board of Trustees shall have received a certification from the Trust actuary that the withdrawal of the Participant 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 Participants, or any legal entity created for the purpose of incurring such debt.

Section 5. The effective date of the participation of the Township in the Delaware Valley Insurance Trust will be February 17, 2017 or thereafter.

Section 6. Each Trust Participant delegates to the Board of Trustees of the Delaware Valley Insurance Trust the powers enumerated in the Trust Agreement, including the right to expel Participants under certain conditions.

Section 7. As set forth in the Trust Coverage Document, the Township shall be provided coverage for the following risks:

- a. Commercial General Liability;

- b. Business Automobile Liability;
- c. Police Professional/Law Enforcement;
- d. Public Officials Liability; and
- e. Any other risks specified in the Trust Coverage Document.

Section 8. All contributions, premiums and assessments paid by the Township shall be made with funds appropriated by the Township for that purpose. If permitted under state and federal law, the Township may incur debt for the purpose of financing any excess insurance coverage, as set forth in the Trust Agreement.

Section 9. 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 Trust Agreement.

Section 10. As set forth in the Trust Agreement, the funds required for the operation of the Trust shall be provided by the Trust Participants through annual appropriations.

Section 11. The Delaware Valley Insurance Trust commenced operations on January 1, 1989 and will continue until terminated by two-thirds (2/3) vote of all Trust Participants.

Section 12. Coverage under the Trust shall be provided from January 1 through December 31 of each Trust year to all Trust Participants in accordance with the Trust Agreement.

Section 13. As a condition of participating in the Delaware Valley Insurance Trust, the Township agrees to comply with the following conditions:

- a. That it will make its initial contribution upon admission to the Trust for creation of the restricted surplus fund needed to protect Trust Participants against potentially catastrophic losses;
- b. That it will timely pay all annual premiums and assessments as may be required by the Board of Trustees;
- c. That it will 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;
- d. That it will not withdraw from the Trust for a period of two (2) years following its admission to the Trust;
- e. That it may withdraw from the Trust only upon satisfaction of the conditions set forth in the Trust Agreement;
- f. That it agrees to perform all covenants contained in the Trust Agreement and delegate to the Board of Trustees the powers and authorities enumerated in the Trust Agreement;
- g. That it will comply with all the conditions set forth in the Trust Coverage Document governing the handling of claims, including the defense and settlement thereof;

- h. That it will appropriate the funds needed to pay all contributions, premiums and assessments as may be required by the Board of Trustees in accordance with the Trust Agreement;
- i. That it will 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. The Delaware Valley Insurance Trust is empowered to enter into contracts for policies of group insurance and employee benefits, including Social Security, for its employees.

Section 15. This Ordinance is being enacted pursuant to The Pennsylvania Intergovernmental Cooperation Law (53 PA C.S.A. Section 2301, et seq.), the Pennsylvania Political Subdivisions Tort Claims Act (42 PA C.S.A. Section 8564) and the Second Class Township Code (53 P.S. Sections 66507 and 66512).

Section 16. All ordinances or parts of ordinances inconsistent herewith or in conflict with any of the specific terms enacted hereby, to the extent of said inconsistencies or conflicts, are hereby specifically repealed. This Ordinance shall in no other way alter or modify the Township Code except as specifically stated herein. Any other terms and provisions of the Code that are unaffected by this Ordinance are hereby reaffirmed and ratified.

Section 17. 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 18. 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 permit issued, or any cause or causes of action existing under the ordinances of the Township prior to enactment of this Ordinance.

Section 19. This Ordinance shall become effective upon enactment.

ENACTED AND ORDAINED by the Supervisors of the Township of Worcester, Montgomery County, Pennsylvania on this 15th day of March, 2017.

FOR WORCESTER TOWNSHIP

By: _____
Susan G. Caughlan, Chair
Board of Supervisors

Attest: _____
Tommy Ryan, Secretary

EXHIBIT A

DELAWARE VALLEY INSURANCE TRUST AGREEMENT

This is the Delaware Valley Insurance Trust Agreement (the "Trust Agreement"), dated as of January 1, 1989, by and among local agencies as hereinafter defined) of the Commonwealth of Pennsylvania which are now and hereafter parties signatory to this Agreement and listed in Appendix "A" hereof, as may be amended from time to time, and those Trustees (as hereinafter defined) listed in Appendix "B" hereof, as may be amended from time to time.

WITNESSETH:

WHEREAS, certain municipalities, authorities and intergovernmental organizations in the Commonwealth of Pennsylvania desire to pool together to provide insurance protection and benefits to themselves and their employees through the purchase of insurance and/or by self-insuring for insurable risks; and

WHEREAS, the Parties to this Agreement are also "local agencies" within the meaning of the Pennsylvania Political Subdivision Tort Claims Act, 42 Pa. C.S.A. §8541 et seq.; and

WHEREAS, the Pennsylvania Political Subdivision Tort Claims Act, 42 Pa. C.S.A. §8541 et seq., authorizes local agencies of the Commonwealth of Pennsylvania, including those who are parties to this Agreement, to pool or share their insurance risks (as hereinafter defined) by creating self-insurance risk pools or plans, and/or entering into joint agreements for the purpose of purchasing commercial insurance; and

WHEREAS, the local agencies of the Commonwealth of Pennsylvania who are parties to this Agreement are also authorized to create self-insurance risk pools and to enter into joint agreements for the purchase of commercial insurance by the Pennsylvania Intergovernmental Cooperation Law, 53 Pa.C.S.A. §2301 et seq.; and

WHEREAS, the local agencies of the Commonwealth of Pennsylvania who are parties to this Agreement wish to pool together to provide insurance protection against certain insurance risks by creating the Delaware Valley Insurance Trust and hereby execute this Trust Agreement and the Delaware Valley Insurance Trust Participation Agreement, which is incorporated herein by reference; and

WHEREAS, the local agencies who are parties to this Agreement (hereinafter referred to as the "Participants" or "participating municipalities") have hereby created the Delaware Valley Insurance Trust for the purpose of providing all Participants with comprehensive general liability, business automobile liability, police professional/law enforcement liability, public officials liability, property damage insurance protection and all other coverages set forth in the Trust Coverage Document which is hereby incorporated by reference; and

WHEREAS, the Participants have hereby created the Delaware Valley Insurance Trust for the purpose of providing both primary and excess coverage, if possible, and to provide claims administration and loss control services for all Participants, all for the purpose of minimizing claims losses and reducing premiums and costs associated with claims handling and administration; and

WHEREAS, funds will be paid initially by all Participants and continue to be paid from time to time by Participants to a Board of Trustees (the "Trustees"), which funds will constitute trust funds to be held for the exclusive benefit of the Participants, including payment of certain expenses on behalf of the Participants; and

WHEREAS, all Participants wish to enter into this Trust Agreement with a promise to make an initial contribution and a first annual Premium payment by no later than January 1, 1989, or at some other date to be determined by the Board of Trustees; and

WHEREAS, the Participants desire the Trustees to collect, receive, hold, invest, reinvest, manage, dispose of, distribute, and otherwise to administer the Trust funds, and the Trustees have indicated their willingness to do so, all pursuant to terms of this Agreement; and

WHEREAS, the Delaware Valley Insurance Trust is hereby designated as a "business trust" pursuant to 15 Pa. C.S.A. §9501 with the express understanding that such designation will not have any effect upon the tax exempt status of the Trust under federal or state law;

WHEREAS, the Trustees and the Participants desire to establish the terms and conditions under which the Trust will be operated.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged by each party, one to the other, the Participants do hereby give and assign in trust the initial sums described in the attached Schedule 1 and all income and profits therefrom, and such other sums, income and profits as hereinafter may be made part of the Trust, to the Trustees, and the Trustees hereby accept the trusts herein contained and the funds described in the attached Schedule 1 and declare that they will administer, manage, collect, receive, dispose of, and distribute such trust property for the benefit of the Participants as hereinafter provided, all parties agreeing to abide by the terms and covenants contained in this Agreement, as follows:

ARTICLE 1 - DEFINITIONS

1.01 Definitions. The terms defined in this Section 1.01 and in the preambles hereto (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement and of any amendment or supplement hereto shall have the respective meanings specified in this Section 1.01 and said Preamble.

Actuary - The actuarial firm selected by the Trustees, whose duties shall include, but not be limited to, the evaluation of underwriting or loss data submitted by eligible municipalities and the rendering of opinions and certifications as required by the Board of Trustees in accordance with the Trust

Agreement and By-Laws.

Adjustments - A decrease or increase of a participating municipality's annual premium as determined by the Board of Trustees in accordance with the Trust Agreement and By-Laws.

Administrator or Trust Administrator - The individual or entity responsible for the day to day operations of the Trust.

Agreement or Trust Agreement - The Delaware Valley Insurance Trust Agreement, as set forth herein and as amended from time to time.

Application - The documents which must be submitted by all eligible municipalities for admission to the Trust, including, but not limited to, any underwriting or loss data, or any other information which an eligible municipality may be required to provide for admission to the Trust.

Assessments - Any additional payment(s) to the Trust which a Participant may be required to make as determined by the Board of Trustees in accordance with the Trust Agreement and By-Laws if the Surplus is exhausted by, among other things, the payment of catastrophic claim(s)

Board of Trustees - The governing body of the Delaware Valley Insurance Trust whose members or Trustees are selected in accordance with the Trust Agreement and By-Laws.

By-Laws - The By-Laws governing the operation of the Trust as adopted and amended by the Board of Trustees in accordance with this Agreement.

Contact Person - An individual designated by each Participant as a liaison between that Participant and the Board of Trustees, and the Trust's officers, employees or agents.

Covered Occurrences - Those occurrences or events for which the Trust shall assume liability as set forth in the Trust Coverage Document.

Covered Party - Any person or entity defined as such in the Trust Coverage Document.

Coverage Period - The one year period in which each Participant will be provided coverage under the Trust Coverage Document in exchange for the payment of an annual premium for that coverage period.

DVLISC - Delaware Valley Liability Insurance Study Committee.

Declarations of Coverage - Specific types of coverages, including applicable limits and deductibles, provided by the Trust to each Participant. This information is set forth in the Declarations issued to each participant.

Deficit - When expenses, claims payments, claims reserves and claims incurred but not reported (IBNR) for any coverage period exceed the total premiums collected for that period.

Effective Date - A date determined by the Trustees on which a Participant will be provided insurance coverage as set forth in the Declarations.

Executive Committee - The executive committee appointed by the Board of Trustees in accordance with Section 2.07 hereof.

Expulsion - The involuntary removal or termination of a Participant from the Trust by action of the Trustees as provided in Section 3.05 hereof and any applicable By-Laws.

Fiscal Agent - A financial institution selected by the Board of Trustees to handle and invest the monies held in the various accounts administered by the Trust.

Initial Contribution - The initial payment made by each Participant upon admission to the Trust.

Initial Participants - Participants who are initial signatories to this Agreement and become Participants in the Trust on or before January 1, 1989.

Insurance - Various forms of coverage provided to Participants by the Trust, including coverage for general liability, business automobile liability, law enforcement liability, public officials legal liability and property damage coverage, as more fully described in the Trust Coverage Document. "Insurance" includes excess insurance and reinsurance.

Local Agency - Any municipality, authority or intergovernmental organization which is a "local agency" within the meaning of the Pennsylvania Political Subdivision Tort Claims Act.

Municipality - Any political subdivision of the Commonwealth of Pennsylvania as defined in the Pennsylvania Political Subdivision Tort Claims Act. This definition includes any townships or boroughs eligible for participation in the Delaware Valley Insurance Trust.

Operating Fund - Funds dedicated for the general purpose of paying claims and all administrative expenses of the Trust.

Participant - Any local agency of the Commonwealth of Pennsylvania eligible to participate in this Trust which becomes a party to this Agreement and the participation of which has not been terminated or cancelled in accordance with the Trust Agreement and By-Laws.

Premium - The amount of money determined by the Board of Trustees and charged to each participant during the Trust Year, on an annual basis in exchange for the coverage provided to each participant under the Trust Coverage Document.

Rate Stabilization Fund - A Fund established by the Trust which can be used by Participants to defray the cost of their annual premiums.

Service Agents - One or more service companies or consultants employed by the Trustees to be responsible for underwriting matters, claims administration, loss control, accounting and such other duties as determined by the Board of Trustees and specified by contract.

Service Contract - Any contract for service between the Trustees and a Service Agent.

Surplus - Net worth of the Trust since the Trust's inception.

Termination Premium - Payment required of all Participants who are expelled from the Trust, as determined by the Board of Trustees.

Trust - The Delaware Valley Insurance Trust.

Trust Coverage Document - The document which sets forth the actual coverages provided by the Trust, as amended from time to time.

Trust Year - The first fiscal year of the Trust shall commence on January 1, 1989 and end on December 31, 1989. Thereafter the Trust fiscal year shall run from January 1 to December 31 of all subsequent years.

Trustee - Each person serving as a member of the Board of Trustees referred to from time to time, collectively as the "Trustees" or "Board of Trustees" or "Board".

Underwriting Consultant - Advisor or firm selected to assist Trust with underwriting and rating requirements for current Participants and new applicants.

Underwriting consultant shall consult with Trust Actuary as needed and as required.

1.02 Interpretation. The words "hereof", "herein", "here-under", and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Headings or titles to Articles, Sections, and other subdivisions of this Agreement are for convenience only and shall be given no effect, meaning, or construction whatsoever and shall not define or limit any provision of this Agreement.

ARTICLE II - TRUSTEES

2.01 Qualifications of a Trustee.

(a) A Trustee shall be either (1) an elected or appointed official of a Participant, including any Township or Borough Managers, or (2) an employee of a

Participant with expertise in finance or risk management.

(b) A Trustee shall not be employed by or have any direct or indirect financial interest in any Service Agent or other organization providing service to the Trust.

2.02 Composition of Board of Trustees.

The Trust shall be governed by a Board of Trustees. No municipality shall be represented by more than one Trustee on the Board of Trustees. However, a Participant may authorize its Trustee to appoint an Alternate for a scheduled meeting or event of the Board. An Alternate shall have the full voting rights and powers granted to the Trustee.

All members of the initial Board of Trustees shall be appointed to serve a term commencing upon September 1, 1988 and expiring on December 31, 1989.

2.03 Election of Trustees.

The initial Board of Trustees shall provide in the By-Laws for the form and method of election of subsequent Trustees.

2.04 Resignation of a Trustee. A Trustee may resign by giving at least thirty (30) days prior notice in writing sent by registered mail to the Chairman of the Trustees. Such notice shall state the date said resignation shall take effect, and such resignation shall take effect on such date.

2.05 Removal of Trustees.

A Trustee may be removed from office in accordance with the By-Laws if he fails, or subsequently ceases, to meet the qualifications of Section 2.01 hereof; and may be removed if he fails to attend three (3) consecutive meetings of the Board or is terminated for cause by a 2/3 vote of the Trustees. Upon removal of a Trustee, the position shall be filled pursuant to Section 2.06 hereof.

2.06 New Trustees.

(a) In the event a Trustee resigns, is removed or is otherwise unable to serve, the Participant represented by that Trustee shall appoint a replacement to complete the original Trustee's term of office.

(b) Any Trustee, upon leaving office, shall forthwith turn over and deliver to the principal office of the Trust, any and all records, books, documents or other property in his possession or under his control which belong to the Trust.

2.07 Board Chairman and Executive Committee.

The Trustees shall elect a Chairman of the Board by simple majority vote whose duties shall be set forth in the By-Laws. The Trustees shall also appoint an Executive Committee by majority vote consisting of not less than five (5) Trustees, two of whom will be the Chairman and Vice Chairman of the Board of Trustees. The Trustees may delegate in writing to the Executive Committee such powers and duties as the Trustees deem appropriate and desirable except the exercise of those powers for which a two-thirds majority vote of the Trustees is required. The Executive Committee shall meet as determined by the Chairman of the Board of Trustees.

ARTICLE III - PARTICIPANTS

3.01 Eligibility Requirements.

(a) Participation in the Trust shall be limited to authorities, intergovernmental organizations and municipalities of the Commonwealth of Pennsylvania with any such municipalities limited to those populations of under 100,000 persons.

(b) Each Participant shall meet the underwriting standards established by the Board of Trustees.

(c) Each Participant shall have a loss or claims history which does not present an undue risk to the actuarial soundness of the Trust.

(d) Each Participant must receive a positive recommendation from the Underwriting Consultant or loss control manager prior to acceptance. This recommendation will be based upon a loss control survey conducted by the underwriting consultant or loss control manager which will include an evaluation of the applicant's loss or claims history and risk management procedures.

(e) Each applicant must be professionally managed, utilizing International City management Association ("ICMA") Recognition Criteria, or satisfy equivalent management criteria adopted by the Executive Committee.

(f) Each successful applicant must comply with the guidelines established by the loss control consultant or manager employed by the Trust.

(g) Each applicant must agree to make a commitment to participate in the Trust for a minimum period of at least two (2) years, which period is necessary to assure the fiscal and actuarial soundness of the self-insurance risk pool.

The Board of Trustees may establish additional requirements for participation in the Trust by majority vote.

3.02 Approval of Participants.

(a) Initial Participants who are signatories to this Agreement as of January 1, 1989 must have submitted an application to the Delaware Valley Liability Insurance Study Committee ("DVLISC"); such application must have been approved by majority vote of that Committee. Upon approval of an applicant, the DVLISC must have certified in writing that the successful applicant has satisfied all the admission criteria. The effective date for admission of all initial Participants shall be January 1, 1989. The coverage period for all Initial Participants under the Trust Coverage Document shall commence on January 1, 1989 upon payment of an initial contribution and annual premium.

(b) All subsequent applicants must be approved by two-thirds (2/3) majority vote of the Board of Trustees. The Administrator must certify in writing that the successful applicant has met all the criteria for admission to the Trust.

(c) All applicants, including initial Participants, must pay an application fee which shall be based upon the actual cost of processing the application and completing the loss control survey for each applicant.

(d) Each application must contain the following information:

(1) Underwriting and claims data for a three (3) to five (5) year period prior to submission of the application;

(2) Detailed information regarding the organization, personnel and administration of the applicant, as requested by the Underwriting Consultant;

(3) Names of all previous insurers and premium data for the three (3) to five (5) year period prior to submission of the application;

(4) Operating budgets and other financial information as may be required by the Underwriting Consultant for a period of one to five (5) years prior to submission of the application;

- (5) Any other information required by the Board of Trustees or any of the Trust's officers, attorneys, service agents, consultants or employees.
- (c) Each Participant shall submit evidence satisfactory to the Trustees of approval for participation by its governing body, including any ordinances which may be required under state law.
- (f) If municipal debt has been incurred for the financing of any self-insurance reserves, whether primary or excess, then no municipality shall be admitted to the Trust unless an opinion is obtained from Bond Counsel that admission of that municipality will not impair the tax exempt status of any outstanding indebtedness.
- (g) Upon approval of all subsequent Participants by the Board of Trustees, the Board shall establish the effective date for the insurance coverage provided to that Participant under the Trust Coverage Document.
- (h) Upon execution of this Agreement by a Participant, such applicant shall become a Participant in the Trust and shall be bound by all terms and conditions hereof, including the payment of Premiums when due.

3.03 Premiums.

- (a) Premiums shall be established by the Trustees in consultation with the Underwriting Consultant . Annual premium estimates shall be established at least thirty (30) days before commencement of the Trust Year for which that premium applies.
- (b) Premiums shall be due and payable as determined by the Trustees, in accordance with this Agreement and the Trust By-Laws.

3.04 Obligations, Duties and Liabilities of Participants.

- (a) Each Participant agrees to fulfill all obligations and duties set forth in this Agreement. The withdrawal or expulsion of any Participant pursuant to this Article III shall not affect this Agreement nor the Trusts created herein, except where otherwise expressly provided.
- (b) Each Participant is liable under this Agreement for the payment of premiums, contributions and assessments when due, and agrees to make an Initial Contribution upon admission to the Trust.
- (c) Each Participant will use its best efforts to provide appropriations for the payment of any contributions, premiums and assessments required by the Trust.
- (d) Each Participant agrees to institute any and all reasonable safety regulations and loss prevention procedures that may be required by the Executive Committee for the purpose of minimizing or eliminating hazards or risks that could contribute to losses. Participants have right to appeal such requirements to the Trustees, and the decision of the Trustees shall then be final.
- (e) Each Participant agrees that it will cooperate fully with the Trust's Administrator, service agent(s), attorneys, claims adjusters and any other agent or employee of the Trust in relation to the purpose and powers of the Trust, including , but not limited to, the investigation, defense and settlement of claims.
- (f) Each Participant agrees to designate a Contact Person to be responsible for all contacts with the Trust. The Trustees, the Administrator and the service agent(s) shall not be required to contact any other individual except the Contact Person in dealing with the Participant. Any notice to or any agreements with the Contact Person shall be binding upon the Participant. Each Participant reserves the right to change the Contact Person from time to time by giving written notice to the Administrator.
- (g) The Participants agree that any suit brought against them shall be defended in the name of the Participant by counsel selected by the Trustees in accordance with the Trust Coverage Document. Full cooperation shall be extended by such Participant to supply any information needed or helpful in such defense.
- (h) The Participants will furnish to the Trustees such underwriting information as may be required by the Trust prior to the end of the Trust Year, and any other information which may be requested by the Board.
- (i) Participants hereby acknowledge and agree that this Agreement may be amended, altered or modified pursuant to Article VIII hereof. Any amendment adopted pursuant to the provisions of Article VIII hereof shall be considered by each Participant to be a reasonable and proper amendment to the Agreement.
- (j) The Participants also agree to submit all coverage disputes to the appropriate subcommittee of the Board of Trustees, whose decisions shall be appealable to the entire Board. Once a decision is rendered by the Board in a coverage dispute, the Board's decision shall be final and legally binding on the Participants and the Trust. Neither the Trust nor the Participants shall have any right to challenge the Board's decision in any arbitration proceeding or in any action before any court of competent jurisdiction. That notwithstanding, the Participants and the Trust only reserve the right to file an action in such a court solely to enforce the decision by the Board.
- (k) The Participants further agree that once a decision is rendered by the Board in a dispute regarding the expulsion or withdrawal of a Participant, the Board's decision shall be final and legally binding on the Participants and the Trust. Neither the Trust nor the Participants shall have any right to challenge the Board's decision in any arbitration proceeding or in any action before any court of competent jurisdiction. That notwithstanding, the Participants and the Trust only reserve the right to file an action in such a court solely to enforce the decision by the Board.

3.05 Expulsion and Withdrawal of Participants.

- (a) Expulsion. The Trustees shall have the authority by an affirmative vote of two-thirds (2/3) of all Trustees to expel any Participant from the Trust for cause, including but not limited to, the following:
 - (1) Failure to pay any premiums, contributions or assessments when due;
 - (2) Failure to implement a reasonable safety or loss prevention program or other failure to implement guidelines required by the consultant or manager hired by the Trust;
 - (3) Failure to cooperate with any loss control service and fiscal agents of the Trust or with any attorney representing that Participant in the defense of any claim covered under the Trust Coverage Document;
 - (4) Failure to provide any information requested by the Administrator, Board of Trustees or any agent or representative of the Trust as required for the handling, settlement or defense of any claims covered under the Trust Coverage Document;
 - (5) Knowing and willful failure to observe and perform any covenants, conditions or agreements on its part to be observed or performed in the Trust Agreement and any related document, including the Participation Agreement and the Trust Coverage Document;
 - (6) The filing of a case in bankruptcy, or the subjection of any right or interest of a Participant under the Trust Coverage Document to any execution, garnishment, attachment, adjudication of such Participant as a bankrupt, assignment by such Participant for the benefit of creditors, or the approval by a court of competent jurisdiction of a petition applicable to that Participant in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar state or federal statute which may thereafter be enacted;
 - (7) The assignment by a Participant of any right or interest in the Trust Coverage Document without first obtaining the approval of the Board of Trustees as required by the Trust Coverage Document; and

(8) Knowingly taking any action detrimental to the fiscal and/or actuarial soundness of the Trust.

Expulsion shall become effective after sixty (60) days written notice to the Participant, or ten (10) days written notice for non-payment of Premium, and no liability shall accrue to the Trust after the effective date of expulsion except as provided in Section 3.05(c) hereof.

The Participant whose expulsion is sought shall have a full and fair opportunity to appear before the Board and present any evidence on its behalf before the Board renders its decision in accordance with procedures adopted by the Executive Committee. All decisions by the Board of Trustees regarding the expulsion of a Participant shall be final, with no right for a further appeal or arbitration of that decision.

The Participant, upon notification of expulsion by the Trustees, understands coverage will terminate and the Participant will be responsible to secure adequate provision for any and all coverages either by insurance or self-insurance so that such coverage is in effect on the effective date of the Participant's expulsion.

Upon expulsion, a Participant shall forfeit any and all of its rights to any dividends and Rate Stabilization Fund monies to which it may otherwise be entitled during the last year of the Participant's membership in the Trust and all times thereafter.

Upon expulsion, a Participant will be required to pay a Termination Premium and may be required to pay additional assessments as determined by the Board of Trustees. A Participant may be required to pay assessments, after the effective date of its expulsion caused by deficits which occurred because of claims which were paid while that Participant was afforded coverage under the Trust Coverage Document.

(b) Withdrawal by a Participant. As provided herein, each Participant hereby agrees that it shall not withdraw from the Trust for a period of two (2) years from the date upon which it was first admitted as a Participant. In addition, it is also agreed that each Participant may withdraw from the Trust after giving one hundred fifty (150) days prior written notice to the Trust Administrator at any time after the expiration of the two year period unless:

(1) An opinion is rendered by the Trust's certified Actuary that such withdrawal will 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 Participant is then in default of its obligation to pay premiums, contributions or assessments; and

(3) The Board of Trustees shall have received a certification from the Trust actuary that the withdrawal will reduce the actuarial soundness of the Trust, and if any 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 adversely affect the tax exempt status of any interest paid on 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 bonds, certificates, letters of credit or other instruments of municipal indebtedness.

Any Participant who withdraws from the Trust shall forfeit any and all of its rights to any dividends and Rate Stabilization Fund monies to which it may otherwise be entitled during the last year of the Participant's membership in the Trust and all times thereafter.

Upon the effective date of withdrawal, or any time thereafter, a Participant may be required to pay assessments as required by the Board of Trustees in accordance with this Agreement and the By-Laws based upon any deficits which were caused by any claims paid while that Participant was provided coverage under the Trust Coverage Document.

If there is a dispute over the withdrawal of a Participant, that Participant will have a full and fair opportunity to present any relevant evidence or information to the Board of Trustees who shall decide the dispute by majority vote. All decisions by the board of Trustees regarding the withdrawal of a Participant shall be final, with no right for a further appeal or arbitration of that decision.

(c) Liability of Trust after Withdrawal or Expulsion of a Participant.

(i) For those liabilities covered on an occurrence basis by the Trust Coverage Document, the Trust shall continue to service, defend and otherwise be responsible for any claim which arose prior to expulsion or withdrawal of a Participant which is covered under Section 10.08 hereof, including incurred but not reported claims.

(ii) For those liabilities covered on a claims made basis the Trust shall continue to service, defend and otherwise be responsible only for claims reported during a Trust Year, or a portion of a Trust Year, in which the municipality participated in the Trust, subject to any extended reporting periods agreed upon by the Trust and the Participant.

(iii) The Trust will not cover, defend, or otherwise be responsible for, a claim which arises out of an act, error, or omission occurring after the effective date of the Participant's withdrawal or expulsion.

(iv) In addition to forfeiture as provided in subsections 3.05 (a) and (b) above, no dividends or Rate Stabilization Fund monies shall be paid to a Participant who has been expelled from the Trust or to any Participant who has voluntarily withdrawn after the effective date of withdrawal or expulsion.

ARTICLE IV -ACCEPTANCE OF TRUST

4.01 Acceptance. Trustees hereby accept the trusts imposed upon them by this Agreement and agree to perform said trusts in accordance with the terms and conditions of this Agreement. Trustees shall hold legal title to all property of the Trust and shall have absolute and exclusive power and control over the management and conduct of the business of the Trust.

4.02 Future Trustees. Whenever any change shall occur in the Board of Trustees, the legal title to the property hereby created by this Trust shall pass to those duly appointed Trustees. Each future Trustee appointed in accordance with this Agreement shall accept the Office of Trustee and the terms and conditions of this Agreement in writing.

4.03 Trustees' Duties and Obligations. The Trustees shall discharge their duties and obligations under this Agreement solely in the interests of the Participants with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The Trustees shall adopt By-Laws for the management and control of the Trust, so long as such By-Laws are not inconsistent or in conflict with the terms and provisions of this Agreement. Said By-Laws may be amended by the Trustees as they shall provide

4.04 Liability of Trustees.

(a) The Trustees shall not be liable for errors of judgment either in holding property originally conveyed to them, in acquiring and afterwards holding additional property, in the performance of their duties hereunder, nor for any act or omission to act, performed or omitted by them, in the execution of the trusts created hereunder.

(b) Every act done, power exercised or obligation assumed by the Trustees, pursuant to the provisions of this Agreement, or in carrying out the trusts herein contained, shall be held to be done, exercised or assumed by them as Trustees and not as individuals, and any person or corporation contracting with the Trustees, shall look only to the Trust and property of the Trust available for payment under such contract, or for the payment of any debt,

mortgage, judgment or decree or the payment of any money that may otherwise become due or payable on account of the trusts herein provided for, and any other obligation arising out of this Agreement in whole or in part, and neither the Trustees nor the Participants, present or future, shall be personally liable therefore.

(c) Notwithstanding the provisions of (a) and (b) above, a Trustee shall be personally liable in connection with the performance of his duties hereunder for his own willful misconduct or gross negligence.

(d) The Board of Trustees shall use their best efforts to purchase so-called directors and officers liability insurance.

ARTICLE V - OPERATION OF THE TRUSTEES

5.01 Office. The Trustees shall designate a principal office of the Trust. Such principal office shall be in the County of Montgomery in the Commonwealth of Pennsylvania. At such principal office there shall be maintained the books, reports and records pertaining to the Trust and its administration.

5.02 Meetings. There shall be an annual meeting of the Trustees on a day and at a place designated by the Trustees. At the annual meeting the Trustees shall elect a Chairman and such other officers as provided in the By-Laws and transact such other business as may come before them. The Trustees shall hold such other meetings and shall establish such procedures for the conduct of those meetings as they shall provide in the By-Laws.

5.03 Extraordinary Votes. Unless otherwise specifically stated in this Agreement, an affirmative vote of two-thirds (2/3) of all Trustees shall be required to expel or admit a Participant, amend this Agreement, or determine a prudent or necessary purpose for which money from Surplus may be used.

5.04 Indemnification.

(a) The Trust shall indemnify and defend: (i) each member of the Board of Trustees and the estate, executor, administrator, personal representatives, heirs, legatees and devisees of any such person; and (ii) every officer and employee of the Trust and the estate, executor, administrator, personal representatives, heirs, legatees or devisees of such person; against all claims, suits or judgments including interest, fines, amounts paid or agreed upon in settlement, reasonable costs and expenses including attorneys, fees and any other liability that may be incurred as a result of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, prosecuted or threatened to be prosecuted, for or on account of any act performed or omitted or obligation entered into, if done or omitted in good faith without intent to defraud and within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interest of and in connection with the administration, management, conduct or affairs of the Trust, and with respect to any criminal actions or proceedings, in addition, had no reasonable cause to believe that his or its conduct was unlawful. Provided, however, that if any such claim, action, suit, or proceeding is compromised or settled, it must be done with the prior and express approval of the Board of Trustees or such other persons as may be authorized to make determinations with respect to indemnification pursuant to subparagraph (d) of this Section.

(b) Such indemnification and defense shall not depend upon whether or not such person is a member of the Board of Trustees at the time such claim, action, suitor proceeding is begun, prosecuted or threatened.

(c) The right of indemnification and defense hereunder shall not be exclusive of other rights such person or Board may have as a matter of law or otherwise.

(d) In each instance in which a question of defense and/or indemnification hereunder arises, determination to indemnification hereunder, and the time, manner and amount of payment thereof, shall be made by a majority vote of a quorum of the Board of Trustees provided, however, that no member of the Board of Trustees seeking indemnification hereunder as a result of the same occurrence shall participate in the determination. In the event that a majority of the members of the Board of Trustees are seeking indemnification hereunder as a result of the same occurrence or the number of Board of Trustees members eligible to vote does not constitute a quorum, such determination in the first instance shall be made by independent legal counsel retained by the Trust for the purpose of making the determination. Nothing in this paragraph is intended to make an adverse determination finally binding upon the person seeking indemnity under this Section, or to preclude any such person from appealing an adverse determination against him or it, or from instituting legal proceedings to enforce a right of indemnification under this Section.

(e) The indemnification and defense provided for in this Section shall be deemed to be an expense of the Trust which may be paid from operating funds.

(f) The indemnification and defense provided by this Section shall be secondary to any benefits which the person may be entitled to receive from any applicable insurance policy providing Directors and officers, Errors and Omissions or other applicable insurance coverages which have been procured by the Trust or for which the Trust paid the required premium. The indemnification provided by this Section shall be primary over any indemnification provided by a trustee at his or her own expense.

(i) Notwithstanding any other provision of this Section to the contrary, a person may seek, and the Trust may pay, advance indemnification prior to the rendering of a final determination of entitlement to indemnification pursuant to the provisions of subparagraph (d) of this Section. Any award of such advance indemnification by the Trust shall be discretionary and subject to the provisions of this Section.

(ii) In each instance where a question of advance indemnification hereunder arises, determination of the right to indemnification and of any conditions or restrictions attached thereto shall be made by a majority vote of a quorum of the Board of Trustees provided, however, that no member of the Board of Trustees seeking indemnification hereunder as a result of the same occurrence shall participate in the determination. In the event that a majority of the members of the Board of Trustees are seeking indemnification as a result of the same occurrence or the number of members of the Board of Trustees eligible to vote does not constitute a quorum, such determination shall be made by independent legal counsel retained by the Trust for the purpose of making the determination.

(iii) Any determination of advance indemnification shall be discretionary and may provide for the time, manner and amounts advanced hereunder and shall include such limitations as may be deemed appropriate in the particular circumstances on rate of payment, the total amount to be advanced and the security, if required, for repayment of such advances.

(iv) Any advance authorized hereunder shall be repaid to the Trust if the person on whose behalf the advance was made is not entitled to indemnification of his costs and expenses under the provisions and in accordance with the standards for indemnification provided in this Section.

ARTICLE VI - PURPOSE OF THE TRUST; POWERS OF TRUSTEES

6.01 Purposes of Trust. The purposes and objectives of the Trust are as follows:

(a) To provide adequate and affordable insurance coverage for each Participant at the lowest possible cost by the pooling or sharing of certain insurance

risks;

- (b) To reduce the amount and frequency of losses incurred by each Participant which are covered under the Trust Coverage Document;
- (c) To minimize costs incurred by Participants in the handling and litigation of claims;
- (d) To protect each Participant from the volatility and high premiums of the commercial insurance markets; and
- (e) To take whatever other action which may be necessary to preserve and protect the fiscal and actuarial integrity of the Trust, as required in the Trust Agreement and By-Laws.

The association being formed hereunder is intended to be a trust under the laws of the Commonwealth of Pennsylvania.

It is the express intent of the Participants entering into this Trust Agreement that they do not intend to waive, and are not waiving, any of the immunities which they or their commissioners, supervisors, council persons, officers or employees have now, and may have in the future, under the Pennsylvania Political Subdivision Tort Claims Act, any other applicable statutes or under the common law.

6.02 Powers of Trustees. The Trustees shall have the power to control and manage the Trust and to perform such acts, enter into such contracts, engage in such proceedings, and generally to exercise any and all rights and privileges, although not specifically mentioned herein, as the Trustees may deem necessary or advisable to administer the Trust or to carry out the purposes of this Agreement. Any determination made by the Trustees in the exercise of these powers shall be binding upon all Participants. In addition to the powers set forth elsewhere in this Agreement, the powers and duties of the Trustees in connection with their managing and controlling the Trust shall include, but shall not be limited to, the following:

- (a) To see that the Trust is safely and prudently administered to insure its financial stability and to be responsible for the investment of Trust monies at the best return possible in accordance with all applicable state and federal law.
- (b) To receive, hold, manage, invest, reinvest, and control all monies at any time forming part of the Trust.
- (c) To purchase contracts of insurance or reinsurance through such broker or brokers as the Trustees may choose and to pay premiums on such policies.
- (d) To borrow or raise money for the purpose of financing any self-insurance reserves of the Trust to the extent authorized under state and federal law. However, no municipal debt shall be incurred by the Trust, its participating municipalities or any entity created for that purpose without the consent of all participating municipalities and compliance with all state and federal law.
- (e) To hold cash, uninvested, for such length of time as the Trustees may determine without liability for interest thereon.
- (f) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance, including, but not limited to, deeds, leases, mortgages, conveyances, contracts, waivers and releases, and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.
- (g) To employ suitable agents, advisors and other persons as the Trustees may deem necessary and advisable for the efficient operation and administration of the Trust, to delegate duties and powers hereunder to such agents, advisors and employees and to charge the expense thereof to the Trust. Trustees are entitled to rely upon and may act upon the opinion or advice of any attorney or Service Agent approved by the Trustees in the exercise of reasonable care. Trustees shall not be responsible for any loss or damage resulting from any action or non-action made in good faith reliance upon such opinion or advice. All delegated authority shall be specifically defined in the By-Laws or the written minutes of the Trustees' meetings.
- (h) To continue to have and to exercise, after the termination of the Trust and until final distribution, all of the title, powers, discretion, rights and duties conferred or imposed upon the Trustees hereunder, or by law.
- (i) To construe and interpret this Trust Agreement and any related documents, including the Participation Agreement, By-Laws, and the Trust Coverage Document.
- (j) To receive from Participants and other relevant sources, such information as shall be necessary for the proper administration of the Trust.
- (k) To maintain bank accounts for the administration of the Trust and to authorize certain Trustees, the Trust Administrator, Service Agents or other appropriate persons to make payments from any such account for purposes of the Trust.
- (l) To receive and review reports of the financial condition and of the receipts and disbursements of the Trust.
- (m) To adopt By-Laws, rules, regulations, formulas, actuarial tables, forms, and procedures by resolution from time to time as they deem advisable and appropriate for the proper administration of the Trust, including membership criteria, provided the same are consistent with the terms of this Agreement.
- (n) To have a judicial settlement of their accounts and judicial determination of any questions in connection with their duties and obligations hereunder, or in connection with the administration or distribution thereof. The costs and expenses, including accounting and legal fees, for such judicial settlement of accounts or other judicial determination shall be paid by the Trust as a general administrative expense to the extent permitted by applicable law.
- (o) To purchase as a general administrative expense of the Trust so-called directors and officers liability insurance and any other types insurance for the benefit of the Trust, the Trustees, Trust employees, or agents, including group insurance, employee benefits and social security.
- (p) To enter into any and all contracts and agreements for carrying out the terms of this Agreement and for the administration and operation of the Trust and to do all acts as they, in their discretion, may deem necessary or advisable, and such contracts and agreements and acts shall be binding and conclusive on Participants and Participants, employees. All such contracts and agreements, or other legal documents herein authorized, shall be approved by the Trustees and shall be executed by individuals authorized by the Trustees. This paragraph does not apply to the issuance of municipal debt for the funding of any self-insurance reserves.
- (q) To write off as uncollectible any Participant's Premium or any other indebtedness or other obligation as the Trustee may deem appropriate. A decision to write off as uncollectible shall be deemed appropriate if the Trustees determine that the unlikelihood of collection or the anticipated expense of collecting justifies such action. This paragraph does not apply to the issuance of municipal debt for the funding of any self-insurance reserves.
- (r) To receive premiums, contributions or assessments from any source whatsoever but such premiums, contribution or payments may not be utilized for any purpose unrelated to the purposes herein provided.
- (s) To pay or contest any claim or to settle a claim by or against the Trust or any of its Participants by negotiation, compromise, arbitration, or otherwise.
- (t) To pay taxes, assessments, and other expenses incurred in the collection, care, administration, and protection of the Trust.
- (u) To review Applications for memberships in the Trust submitted to them and to approve or disapprove such Applications.
- (v) To expel or cancel the coverage of any Participant in accordance with the terms of this Agreement.
- (w) To amend the Trust Coverage Document by two thirds (2/3) majority vote as provided in that Document.
- (x) To make provision for proper accounting and reporting procedures for each of the Participants so that the Participants shall be informed at all times of the nature of the claims arising within their jurisdiction, the manner in which these claims are being handled, and the impact of those claims upon the Trust.
- (y) To purchase an employee fidelity bond covering the Trustees, the Administrator and such others as the Trustees may determine.
- (z) To require assessments from each Participant in an amount equal to the ratio of that Participant's annual premium to the total annual premium contributed by all Participants in the year in which a deficit occurred. Such payment shall not exceed two (2) times the Participant's annual premium for

the year in which the assessment must be paid. Such amounts shall be certified by the Board as necessary for that purpose to the Participants.

(aa) To hold all property received by the Trustees, which together with the income and gains therefrom and additions thereto, shall constitute the corpus of the Trust.

(bb) To appoint for a fee or otherwise, a Trust Administrator who shall act at the direction of the Trustees to implement the decisions of the Trustees and to have direct responsibility for the operation and supervision of the Trust. The Trust Administrator shall not be an owner, officer or employee of the Service Agent or broker of the Trust.

(cc) To employ and oversee one or more independent service companies and/or consultants to act as Service Agent(s). The services of a Service Agent shall be performed pursuant to a written agreement between the Service Agent and the Trust, and the Service Agent(s) shall be compensated from the Trust for such services. The Trustees may delegate to a Service Agent responsibility for underwriting matters, claims administration and disbursement, collection of Premiums, and other duties as are specified in the Service contract. The Trustees shall require any Service Agent who handles monies of the Trust to furnish an employee fidelity bond indemnifying the Trust. The proper limit of liability to be set for such bond shall be as determined by the Trustees, but not less than a fifty thousand (\$50,000) dollar limit per loss should be established.

(dd) To employ counsel to advise and represent the Trustees on legal matters relating to the operation and administration of the Trust, and represent Participants in the defense of claims or suits.

(ee) To employ an independent certified public accountant to conduct an annual audit of the financial statements of the Trust at the close of the Trust Year, such audit report to be submitted to the Participants no more than six (6) months after the close of the Trust Year.

(ff) To employ a Fiscal Agent and delegate to it the duties to hold the moneys of the Trust and to invest and reinvest funds in accordance with the requirements of the Agreement.

(gg) To appoint any subcommittees of the Board as may be necessary for the operation of the Trust.

(hh) To employ an actuarial firm to review, at least annually, the expected losses, IBNR calculations and recommend surplus requirements for the Trust.

(ii) At least annually, to review, study, and consider the claims payments of each of the Participants, the pro-rata savings to the Trust resulting from overall loss experience attributed to each of the Participants, the pro rata portion of any investment earnings of the Trust attributed to each Participant and the pro rata portion of the cost of all excess insurance allocated to each Participant, as well as the pro rata allocation as determined by the Trustees of the other and necessary administrative expenses of the Trust, in order reasonably to determine the actual pro rata costs, expense and loss experience of each Participant in order to maintain as nearly as possible an equitable and reasonable administration of the Trust as applied to each Participant.

(jj) To fully and finally resolve all coverage disputes between Participants and the Trust and any disputes regarding the withdrawal or expulsion of any Participants; and

(kk) To do all acts, whether or not expressly authorized herein, which the Trustees may deem necessary in the best interests of the Trust.

6.03 Payment of Claims and Coverage Disputes. The Executive Committee shall be responsible for adopting guidelines for the handling and payment of claims. The decision of whether to settle or pay a claim shall be made in the first instance by the manager responsible for claims handling, acting under the general supervision of the Trust Administrator. The decision to settle or defend a claim may then be reviewed by the Executive Committee, whose decision may be reviewed by the Board of Trustees at the request of the Participant. A decision by the entire Board to settle a particular claim made against a Participant shall be final. A refusal by a Participant to consent to such a settlement or execute the documentation required to effect a settlement, shall relieve the Trust from any further obligation to defend that Participant under the provisions of the Trust Coverage Document.

Any disputes between a Participant and the Trust as to whether a particular claim is covered under the provisions of the Trust Coverage Document shall be decided in accordance with the coverage dispute resolution procedures adopted by the Board of Trustees. Coverage disputes shall include the refusal to defend or indemnify a Participant or Covered Party, or discontinue or withdraw a defense of a Participant or Covered Party. The findings and recommendations of the five member subcommittee of the Board ("Appeals Committee") may be submitted to the entire Board at the request of the Participant or Covered Party. A decision by a majority of the Board adopting, amending or rejecting the findings and recommendations of the Appeals Committee shall be final and legally binding on the Trust and the Participant involved in the coverage dispute, with no right to challenge the Board's decision before any arbitration panel or court of competent jurisdiction. The Trust and the Participant do, however, reserve the right to enforce the Board's decision by filing an appropriate action in any court of competent jurisdiction.

ARTICLE VII - OPERATION OF THE TRUST FUNDS; REVENUES

7.01 Payment of Premiums, Contributions and Assessments. Each Participant hereby agrees to make payments into various funds established under the Trust as set forth below:

(a) Initial Contribution - The initial payment made by all Participants upon their admission to the Trust which shall include:

(1) An amount to provide for losses and general operating expenses of the Trust;

(2) A contribution to Surplus; and

(3) Any amounts which must be dedicated to debt service as required by the Board of Trustees in the event that municipal indebtedness is incurred for risk financing purposes.

(b) Annual Premiums - Annual premiums must be paid by each Participant as a condition for obtaining coverage for a single coverage period. These premiums shall be established, and may be adjusted upward or downward on an annual basis, by the Executive Committee in accordance with this Agreement and the Trust By-Laws. Premiums shall be determined by the Executive Committee in accordance with the guidelines adopted by the Executive Committee based upon the actual claims or loss histories of each Participant. Premiums shall include:

(1) An amount to provide for losses and general operating expenses of the Trust;

(2) A contribution to Surplus, as required by the Executive Committee; and

(3) Any amounts which must be dedicated to debt service as required by the Board of Trustees in the event that municipal indebtedness is incurred for risk financing purposes.

(c) Assessments - Any additional payments to the Trust which a Participant may be required to make upon a finding by the Board of Trustees, Underwriting Consultant, and the Trust Actuary that funds available for the payment of claims have been exhausted by, among other things, the payment of catastrophic claims and such assessments are required to preserve the fiscal and actuarial soundness of the Trust and its ability to pay claims and otherwise satisfy any outstanding indebtedness.

All assessments shall be made in an amount equal to the ratio of the Participant's annual premium to the total annual premium contributed by all Participants in the Trust year in which a deficit occurred. No Participant shall be required to pay any assessments in a single Trust year greater than two times the annual premium paid by that Participant for the Trust year in which the assessment is to be made.

After the withdrawal or expulsion of a Participant, that Participant shall remain liable for any assessments for any periods during which that Participant was provided coverage under the Trust Coverage Document.

(d) Termination Premium – Upon recommendation of the Executive Committee, the Board of Trustees shall determine the amount of the Termination Premium due and owing on or after the effective date of a Participant's expulsion, as the Board of Trustees may determine. The Termination Premium shall be sufficient to pay any outstanding premiums and assessments due and owing on the effective date of the Participant's expulsion. An initial estimate of the Termination Premium shall be determined by the Board of Trustees at least forty-five (45) days before the effective date of a Participant's expulsion, and a final Termination Premium shall be determined no later than sixty (60) days after that effective date of the Participant's expulsion.

(e) After the withdrawal or expulsion of a Participant, that Participant shall remain liable for any assessments for any periods during which that Participant was provided coverage under the Trust Coverage Document.

(f) All premium estimates and assessments shall be determined by the Executive Committee at least thirty (30) days before the commencement of the Trust year during which those payments must be made by the Participants. This will permit the Participants to adequately budget and appropriate the sums needed for those payments.

7.02 Establishment of Bank Accounts . The Trust Administrator shall establish one or more bank accounts, which may be interest or non-interest bearing accounts, with the Fiscal Agent in the name of the Trust.

7.03 Dividends and Rate Stabilization Fund.

(a) Dividends - Subject to Section 3.05 of this Agreement, any funds in Surplus as the Trustees may deem necessary or prudent may be returned to the Participants by the Board of Trustees. Dividends paid to each Participant will be based upon the loss experience of the Trust as a whole, the size of each Participant's Premiums, and the loss experience of the individual Participant. No dividends shall be paid to any Participant unless the Underwriting Consultant certifies to the Executive Committee that said dividends shall not adversely affect the fiscal or actuarial soundness of the Trust and its ability to satisfy any indebtedness incurred by the Trust, any Participant or any other entity on behalf of the Trust in furtherance of its purposes and objectives. When municipal debt has been incurred by the Trust, its Participants, or any other entity created for that purpose, an additional certification will be required from Bond Counsel that such dividends will not adversely affect the tax exempt status of any outstanding municipal debt.

(b) Rate Stabilization Fund ("RSF"). A fund established by the Board of Trustees as a way of returning surplus funds to Participants to be used as credits toward the payment of their annual premiums upon renewal. The total amount appropriated for the RSF is determined by the Executive Committee. Each Participant receives a share of that appropriation based on their proportion of the total annual premiums paid to the Trust and the losses incurred by the Trust.

7.04 Deficits. In the event of a deficit for any Trust Year, the deficit shall be made up from any of the following:

- (1) Any premiums paid by the Trust Participants;
- (2) Unencumbered funds, including monies from the Surplus; and
- (3) Any assessments paid by Participants as required by the Board of Trustees in and in the event the Surplus is exhausted by, among other things, the payment of catastrophic claim(s).

7.05 Bonds. The Trustees shall require that a fidelity bond be furnished as to all persons handling money for or on behalf of the Trustees.

ARTICLE VIII - AMENDMENTS

8.01 Amendments Not Requiring Consent of Trustees.

The terms and provisions of this Agreement may be amended at any time by a two-thirds (2/3) vote of the Executive Committee for one (1) or more of the following purposes:

- (a) To cure any ambiguity, defect or omission in this Agreement;
- (b) To change or modify any provision of this Agreement so as to comply with any applicable law, regulation or administrative ruling which may be in effect

8.02 Amendments Requiring Consent of Trustees. The Board of Trustees by a two-thirds (2/3) vote may consent to and approve any other amendments approved by a two-thirds (2/3) vote of the Executive Committee and presented to the Board, as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering or amending, adding to or rescinding any of the terms or provisions contained in this Agreement, including, but not limited to, the inclusion of additional types of insurance coverages, subject to the limitations contained in Section 8.03 hereof. The Executive Committee shall prescribe rules and procedures for submission of proposed amendments to the Board.

8.03 Limitation on Amendments. No amendment shall be adopted which alters the basic purpose of the Trust or alters the rights of Participants to receive dividends as provided in Section 7.03 hereof or alters the obligation of Participants to pay any assessments or contributions which may be established under Section 7.01 hereof, which amendments would jeopardize the actuarial and fiscal soundness of the Trust.

ARTICLE IX - TERMINATION

9.01 Term of Trust. The Trust shall continue unless and until terminated pursuant to law or by an instrument in writing signed by two-thirds (2/3) of the entire Board of Trustees, acting on behalf of the Participants.

9.02 Termination of the Trust. In the event of termination of the Trust, the Participants covenant and agree to make any provision for the payment of any outstanding municipal indebtedness and for the payment of claims against the Trust or its Participants as may be required by the Board of Trustees, including the deposit with the Trust of funds, surety bonds, or such other guarantees of payment as deemed required and sufficient by the Trustees. Upon termination, the Trustees shall continue to serve as Trustees to wind up the affairs of the Trust, including providing for all outstanding obligations, and each Participant shall be entitled to receive distribution of its pro rata share of any remaining funds, the calculation of such distribution to be determined by the Trustees.

ARTICLE X - MISCELLANEOUS

10.01 Title to the Trust. Title to the Trust shall be vested in and remain exclusively in the Trustees to carry out the purposes hereunder and no Participant or any official, employee or agent of any Participant nor any individual shall have any right, title or interest in the Trust nor any right to Premiums made or to be made thereto, nor any claim against any Participant on account thereof, except to the extent of the right of Participants to receive their pro rata share of any excess funds as provided hereunder.

No Participant may assign any right, claim or interest it may have under this Agreement.

10.02 Execution of Documents. The Trustees may authorize any Trustee or the Administrator to execute any notice, certificate or other written instrument relating to the Trust (except an instrument of amendment or termination) and all persons, partnerships, corporations, or associations may rely upon such notice or instrument so executed as having been duly authorized and as binding on the Trust and the Trustees.

10.03 Notice. All notices, requests, demands and other communications related to this Agreement, unless otherwise so provided herein, shall be in writing and shall be deemed to be duly given when sent by first-class, registered, or certified mail postage paid, return receipt requested, when personally delivered by hand, or when transmitted by electronic means, at such addresses as have been last provided to the Trust. The initial address for such notices, requests, demands or other communications to the Trustees and each Participant shall be provided to the Administrator. The parties shall notify the Administrator as to any change in address.

10.04 Construction. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

10.05 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, by the Trustees and the Chief Executive officer or Manager of the local agency or municipality, of a counterpart signature page in the forms attached hereto, which together with this Agreement and all other duly executed signature pages shall constitute the complete Agreement among all the parties hereto.

10.06 Subrogation. Each Participant agrees that in the event of the payment of any loss by the Trust under this Agreement, the Trust shall be subrogated to the extent of such payment to all the rights of the Participant against any person or other entity legally responsible for damages for said loss, and in such event the Participant hereby agrees to render all reasonable assistance, other than pecuniary, to effect recovery.

10.07 Defense by Trust. The Trust shall have a duty to defend all Participants and Covered Parties against claims as set forth in the Trust Coverage Document, which is incorporated herein by reference.

10.08 Limitation of Liability. Liability of the Trust to any Participant is specifically limited to those coverages provided in the Coverage Document subject to any deductible amounts. Participants' liability shall be limited to the extent of the financial contributions to the Trust set forth herein, and any additional obligations as may come about through amendment hereto, including an obligation to repay any municipal debt as may be incurred by the Trust, its Participants or any entity created for that purpose. No Participant agrees or contracts herein to be held responsible for any claims in tort, contract or otherwise made against any other Participant. Nothing contained in this Agreement or in the By-laws thereto or the Coverage Document shall be deemed to create any relationship of surety, indemnification or responsibility between Participants for the debts of or claims against any other Participant.

10.09 Arbitration. With the exception of coverage disputes and disputes regarding the expulsion or withdrawal of Participants, all other disputes between a Participant and the Trust arising under this Agreement must be resolved by an arbitration panel or some other alternative dispute resolution entity selected by the parties in accordance with guidelines and procedures adopted by the Board of Trustees upon recommendation of the Executive Committee. As to any and all disputes arising under this Agreement, neither the Trust nor the Participant may file suit in any court of law except to enforce a decision by the Board of Trustees, arbitration panel or other alternative dispute resolution entity.

10.10 General Representations of Participants.

(a) The Participant is a body corporate and politic, a political subdivision of the Commonwealth of Pennsylvania, authority or intergovernmental entity under Pennsylvania law. The Participant has the power to enter into this Agreement and any other documents in connection herewith and the transactions contemplated hereunder and thereunder. The party executing this Agreement on behalf of the Participant has full power and authority to execute same and any documents executed in connection herewith.

(b) This Agreement has been duly and validly executed and is a valid and binding agreement on the Participant under the laws of the Commonwealth of Pennsylvania, enforceable in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting creditors' rights generally and such principles of equity as the court, in its discretion, may impose with respect to remedies which may require enforcement by a court of equity.

10.11 Severability of Invalid Provisions. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and the remaining parts of this Agreement shall be construed so as to give practical realization to the purposes intended to be achieved by the parties as if such invalid or illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the Trustees, have executed this Trust Agreement, all as of the date above first mentioned.

MEMO

to: Board of Supervisors
cc:
from: Tommy Ryan, Township Manager
date: March 8, 2017
re: **Municibid**

The Township is selling the following used items by on-line auction, at Municibid. Bidding ends on March 14:

- a John Deere 1445 Front Mower;
- several traffic signals; and,
- various office cubical components.

The high bids will be reviewed, and recommendations to award the bids will be made at the March 15 Board Meeting.