



COMMISSIONERS' MEETING

Wednesday, December 18, 2024

7:30 p.m. | Curtis Hall/Via Zoom Web Conference

To Join Zoom Video Meeting: [Click Here](#)
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Meeting ID: 899 8449 4398, Password: 548189

AGENDA

1. Pledge of Allegiance
2. Roll Call
3. Sunshine Act Announcement
4. Public Comment – Agenda Items
5. Approval of the Board of Commissioners' Regular Meeting Minutes dated November 20, 2024.
6. Acceptance of the Executive Summary Financial Report for the month of October 2024.
7. Acceptance of the Accounts Paid Report for the month of October 2024.
8. Presentation of a Community Service Award to Teryn Dark for her organization of the La Mott Fire Company Community Day Event held on July 27, 2024, which provided an opportunity for families within the community to get to know their local fire company, raising funds for the fire company, and created community engagement.
9. **PUBLIC HEARING:** To receive any and all comments and suggestions from the public regarding the Final Operating and Capital Budgets for 2025 pursuant to 1205(d) of the Home Rule Charter. [The 2025 Budget can be found at www.cheltenhampa.gov/budget.]
 - a. Adoption of an ***Ordinance*** fixing the tax rate for the Year 2025 and approving and adopting the Final 2025 Budget for Cheltenham Township, which appropriates the specific sums estimated to be required for the specific purpose of operating the Township for the Fiscal Year 2025.*
10. Consider approval of the recommendations of the Public Works Committee and acceptance of its Regular Meeting Minutes dated December 4, 2024.
 - a. Award a construction contract to Gorecon, Inc. in the amount of \$50,675.76 for the ADA Improvements at Glenside and South Avenues, subject to favorable evaluation of the bid documents submitted.
 - b. Consider approving the Public Works Highway Department to work Saturdays as needed during the month of December for leaf collection.
 - c. Approval of the Sewer Facilities Planning Module (SFPM) for the property located at 128 South Keswick Avenue, for a proposed renovation and conversion of a commercial building that housed a printing company to a two-apartment building with a proposed flow of 525 GDP (2 EDUs).
11. Consider approval of the recommendations of the Building and Zoning Committee and acceptance of its Regular Meeting Minutes dated December 4, 2024.
12. Consider approval of the recommendations of the Public Safety Committee and acceptance of its Regular Meeting Minutes dated December 11, 2024.
 - a. Adoption of an ***Ordinance*** amending Chapter 285, Vehicles and Traffic, Section 285-43, to ADD "No U-Turn" on the 7600 block of Montgomery Avenue.*

- b. Authorization to advertise the Board of Commissioners’ intention to adopt the following Ordinances amending Chapter 285, Vehicles and Traffic, Section 285-43 to:
 - Add handicapped parking in front of 1401 Beech Avenue, Elkins Park, PA; and
 - Add “No Left Turn” from 200 Easton Road driveway onto westbound Waverly Road and “No Left Turn” from westbound Waverly Road into 200 Easton Road driveway.
13. Consider approval of the recommendations of the Public Affairs Committee and acceptance of its Regular Meeting Minutes dated December 11, 2024.
 - a. Adoption of an **Ordinance** amending Chapter 201: Parks and Playgrounds, Article I: General Regulations, §201-4.E. which limits picnics to specified areas in public parks and amending Chapter 20: Parks and Playgrounds, Article III: Scheduling and Permits, §201-12: Permits Required, to provide additional clarity regarding the scheduling of Township park facilities and to provide for the consumption and proper disposal of food at Township park facilities.*
 - b. Authorize KCBA/Re:Vision to develop an estimate of costs for review and consideration prior to authorizing final design and bid preparation.
 - c. Authorize Re:Vision/KCBA to design, bid document preparation, and construction administration for a climate control system and weatherproofing in the basement of Curtis Hall in the amount of \$46,610.00.
 - d. Adoption of a **Resolution** supporting the Pennsylvania Commission for the United States Semiquincentennial (AMERICA250PA).*
14. Consider approval of the recommendations of the Finance Committee and acceptance of its Regular Meeting Minutes dated December 11, 2024.
 - a. Authorize the renewal of an agreement with the Montgomery County Office of Aging & Adult Services and Suburban Transit Network, Inc. for one year to provide the TransNet Shared-Ride Services Program to qualified Cheltenham Township residents at no cost with total costs not to exceed \$25,000.
 - b. Authorize the renewal of Workers’ Compensation, Property, and Liability Insurance through villaNova Insurance Partners at a rate of \$1,837,408 per year for 2025.
 - c. Adoption of a **Resolution** amending and establishing certain fees, deposits, and escrows payable to the Township, effective January 1, 2025.*
 - d. Adoption of a **Resolution** authorizing the submission of a statewide Local Share Account Grant on behalf of the Cheltenham Township Community Development Corporation (CCD) in the amount of \$100,000 for internal administrative support for CCD and for feasibility and planning studies to further develop the business corridors in the Township.*
 - e. Authorize the purchase of a computer and Network Attached Storage Device for the Police Department Detective Division to accommodate large cell phone and CCTV footage downloads from ITsavvy, LLC in the amount of \$7,040.93 to be funded by Asset Forfeiture funds.
15. Old Business
 - a. Adoption of a **Resolution** authorizing Cheltenham Township to enter into an Intergovernmental Cooperation Agreement and participate in the Delaware Valley Health Trust effective January 1, 2025 (see attached).
16. New Business
 - a. Consider authorizing advertisement of an **Ordinance** pursuant to Section 806 of the Cheltenham Township Home Rule Charter entitled, “Termination” to abolish the elected office of Finance Officer and establish alternative means of collecting Township taxes (see attached).
17. Citizens’ Forum
18. Adjournment


Alyson Elliott
Township Manager

* A copy of the full text of the proposed Ordinance(s) is available on the Township website: www.CheltenhamTownship.org > Document Center > Ordinances and Resolutions > Ordinances Under Consideration. Copies of adopted Resolutions and Ordinances may be found at: www.CheltenhamTownship.org > Document Center > Ordinances and Resolutions. The full text of the Cheltenham Township Codified Ordinances is available online: <http://ecode360.com/CH1316?needHash=true>.



**CHELTENHAM TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA**

RESOLUTION NO. __-24

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
CHELTENHAM TOWNSHIP, MONTGOMERY COUNTY,
PENNSYLVANIA AUTHORIZING CHELTENHAM TOWNSHIP
TO ENTER INTO AN INTERGOVERNMENTAL COOPERATION
AGREEMENT AND PARTICIPATE IN THE DELAWARE
VALLEY HEALTH TRUST.**

WHEREAS, the Pennsylvania Intergovernmental Cooperation Law, as amended, 53 Pa. C.S.A. §§2301, *et seq.*, authorizes local government units and agencies to jointly cooperate and enter into intergovernmental agreements with other local government units and agencies in the performance of their governmental functions, powers or responsibilities; and

WHEREAS, Cheltenham Township has determined that it is in the best interests of its employees, retirees, and their dependents for Cheltenham Township to become a participant in the Delaware Valley Health Trust, a self-insured governmental multiple employer welfare arrangement and public employer health benefits Trust organized under the laws of Pennsylvania.

NOW THEREFORE, the Board of Commissioners of Cheltenham Township located in Montgomery County, Pennsylvania does hereby resolve as follows:

Section 1. That the President of the Board of Commissioners of Cheltenham Township (the “Municipality”) is hereby authorized to execute the Delaware Valley Health Trust Agreement (“Trust Agreement”) and any other agreements necessary for the participation of the Municipality in the Delaware Valley Health Trust (the “Trust”), which is attached hereto as Exhibit "A" and is on file for inspection and review at the offices of the Municipality. The Trust Agreement may be amended after the adoption of this Resolution in accordance with the terms and conditions contained therein.

Section 2. That the participation of the Municipality in the Delaware Valley Health Trust is authorized for the purpose of obtaining high quality health benefits at the most reasonable cost to the Municipality and its employees, retirees and their dependents.

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

1. That each Trust Participant must meet the admission and eligibility requirements set forth therein;
 2. That each Trust Participant agrees to pay all contributions when due as provided in the Trust Agreement and any By-Laws adopted by the Trust;
 3. That each Trust Participant uses its best efforts to provide appropriations for the payment of any contributions required to achieve the purposes and objectives of the Trust;
 4. That each Trust Participant cooperate fully in achieving the purposes and objectives of the Trust;
- and

5. That each Trust Participant comply with all other terms and conditions of the Trust Agreement.

Section 4. In accordance with an Addendum to the Trust Agreement, the Municipality agrees to participate in the Delaware Valley Health Trust for a minimum of **four (4) years** from the effective date of its participation and thereafter may withdraw from the Trust for any reason whatsoever provided that it has fulfilled all the applicable conditions in the Trust Agreement and satisfies all its financial obligations to the Trust upon withdrawal.

Section 5. The effective date of the participation of the Municipality in the Delaware Valley Health Trust will be **January 1, 2025**.

Section 6. The organizational structure of the Trust consists of a Board of Trustees, an Executive Committee selected by the Board of Trustees in accordance with the Trust Agreement an Administrator/Executive Director and various service agents appointed in accordance with the Trust Agreement and any By-Laws adopted pursuant thereto.

Section 7. The Municipality delegates to the Board of Trustees of the Delaware Valley Health Trust the powers enumerated in the Trust Agreement.

Section 8. All contributions paid by the Municipality shall be made with funds appropriated by the Municipality for that purpose.

Section 9. The funds required for the operation of the Trust shall be provided by the Trust Participants through annual appropriations.

Section 10. The Delaware Valley Health Trust is empowered to enter into contracts for policies of group insurance and employee benefits, including Social Security, for its employees.

Section 11. As a condition of participating in the Delaware Valley Health Trust, the Municipality agrees to comply with all the terms and conditions in the attached Trust Agreement.

Section 12. This Resolution is being enacted pursuant to the provisions of the Pennsylvania Intergovernmental Cooperation Law, as amended, 53 Pa. C.S.A §§2301, *et seq.*

I, Alyson E. Elliott, duly qualified Secretary of Cheltenham Township, Montgomery County, Pennsylvania, hereby certify that the above Resolution is a true and correct copy of a Resolution duly adopted by a majority vote of the Board of Commissioners of Cheltenham Township, Montgomery County, Pennsylvania, at a regular public meeting held on December 18, 2024, at which a quorum of the Board of Commissioners was present and voting, and that the Resolution has been recorded in the Minutes of Cheltenham Township and remains in full force and effect.

IN WITNESS THEREOF, I affix my hand and attach the seal of Cheltenham Township, this **18th** day of **December, 2024**.

ATTEST:

**TOWNSHIP OF CHELTENHAM
BOARD OF COMMISSIONERS**

Alyson E. Elliott
Township Manager and Secretary

By: _____
Matthew D. Areman, President



DELAWARE VALLEY
HEALTH
TRUST

DELAWARE VALLEY HEALTH TRUST AGREEMENT

(As Amended as of June 1, 2022)

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DELAWARE VALLEY HEALTH TRUST AGREEMENT

This is the Intergovernmental Agreement, hereafter known as the Delaware Valley Health Trust Agreement, dated as of June 1, 2022, by and among the parties signatory to this Agreement, as it may be amended from time to time. This Agreement is intended to amend and supersede the previous Trust Agreement which was effective as of July 1, 2015.

WITNESSETH:

WHEREAS, certain municipalities, school districts, charter schools, counties, authorities and various intergovernmental entities (including commissions and school district intermediate units), volunteer fire companies and other local government units, agencies and instrumentalities (including public nonprofit entities) desire to enter into and create a self-insured governmental multiple employer welfare arrangement and/or public employer health benefits trust pursuant to all applicable federal and state laws, including, but not limited to, the Pennsylvania Constitution, the Pennsylvania Intergovernmental Cooperation Law, 53 Pa. C.S.A. §2301 et seq.; the Municipality Authorities Act of 1945, 53 Pa. C.S.A. §5601, et seq.; and the Pa. Political Subdivision Tort Claims Act, 42 Pa. C.S.A. §8541, et seq., and any comparable laws of the State of Delaware;

WHEREAS, the purpose of the self-insured governmental multiple employer welfare arrangement and/or public employer health benefits trust created by this Agreement is to provide comprehensive, high quality health benefits on a pooled basis for the employees and their dependents, and retirees of the municipalities, school districts, charter schools, counties, authorities and intergovernmental entities (including commissions and school district intermediate units), volunteer fire companies and other local government units, agencies and instrumentalities, (including public nonprofit entities) who are parties to this Agreement, while allowing them to better control the cost and availability of those health benefits;

WHEREAS, the Delaware Valley Health Trust is created for the express purpose of performing an essential governmental function with the meaning of IRS Rev. Ruling 90-74 (1990-2 CB 34) and any other applicable laws and regulations;

WHEREAS, the municipalities, school districts, charter schools, counties, authorities and intergovernmental entities (including commissions and school district intermediate units) volunteer fire companies, local government units, agencies and instrumentalities (including public nonprofit entities) who are parties to this Agreement have hereby created the Delaware Valley Health Trust for the purpose of implementing the multiple employer welfare arrangement and/or public employer health benefits trust set forth in this Agreement;

WHEREAS, the Delaware Valley Health Trust shall administer and/or oversee the administration of the Health Benefits Plans that will provide benefits to all Participants'

employees, or any class or classes thereof, their dependents and eligible classes of the Participants' retirees, for health, hospitalization, medical, surgical, prescription drug, dental, vision and other health care services;

WHEREAS, the Delaware Valley Health Trust is a "governmental instrumentality" under the Internal Revenue Code, as amended by the Patient Protection and Affordable Care Act;

WHEREAS, the Health Benefits Plans provided under this Agreement are "governmental plans" as defined under, and are therefore exempt from, the Employee Retirement Income Security Act of 1974 (Public Law 93-406), 29 U.S.C. § 1001 et. seq.;

WHEREAS, monies will be paid initially by all Participants and continue to be paid from time to time by Participants to a Board of Trustees, which funds will constitute trust funds to be held for the exclusive benefit of the Participants;

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

WHEREAS, the Board of Trustees and the Participants desire to establish the terms and conditions under which the Delaware Valley Health 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 and all income therefrom, and such other sums as may be made part of the Delaware Valley Health Trust, to the Board of Trustees, and the Board of Trustees hereby accept the trusts herein contained and declare that they will administer, manage, collect, receive, dispose of, and distribute such Delaware Valley Health 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 I. DEFINITIONS

1.01 Definitions.

Except as otherwise expressly provided herein or unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Agreement (including the Preamble) and any amendment of or supplement hereto.

Actuary - The Trust's actuary or actuarial firm whose duties shall include, but not be limited to, the evaluation of underwriting or loss data submitted by eligible Participants and the rendering of opinions and certifications as required by the Trust in accordance with the Trust Agreement and Bylaws.

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

Alternate Trustee - An employee, elected or appointed official of the Participant who is appointed by the Participant to serve as a Trustee only for a scheduled meeting or event of the Board.

Applicant - A Local Government Entity that has submitted or is in the process of submitting an Application to the Trust to become a Participant.

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

Assessment - A monetary payment other than a Contribution which a Participant shall be required to make to the Trust upon a finding by the Executive Committee, Underwriter and Actuary that such additional funds are required to preserve the fiscal or actuarial soundness of the Trust, preserve the Trust's ability to pay claims, eliminate any Deficit, or otherwise satisfy any outstanding indebtedness.

Board of Trustees or Board - The governing body of the Delaware Valley Health Trust whose members or Trustees are appointed in accordance with and have the authorities as outlined in the Trust Agreement and Bylaws.

Bylaws - The bylaws governing the operation of the Trust as adopted and amended in accordance with this Agreement.

Contribution - The amount of money determined by the Trust and charged to each Participant during a Trust Year, on a monthly basis, in exchange for the benefits under its Health Benefits Plans.

Coverage Period - The period in which each Participant will be provided coverage under its Health Benefits Plans in exchange for Contribution payments.

Deficit - When expenses, claims payments, claims reserves and claims incurred but not reported for any Coverage Period exceed the total Contributions collected for that period.

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

Executive Director - The individual named in the Bylaws who is responsible for the day-to-day operations of the Trust.

Expulsion - The involuntary removal or termination of a Participant from the Trust by action of the Board of Trustees as provided in this Agreement and any applicable Bylaws.

Fiscal Agent - An outside third-party that safeguards, handles and/or invests the monies held in the various accounts administered by the Trust. The Trust may have one (1) or more Fiscal Agents.

Group Master Health Benefits Contracts - The contracts or agreements between the Trust and the company(ies) selected by it to administer the Health Benefits Plans.

Health Benefits - Various forms of health benefits provided by and/or through the Trust, including hospitalization, medical, surgical, prescription drug, dental, vision and other health care services.

Health Benefits Plans – The principal documents containing a description of the health benefits provided by and/or through the Trust to a Participant, and the terms and conditions applicable thereto.

Local Government Entity - Any political subdivision or local agency of the Commonwealth of Pennsylvania or the State of Delaware, including any cities, towns, townships, boroughs, school districts, charter schools, counties, authorities and intergovernmental entities (including commissions and school district intermediate units), volunteer fire companies and other local government units, agencies and instrumentalities (including public nonprofit entities) eligible for participation in the Delaware Valley Health Trust.

Manager - The chief administrative officer of a Participant.

Participant - Any Local Government Entity eligible to participate in the Trust that becomes a party to this Agreement and whose participation in the Trust has not been terminated in accordance with this Agreement and any applicable Bylaws.

Plan Year - A consecutive 12-month period during which a Health Benefits Plan provides coverage for Health Benefits. A plan year shall be a calendar year (*i.e.*, January 1 – December 31) or a non-calendar year (*e.g.*, July 1 – June 30). A Plan Year shall be established upon a Participant's admission to the Trust and may only be changed thereafter pursuant to a mutual written agreement of the Trust and the Participant.

Rate Stabilization Fund - A fund established by the Trust in accordance with this Agreement which can be used by Participants to defray the cost of their annual Contributions in accordance with policies and procedures established by the Executive Committee.

Service Agents - One or more service companies or consultants engaged by the Trust to be responsible for underwriting matters, actuarial matters, claims administration, loss control, accounting or such other duties as determined by the Executive Committee and specified by contract.

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

Surplus - Net worth of the Trust since its inception.

Third Party Administrator - The company(ies) retained by the Trust to administer the payment of benefits under the Health Benefits Plans and in accordance with the Group Master Health Benefits Contracts.

Trust - The Delaware Valley Health Trust.

Trust Year - The fiscal year that begins on January 1 and ends on the next following December 31.

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".

Underwriter - An individual or firm that assists the Trust with underwriting and rating requirements for current Participants and new Applicants. The Underwriter shall consult with the 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 AND EXECUTIVE COMMITTEE

2.01 Qualifications of a Trustee.

- a. A Trustee shall be either: (1) an elected or appointed official of the Participant, (2) the Manager of the Participant, or (3) an employee of the Participant with expertise in finance or health benefits.
- 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, nor shall a Trustee have any other conflict of interest within the meaning of the Pa. Ethics Act, 65 Pa. C.S. §1101 et seq., as amended, or, where applicable, any comparable law or regulation of the State of Delaware.

2.02 Composition of the Board of Trustees.

The Trust shall be governed by a Board of Trustees as outlined herein. No Participant shall be represented by more than one (1) Trustee on the Board of Trustees. However, a Participant may appoint an Alternate Trustee for a scheduled meeting or event of the Board. An Alternate Trustee shall have the full voting rights and powers granted to the Trustee for such scheduled meeting or event.

2.03 Appointment of a Trustee.

A Participant shall appoint a Trustee to the Board of Trustees and notify the Trust in writing with the name and contact information of its appointed Trustee.

2.04 Resignation of a Trustee.

A Trustee may resign by giving notice in writing to the Executive Director. Such notice shall state the date said resignation shall take effect, and such resignation shall take effect on such date. If no date is provided, the resignation shall take effect immediately.

2.05 Removal of a Trustee.

A Trustee shall be removed from office in accordance with the Bylaws if he fails, or subsequently ceases, to meet the qualifications of Section 2.01 hereof or is removed for cause by a two-thirds (2/3) majority vote of the Board of 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 Trustee and notify the Executive Director in writing of such Trustee's name, title and contact information.
- 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 Executive Committee.

The Trustees shall elect an Executive Committee of not less than seven (7) Trustees according to procedures outlined in the Bylaws. The Executive Committee shall be charged with the full authority of the Board of Trustees when it is not in session, subject to the limitations outlined in this Agreement or the Bylaws. Specifically, the Executive Committee does not have the authority: (a) to exercise any powers which a two-thirds (2/3) majority vote of the Board of Trustees is required as outlined in the Bylaws or the Trust Agreement; (b) to admit an Applicant absent approval of the Board of Trustees pursuant to Section 3.02(b) of the Trust Agreement; or (c) to elect Trustees to the Executive Committee of the Trust as outlined in the Bylaws of the Trust. The Executive Committee shall meet as determined by the Trust Chairperson but no less frequently than quarterly.

ARTICLE III. ELIGIBILITY AND PARTICIPATION

3.01 Eligibility Requirements.

- a. Applications shall only be accepted from Local Government Entities because participation in the Trust shall be limited to such entities.
- b. Each Applicant must provide all underwriting information requested by the Trust, including but not limited to, any census and claims data as may be available.
- c. Each Applicant shall meet the underwriting standards and other requirements established by the Executive Committee and have a loss or claims history which does not present an undue risk to the fiscal or actuarial soundness of the Trust.
- d. Each Applicant shall receive a positive recommendation from the Underwriter prior to admission. This recommendation shall be based upon an analysis conducted by the Underwriter which shall include an evaluation of the Applicant's loss or claims history if such data is available.

- e. Each Applicant must be professionally managed. Professional management may be demonstrated by compliance with the International City/County Management Association ("ICMA") Recognition Criteria or other management criteria satisfactory to the Executive Committee.
- f. Each Applicant must agree to make a commitment to participate in the Trust for a minimum period of at least two (2) full years or more, depending upon which period is necessary, in the judgment of the Executive Committee, acting upon the recommendation of the Underwriter, to assure the fiscal and actuarial soundness of the Trust.
- g. The Executive Committee may establish, by majority vote, additional requirements for participation in the Trust as reasonably required under the circumstances.

3.02 Approval of Participants.

- a. Prior to any vote being taken on an Applicant being admitted to the Trust, the Executive Director must certify in writing that the Applicant has met all the requirements for admission to the Trust.
- b. To become a Participant, an Applicant, and its proposed effective date of Trust participation and coverage thereunder, must be approved by an affirmative vote of at least two-thirds (2/3) of the entire Board of Trustees if the Trust has less than one hundred (100) Participants and at least one half (1/2) of the entire Board of Trustees if the Trust has one hundred (100) or more Participants.
- c. Upon an Applicant's execution of this Agreement, such Applicant shall become a Participant in the Trust and shall be bound by all terms and conditions hereof, including the payment of Contributions when due.
- d. Each Participant shall submit evidence satisfactory to the Executive Director of approval for Trust participation by its governing body, including any ordinances or resolutions which may be required under state law.

3.03 Participant's Contribution Obligations.

- a. Contributions shall be established by the Executive Committee in consultation with the Underwriter, the Actuary and the Third Party Administrator. The rates upon which a Participant's Contribution is based shall be established at least thirty (30) days before commencement of the next following Plan Year.
- b. Contributions shall be due and payable within thirty (30) days of receiving an invoice unless required otherwise by the Executive Committee upon reasonable advance written notice.

- c. If a Participant fails or refuses to pay its Contributions in full when due and owing, a late fee of one half of one percent (.5%) per month shall be imposed on the delinquent balance and the Participant shall be ordered to pay the full amount due, which order is not appealable to the Board of Trustees and may be enforced as a judgment against the Participant by the Trust in any court of competent jurisdiction.

3.04 Obligations, Duties and Liabilities of Participants.

- a. Each Participant agrees to fulfill all obligations and duties set forth in this Agreement and comply with the policies and procedures established by the Trust. The withdrawal or expulsion of any Participant pursuant to this Article III shall not affect this Agreement nor the Trust created herein, except where otherwise expressly provided.
- b. Each Participant agrees to jointly and severally assume and discharge liabilities arising hereunder with each and every other party to this Agreement.
- c. Each Participant is liable under this Agreement for the payment of Contributions and Assessments when due.
- d. Each Participant shall appropriate funds for the payment of any Contributions and Assessments required by the Trust.
- e. Each Participant shall institute all reasonable procedures that may be required by the Executive Committee for the purpose of minimizing or eliminating health hazards or risks that could contribute to losses, subject to any collective bargaining agreements.
- f. Each Participant agrees that it will cooperate fully with the Trust's Executive Director, Service Agents, attorneys, Third Party Administrator and any other agent or employee of the Trust in relation to the purposes and powers of the Trust, including, but not limited to, the evaluation and payment of claims.
- g. Each Participant shall furnish to the Trust any underwriting or other information reasonably requested by the Trust within thirty (30) days of receiving such request.
- h. Each Participant agrees that this Agreement may be amended, altered, modified or restated pursuant to Article VIII hereof and any such amendment, alteration, modification or restatement shall be considered by each Participant to be reasonable, proper and binding.
- i. As further provided in Section 6.03, all coverage-related grievances and complaints by enrollees must be submitted and resolved in accordance with the applicable Health Benefits Plans and Group Master Health Benefit

Contracts, subject to the requirements of the Patient Protection and Affordable Care Act and regulations promulgated thereunder, as well as any state or federal laws and regulations which may also apply.

- j. Each Participant agrees that once a decision is rendered by the Board of Trustees or the Executive Committee, as applicable, in a dispute regarding the expulsion or withdrawal of a Participant, the decision by the Board or Executive Committee shall be final and legally binding on the Participant and the Trust. Neither the Trust nor the Participant shall have any right to challenge that decision in any arbitration proceeding or in any action before any court of competent jurisdiction. That notwithstanding, the Participant and the Trust only reserve the right to file an action in such a court solely to enforce the decision by the Board or the Executive Committee.

3.05 Expulsion and Withdrawal of Participants.

a. Expulsion.

The Board of Trustees shall have the authority by an affirmative vote of at least two-thirds (2/3) of all Trustees to expel any Participant from the Trust for cause, which shall include but not be limited to, the following:

- (1) Failure to pay any Contributions or Assessments when due;
- (2) Failure to implement any reasonable measures or guidelines established by the Executive Committee;
- (3) Failure to cooperate with personnel, Service Agents or Fiscal Agents of the Trust;
- (4) Failure to provide any information requested by the Executive Director, Executive Committee or any agent or representative of the Trust as required for the evaluation and payment of any claims covered under the Health Benefits Plans;
- (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 documents or agreements, including the Health Benefits Plans;
- (6) The filing of a petition in bankruptcy, or the subjection of any right or interest of a Participant under the Health Benefits Plans to any execution, garnishment, attachment, adjudication of such Participant as 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, interest in or obligation of this Trust Agreement or Health Benefits Plan without first obtaining the approval of a two-thirds (2/3) majority of the Board of Trustees; or
- (8) Knowingly taking any action detrimental to the fiscal or actuarial soundness of the Trust.

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. In accordance with Section 3.04(j), 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 receipt of notification of expulsion by the Trustees, understands that its participation in this Trust and coverage thereunder will terminate sixty (60) days thereafter (or ten (10) days thereafter for non-payment of Contributions or Assessments) and the Participant will be responsible to secure adequate health benefits coverage, either by insurance or self-insurance, and endeavor for such coverage to be in effect on the effective date of the Participant's expulsion. No liability shall accrue to the Trust after the effective date of expulsion except as provided in Section 3.05(c) hereof.

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

An expelled Participant may be subject to an Assessment pursuant to claims incurred while that Participant was afforded coverage under the Trust even if amounts were not paid on such claims until after expulsion.

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, or any longer period as set by the Underwriter and agreed to by the Participant upon admission to the Trust. In addition, it is also agreed that each Participant may withdraw from the Trust only after giving written notice to the Executive Director at least one hundred twenty (120) days prior to the commencement of the Participant's next following Plan Year, provided such notice follows the expiration of the initial or subsequent commitment period unless:

- (1) An opinion is rendered by the Actuary or Underwriter that such withdrawal will cause the number of Participants to fall below the minimum required number or otherwise materially reduce the fiscal or actuarial soundness of the Trust; or
- (2) The withdrawing Participant is then in default of its obligation to pay Contributions or Assessments.

A Participant's withdrawal notice shall become final and binding on the date that is one hundred twenty (120) days before the first day of the Participant's next following Plan Year, unless the Executive Committee agrees to allow rescission of the withdrawal notice pursuant to a written request submitted by the withdrawing Participant. A Participant's withdrawal shall become effective at 12:00 a.m. Eastern Time on the first day of the Participant's next following Plan Year.

The above conditions notwithstanding, the Executive Committee may allow a Participant to withdraw from the Trust even if any of the conditions above for withdrawal have not been met, without waiving the Trust's right to recover any outstanding Contributions or Assessments from that Participant.

Should a Participant decide to reduce its total employee enrollment in the Trust's Health Benefits Plans by twenty-five percent (25%) or more, such a reduction in enrollment will constitute a deemed "withdrawal" of the Participant from the Trust under this subsection 3.05(b). In the event of such a withdrawal all of the notice requirements and other provisions in this subsection shall fully apply. Acting in the best interests of the Trust, the Executive Committee may waive this provision and take other measures as the Committee finds appropriate under the circumstances.

Any Participant who withdraws from the Trust shall forfeit any and all of its rights to any dividends, Rate Stabilization Fund monies and other allocations from Trust Surplus 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 subject to an Assessment pursuant to claims incurred while that Participant was afforded coverage under the Trust even if amounts were not paid on such claims until after withdrawal.

The Executive Committee also has the right to impose any other conditions upon the withdrawal of a Participant that may reasonably be required under the circumstances, including the prompt payment of any unpaid Contributions.

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 Executive Committee, which shall decide the dispute by majority vote. In accordance with Section 3.04(j), all decisions by the Executive Committee 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.

- (1) For those claims for benefits covered and payable under the Health Benefits Plans, the Trust shall continue to service and otherwise be responsible for any covered claims incurred prior to expulsion or withdrawal of a Participant.
- (2) In addition to forfeiture as provided in subsections 3.05 (a) and (b) above, no dividends, Rate Stabilization Fund monies or other allocations from Trust Surplus shall be paid or made available to a Participant who has been expelled or voluntarily withdrawn from the Trust after the effective date of expulsion or withdrawal.

ARTICLE IV. ACCEPTANCE OF TRUST & DUTIES AND OBLIGATIONS

4.01 Acceptance.

The Trustees hereby accept the trusts, duties and obligations imposed upon them by this Agreement and agree to perform said trusts, duties and obligations in accordance with the terms and conditions of this Agreement. The 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 the terms and conditions of 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 be deemed to accept the Office of Trustee and the terms and conditions of this Agreement.

4.03 Trustees' Duties and Obligations.

The Trustees shall discharge their duties and obligations under this Agreement solely in the interests of the Trust and its 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 Bylaws for the management and control of the Trust, so long as such Bylaws are not inconsistent or in conflict with the terms and provisions of this Agreement. Said Bylaws 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 Trust shall use its best efforts to purchase so-called directors and officers liability insurance covering the Board of Trustees.

ARTICLE V. OPERATION OF THE TRUST & INDEMNIFICATION

5.01 Office.

The Trust shall have a principal office located 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 Executive Committee. At the annual meeting the Trustees shall

receive an update on the Trust's performance 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 Bylaws.

5.03 Indemnification.

- a. The Trust shall indemnify, hold harmless 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 Executive Committee 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, hold harmless 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.
- 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 of indemnification hereunder, and the time, manner and amount of payment thereof, shall be made by a majority vote of a quorum of the Executive Committee provided, however, that no member of the Executive Committee 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 Executive Committee are seeking indemnification hereunder as a result of the same occurrence or the number of Executive Committee 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 or Surplus.
- 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.
- g.
 - (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.
 - (2) 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 Executive Committee provided, however, that no member of the Executive Committee 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 Executive Committee are seeking indemnification as a result of the same occurrence or the number of members of the Executive Committee 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.
 - (3) 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.

(4) 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 high quality health benefits for each Participant at the lowest responsible cost;
- b. To minimize and better control claims handling and administrative expenses;
- c. To protect each Participant from the volatility and high premiums of the commercial health insurance markets; and
- d. To take whatever other action which may be necessary to preserve and protect the fiscal and actuarial integrity of the Trust, as provided in the Trust Agreement and Bylaws.

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 elected officials, appointed officials, officers, employees or agents have now, and may have in the future.

6.02 Powers of Trustees.

The Board of Trustees shall oversee the property and business of the Trust and perform such acts, enter into such contracts, engage in such proceedings, and generally 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, financially stable, and Trust monies are responsibly invested with the aim of positive returns 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 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.
- e. To hold cash, uninvested, for such length of time as Trust operations require 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 hire suitable agents, advisors and other persons as 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 duly retained attorney or Service Agent 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 Bylaws or set forth in formal written documentation of the Trust.
- 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 Bylaws.
- 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 one or more accounts for the administration of the Trust and to authorize the Executive Committee, the Executive Director, 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 rules, regulations, formulas, actuarial tables, rates, forms, policies and procedures from time to time as they deem advisable and appropriate for the proper administration of the Trust, including but not limited to 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 in a manner authorized by the Trustees and shall be executed by individuals authorized by the Trustees.
- q. To write off as uncollectible any Participant's Contribution or any other indebtedness or other obligation as may be deemed appropriate. A decision to write off as uncollectible shall be deemed appropriate if it is determined that collection is unlikely or the anticipated expense of collecting justifies such action.
- r. To receive Contributions or Assessments from any source whatsoever but such Contributions or Assessments 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 membership in the Trust submitted to them and to approve or disapprove such Applications as provided herein.
- v. To modify, expel or cancel the coverage of any Participant in accordance with the terms of this Agreement.
- w. To amend the Health Benefits Plans and Group Master Health Benefits Contracts.
- x. To make provision for proper accounting and reporting procedures.
- y. To purchase an employee fidelity bond covering the Trustees, the Executive Director and such others as reasonably determined.
- z. To require Assessments from each Participant in accordance with this Agreement.
- aa. To hold all property received by or for the Trust, which together with the income and gains therefrom and additions thereto, shall constitute the corpus of the Trust.
- bb. To oversee the Executive Director of the Trust who shall implement duly-authorized decisions on behalf of the Trust and have direct responsibility for the operation and supervision of the Trust. The Executive Director shall not be an owner, officer or employee of any Service Agent or broker of the Trust.
- cc. To retain and oversee independent service companies and/or consultants that act as Service Agents. 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 shall be compensated from the Trust for such services. The Trust may delegate to a Service Agent responsibility for underwriting matters, claims administration and disbursement, collection of Contributions, or such other duties as are specified in the Service Contract.
- dd. To retain counsel to advise and represent the Trust on legal matters relating to its operation and administration.
- ee. To retain 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 shall be made available, upon request, to Participants for inspection.

- ff. To retain one (1) or more Fiscal Agents or other Service Agents to delegate the duties to hold the monies of the Trust and to invest and reinvest funds in accordance with the requirements established by the Trust.
- gg. To appoint any committees of the Board as may be necessary for the operation of the Trust.
- hh. To retain an Actuary or another reasonably qualified Service Agent to review, at least annually, the expected losses, calculations of claims incurred but not reported and recommend Surplus requirements for the Trust.
- ii. To outline procedures to fully and finally resolve all disputes between Participants and the Trust.
- jj. To do all acts, whether or not expressly authorized herein, which are in the best interests of the Trust.

Except as is noted below, the Board of Trustees may and hereby does delegate the powers it has the right to exercise as noted above to the Executive Committee when the Board of Trustees is not in session. Notwithstanding the foregoing, the Executive Committee does not have the authority: (a) to exercise any powers which a two-thirds (2/3) majority vote of the Board of Trustees is required as outlined in the Bylaws or the Trust Agreement; (b) to admit an Applicant absent approval of the Board of Trustees pursuant to Section 3.02(b) of the Trust Agreement; or (c) to elect Trustees to the Executive Committee of the Trust as outlined in the Bylaws of the Trust.

6.03 Payment of Claims and Claims Disputes.

The payment of claims and the resolution of claims disputes will be done as set forth below.

a. Acceptance and Denial of Claims.

The acceptance and denial of claims shall be made in accordance with the terms and conditions of the applicable Health Benefits Plans and the Group Master Health Benefits Contracts, subject to the requirements of the Patient Protection and Affordable Care Act and regulations promulgated thereunder, as well as any other state and federal laws and regulations which may also apply.

b. Claims Disputes.

All claims disputes shall be resolved in accordance with the internal appeals and external review procedures adopted by the Trust in accordance with the Patient Protection and Affordable Care Act and regulations promulgated

thereunder, as well as any state or federal laws and regulations which may also apply.

6.04 Confidentiality of Claims Data.

The Trust shall not disclose any claims data to any current or former Participant or any employee, elected official, appointed official or agent thereof unless provided otherwise under internal policies and procedures established by the Executive Committee.

ARTICLE VII. OPERATION OF THE TRUST'S FUNDS

7.01 Payment of Contributions and Assessments.

Each Participant hereby agrees to make payments to the Trust as set forth below:

a. Contributions.

Contributions must be paid by each Participant as a condition for obtaining coverage for a single Coverage Period. Rates upon which those Contributions are based shall be established, and may be adjusted upward or downward, on an annual basis, by the Executive Committee pursuant to recommendations by Service Agents based upon the actual claims or loss histories of the Trust and each Participant as well as projected future claims or losses. Contributions are subject to change within a Coverage Period pursuant to changes in enrollment counts and plan design. Contributions shall include:

- (1) An amount for the payment of all Trust administrative expenses;
- (2) An amount for the payment of health benefit claims and related expenses; and
- (3) An amount paid as a risk margin payable to the Trust.

b. Assessments.

All Assessments shall be made in an amount equal to the ratio of the Participant's annual Contribution to the total annual Contributions from all Participants in the Trust Year to which an Assessment relates. No Participant shall be required to pay any Assessments in a single Trust Year greater than two (2) times the annual Contribution paid by that Participant for the Trust Year to which the Assessments relates.

c. Contributions and Assessments after Withdrawal or Expulsion.

After the withdrawal or expulsion of a Participant, that Participant shall remain liable for any unpaid Contributions and Assessments relating to any periods during which that Participant was provided coverage under the Trust.

7.02 Establishment of Financial Accounts.

The Trust shall establish in its name, or cause to be established, one or more financial accounts, which may be interest or non-interest bearing.

7.03 Allocations from Trust Surplus.

a. Dividends.

Subject to Section 3.05 of this Agreement, any funds in Surplus not deemed necessary or prudent may be returned to the Participants as a dividend upon a majority vote of the Executive Committee. Any dividends paid to a Participant will be based upon the loss experience of the Trust as a whole, the amount of each Participant's Contributions, and the loss experience of the individual Participant. No dividends shall be paid to any Participant unless the Underwriter certifies to the Executive Committee that said dividends shall not adversely affect the fiscal or actuarial soundness of the Trust and the Trust's ability to satisfy any indebtedness incurred by it.

b. Rate Stabilization Fund.

Subject to Section 3.05 of this Agreement, any funds in Surplus not deemed necessary or prudent may be returned to the Participants as Rate Stabilization Funds upon a majority vote of the Executive Committee. Any Rate Stabilization Fund appropriation made available to a Participant will be based on that Participant's proportion of the total annual Contributions paid to the Trust, duration of Trust participation, the loss experience of the individual Participant and the losses incurred by the Trust pursuant to a formula approved by the Executive Committee. No Rate Stabilization Fund appropriations shall be made unless the Underwriter certifies to the Executive Committee that said appropriation shall not adversely affect the fiscal or actuarial soundness of the Trust and the Trust's ability to satisfy any indebtedness incurred by it.

c. Other Allocations from Trust Surplus.

Subject to Section 3.05 of this Agreement, any funds in Surplus not deemed necessary or prudent may be returned to Trust Participants through other allocations from Trust Surplus, including annual Contribution reductions or grant programs, upon a majority vote of the Executive Committee. No other allocations from Trust Surplus shall be made unless the Underwriter certifies to the Executive Committee that said allocations shall not adversely affect the

fiscal or actuarial soundness of the Trust and the Trust's ability to satisfy any indebtedness incurred by it.

7.04 Deficits.

In the event of a Deficit for any Trust Year, the Deficit shall be offset by any of the following:

- a. Unencumbered funds, including monies from the Surplus; or
- b. Any Assessments levied upon and paid by Participants in accordance with this Agreement.

7.05 Bonds.

The Trust may require that all persons or Service Agents handling money for or on behalf of the Trust purchase a fidelity bond or provide proof of suitable insurance with appropriate limits of liability, as determined by the Executive Director, to protect the Trust.

ARTICLE VIII. AMENDMENTS

8.01 Amendments Not Requiring Consent of the Trustees.

The terms and provisions of this Agreement may be amended at any time by a majority 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; or
- 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 the Trustees.

The Board of Trustees by a two-thirds (2/3) vote may consent to and approve any other amendments approved by a majority 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 consistent with the purposes of the Trust. 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 would jeopardize the actuarial or fiscal soundness of the Trust.

ARTICLE IX. TERM AND 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 indebtedness and for the payment of claims against the Trust or its Participants as may be required, including the deposit with the Trust of funds, surety bonds, or such other guarantees of payment as deemed required and sufficient by the Executive Committee. 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 Executive Committee.

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 Contributions 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 and hereby do authorize the Chairperson of the Trust and the Executive Director to execute any notice, certificate or other written instrument relating to the Trust (except an instrument of amendment or termination unless approved in accordance with this Agreement) 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 Executive Director.

The parties shall notify the Executive Director 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 one or more members of the Executive Committee and the Manager or other duly authorized representative of the Participant, 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 Limitation of Liability.

Liability of the Trust to any Participant is specifically limited to the payment of benefits payable in accordance with the Health Benefits Plans, the terms of this Agreement and any contracts or agreements entered into by the Trust. Except as contemplated under this Agreement, there shall be no relationship of surety, indemnification or responsibility between Participants for the debts of or claims

against any other Participant. The Trust, Participants and Trustees all hereby disclaim and deny any liability to any individuals for the failure to provide, or the quality of, any health care services covered under the Health Benefits Plans in accordance with all applicable federal and state laws and regulations. Participants' liability to the Trust shall be limited to the extent of the financial contributions contemplated under this Agreement and any additional obligations as may come about through amendment hereto, including an obligation to repay any indebtedness as may be incurred by the Trust, its Participants or any entity created for that purpose.

10.08 Arbitration.

- a. Where provided in this Agreement, decisions by the Board of Trustees and Executive Committee shall be final and not subject to arbitration or other alternative dispute resolution procedure.
- b. 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 Executive Committee in accordance with guidelines and procedures adopted by the Executive Committee
- c. As to any and all disputes arising under this Agreement, neither the Trust nor any Participant may file suit in any court of law except to enforce a decision by the Board of Trustees, Executive Committee, arbitration panel or other alternative dispute resolution entity, whichever may apply in a particular matter.

10.09 General Representations of Participants.

- a. The Participant is a Local Government Entity with 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 the 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 and the State of Delaware (to the extent a Participant is domiciled in Delaware), enforceable in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting creditors' rights generally and such principles of equity as any court of competent jurisdiction, in its discretion, may impose with respect to remedies which may require enforcement by a court of equity.

10.10 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.

*** THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. THE
SIGNATURE PAGE IS ON THE NEXT PAGE.***

IN WITNESS WHEREOF, on behalf of **Cheltenham Township** of the **Commonwealth of Pennsylvania**, I have caused this Trust Agreement to be executed as of _____.

By: _____

Matthew Areman
President
Board of Commissioners
Cheltenham Township

Witness or Attested By:

Alyson Elliott
Township Manager
Cheltenham Township

[FOR TRUST USE ONLY]

IN WITNESS WHEREOF, on behalf of the Delaware Valley Health Trust Board of Trustees, I have executed this Trust Agreement.

By: _____

Eileen M. Bradley
Chair
Delaware Valley Health Trust

Witness or Attested By:

Carolyn P. McCreary
Secretary
Delaware Valley Health Trust

**ADDENDUM TO THE
DELAWARE VALLEY HEALTH TRUST AGREEMENT**

WHEREAS, Cheltenham Township agrees that as a matter of underwriting necessity it must remain a Participant in the Delaware Valley Health Trust for a period of at least four (4) full years from the effective date of its participation, January 1, 2025; and

WHEREAS, the parties agree that Cheltenham Township's annual rate increase will not exceed an 8.5% for the 2026 calendar year renewal; and

WHEREAS, Cheltenham Township understands and agrees that no such rate cap will exist after the 2026 rate renewal.

WHEREFORE, Cheltenham Township hereby agrees to participate in the Delaware Valley Health Trust for a minimum of four (4) full years after the effective date of its participation in the Trust or until January 1, 2029. The parties further agree that Cheltenham Township's 2026 rate increase will not exceed 8.5% but that such rate cap will not exist for annual rate increases for the 2027 and 2028 plan years. The parties therefore agree to amend the Delaware Valley Health Trust Agreement as set forth in this Addendum, with all other terms and conditions of the Trust Agreement remaining in full force and effect.

AGREED:

For the Delaware Valley Health Trust

For Cheltenham Township

BY:

BY:

Eileen M. Bradley
Chair
Board of Trustees

Matthew Areman
President
Board of Commissioners

Dated:_____



**CHELTENHAM TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA**

ORDINANCE NO. 24xx-25

**AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF
CHELTENHAM TOWNSHIP, MONTGOMERY COUNTY,
PENNSYLVANIA PURSUANT TO SECTION 806 OF THE
CHELTENHAM TOWNSHIP HOME RULE CHARTER
ENTITLED, "TERMINATION," TO ABOLISH THE ELECTED
OFFICE OF FINANCE OFFICER AND ESTABLISH
ALTERNATIVE MEANS OF COLLECTING TOWNSHIP TAXES.**

WHEREAS, the Township of Cheltenham is a duly incorporated Township of the First Class and a home rule charter community organized and existing under the laws of the Commonwealth of Pennsylvania; and

WHEREAS, Article VIII of the Cheltenham Township Home Rule Charter is entitled "Finance Officer" and establishes and relates to the elected office of Finance Officer; and

WHEREAS, Section 806 of the Cheltenham Township Home Rule Charter allows the Township, by ordinance, to abolish the elected office of Finance Officer upon a determination that there is a more efficient and economical method of collecting taxes; and

WHEREAS, the Township has determined that there is a more efficient and economical method of collecting taxes, one will streamline financial operations, reduce overhead, maximize the utility of Township staff, and increase transparency; and

WHEREAS, the Township desires to abolish the elected office of Finance Officer; and

WHEREAS, pursuant to Section 806 of the Cheltenham Township Home Rule Charter, the Township hereby makes other provisions for the collection of Township taxes;

NOW THEREFORE, the Board of Commissioners of the Township of Cheltenham ("Board") hereby **ORDAINS** and **ENACTS** as follows:

1. Pursuant to Section 806 of the Cheltenham Township Home Rule Charter, the Board hereby adopts this Ordinance and abolishes the elected office of Finance Officer.
2. Upon the effective date of this Ordinance, in lieu of an elected Finance Officer, the collection of Township taxes shall become the responsibility of designated in-house staff who will be under the general supervision of, and report to the Director of Fiscal Affairs. Nothing in this Ordinance shall preclude the Township, at any point in time in the future, from retaining a

contractor to perform the function of collecting Township taxes, so long as such contract is approved in a lawful manner by the Board.

3. This Ordinance shall take effect upon the expiration of the current term of office of the Finance Officer, which term expires on or around January 5, 2026.

DULY ADOPTED by the Board of Commissioners of Cheltenham Township, in lawful session duly assembled, this 22nd day of January, 2025.

ATTEST:

**TOWNSHIP OF CHELTENHAM
BOARD OF COMMISSIONERS**

Alyson Elliott
Township Manager

By: _____
Matthew D. Areman, President