

**BOROUGH OF RED HILL
BOROUGH COUNCIL**

MONTGOMERY COUNTY, PENNSYLVANIA

ORDINANCE NO. 2023-588

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE BOROUGH OF RED HILL, CHAPTER 1 (ADMINISTRATION AND GOVERNMENT) BY ADDING A NEW PART 8 ENTITLED “EMPLOYEE PENSION PLAN” AUTHORIZING THE PARTICIPATION OF RED HILL BOROUGH IN THE PENNSYLVANIA MUNICIPALITIES PENSION TRUST PURSUANT TO THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION LAW.

WHEREAS, the Pennsylvania Municipalities Pension Trust (“Trust”), originally established in 1958, exists as an intergovernmental cooperative arrangement to provide municipalities and certain other permitted governmental employers in Pennsylvania with a vehicle to pool resources and jointly leverage buying power to develop and make available cost-effective pension and retirement plans managed for or on behalf of their employees; and

WHEREAS, the governing Declaration and Agreement of Trust for the Trust has been comprehensively updated, amended and restated, most recently as of October 15, 2014 (hereinafter “Restated Trust Agreement”); and

WHEREAS, pursuant to the Restated Trust Agreement any municipality wishing to commence participation in the Trust is required to take formal action in the form of an adopted Ordinance or other authorized method in which the municipality agrees to participate in the Trust in accordance with the amended and updated terms of the Restated Trust Agreement; and

WHEREAS, the Borough of Red Hill (“the Borough”) has determined that it is in the best interest of the Borough to participate in the Trust in accordance with the terms of the Restated Trust Agreement and to agree to and join in such Restated Trust Agreement; and

WHEREAS, pursuant to the Pennsylvania Intergovernmental Cooperation Law, 53 Pa. C.S.A. § 2301 et seq., a municipality may enter into an intergovernmental cooperative agreement.

The Borough Council of the Borough of Red Hill does hereby **ENACT** and **ORDAIN** as follows:

Section I. Amendment to the Code.

The Code of Ordinances of the Borough of Red Hill, Chapter 1 (Administration and Government) is hereby amended by adding a new Part 8 entitled “Employee Pension Plan” as more specifically set forth below:

Part 8 Employee Pension Plan

§ 1 – 801. Authorization to Participate in Pension Plan.

1. The Borough of Red Hill (Borough”) hereby elects to participate in the Pennsylvania Municipalities Pension Trust (“Trust”) and in order to effectuate that participation the Borough Council of the Borough of Red Hill hereby adopts the Restated Trust Agreement governing the Trust and agrees to participate in the Trust in accordance with the amended and updated terms of the Restated Trust Agreement and that the President and Secretary of the Borough are hereby authorized to sign the Restated Trust Agreement and any other agreements necessary for the Borough’s participation in the Trust.
2. The Restated Trust Agreement shall remain on file for inspection and review at the Borough’s offices at 56 West Fourth Street, Red Hill, Pennsylvania 18076. The Restated Trust Agreement may be subsequently modified or amended in accordance with its terms, but in no event shall such modifications or amendments divert any of the trust funds from the purposes of the Trust. The Borough may withdraw from the Trust in accordance with the Restated Trust Agreement, including if the Borough determines the modifications or amendments are not in its best interests.

§ 1 – 802. Purpose. The Borough’s participation in the Trust is authorized for the purpose of offering high quality pension and retirement plans at a reasonable cost to the Borough and its employees.

§ 1 – 803. Participation in Trust. The Borough agrees to participate in the Trust and may withdraw for any reason and in accordance with the Restated Trust Agreement if it has fulfilled all its financial obligations to the Trust upon withdrawal.

§ 1 – 804. Conditions. As set forth in greater detail in the Restated Trust Agreement and as otherwise stated herein, the following conditions apply to the participation of the Borough in the Trust:

1. That each Participating Employer must meet the admission and eligibility requirements set forth therein.
2. That each Participating Employer agrees to pay all contributions when due as provided in the Restated Trust Agreement or as otherwise established by the Board of Trustees; and

3. That each Participating Employer complies with all other conditions of the Restated Trust Agreement.

§ 1 – 805. **Effective date of Borough’s Agreement.** The effective date of the Borough’s agreement to and joinder in the Restated Trust Agreement and the participation of the Borough in the Trust pursuant to the terms of the Restated Trust Agreement will be ____.

§ 1 – 806. **Delegation of power.** The Borough as a Participating Employer delegates to the Board of Trustees the powers enumerated in the Restated Trust Agreement.

§ 1 – 807. **Organizational structure.** The organizational structure of the Trust shall consist of a Board of Trustees. Under the Restated Trust Agreement, the Board of Trustees is authorized to, among other things, enter into contracts with third parties to perform various services necessary for the administration of the Trust.

§ 1 – 808. **Administration of funds.** The funds required for the operation of the Trust shall be provided by the Borough as a Participating Employer through scheduled appropriations as determined by the Board of Trustees.

§ 1 – 809. **Contracts.** That the Trust is empowered to enter into contracts for policies of group insurance and employee benefits, including Social Security, for employees of the Trust, if any.

§ 1 – 810. **Compliance with terms.** As a condition of participating in the Trust, the Borough agrees to comply with all the terms and conditions in the Restated Trust Agreement.

§ 1 – 811. **Certified copy.** The Secretary of the Borough shall provide a copy of this Ordinance upon its adoption to the Board of Trustees of the Trust.

§ 1 – 812. **Actions authorized.** The Borough Council is hereby authorized to take any and all such other actions as may be necessary or appropriate to carry out the purposes of this Ordinance and comply with the requirements of the Restated Trust Agreement and any duly adopted amendments thereto.

§ 1 – 813. **Duration of Trust.** The duration of the term of the Borough’s participation in the Trust and obligations under the Restated Trust Agreement shall continue until withdrawal from the Trust by the Borough in accordance with the terms of the Restated Trust Agreement.

§ 1 – 814. **Findings.** The Borough Council hereby specifically finds and determines as follows:

1. The conditions of the intergovernmental cooperative agreement are set forth in the Restated Trust Agreement incorporated by reference herein.

2. The Borough shall participate in the Trust in accordance with the Restated Trust Agreement until it withdraws by giving notice to the Board of Trustees in accordance with the terms of the Restated Trust Agreement.

3. The purpose and objectives of the intergovernmental cooperative arrangement, including powers and scope of authority delegated to the Board of Trustees, are set forth in the incorporated Restated Trust Agreement.

4. The manner and extent of financing of the agreement are that (i) funds to implement the Borough's obligations under the agreement shall come from the normal and usual budgeted amounts for Borough employee compensation and employee benefits and (ii) no borrowing is anticipated to be required.

5. The Trust shall be managed by the Board of Trustees pursuant to the terms of the Restated Trust Agreement.

6. All assets and property, real or personal, of the Trust shall be titled to, acquired, managed, licensed or disposed of by the Trust, and its Board of Trustees, in accordance with the terms of the Restated Trust Agreement.

7. The Trust in accordance with the Restated Trust Agreement shall be empowered to enter into contracts for the creation and administration of group and/or individual pension and retirement plans to be offered to Participating Employers for their eligible employee and dependents.

Section II – Severability.

The provisions of this Ordinance are severable and in the event that any provision is held invalid, void, illegal, or unconstitutional by any court, it is the intent of the Borough Council that such determination by the court shall not affect or render void the remaining provisions of this Ordinance. It is the declared intent of the Borough Council that this Ordinance would have been enacted if any provision subsequently declared to be void, invalid, illegal or unconstitutional had not been included at the time of adoption.

Section III - Interpretation.

Nothing in this Ordinance shall be interpreted to affect any rights or liabilities of the Borough, or to affect any cause of action, existing prior to the adoption of this Ordinance.

Section IV - Effective date.

This Ordinance shall take effect and be in force from and after its approval as required by the law.

Section V – Repealer.

All other ordinances and resolutions or parts thereof insofar as they are inconsistent with this Ordinance are hereby repealed.

This **Ordinance** is **Adopted** this 12th day of April, 2023 pursuant to the provisions of the Pennsylvania Intergovernmental Cooperation Law, Act of July 12, 1972, No. 180, as amended, 53 Pa.C.S. §§ 2301, et seq.

RED HILL BOROUGH COUNCIL

By: 
Doris Decker, President

Attest: 
Gia McKinley, Secretary

APPROVED the 12th day of April 2023.


David Schiffgens, Mayor

NOTICE

NOTICE is hereby given that the Red Hill Borough Council, at its public meeting on April 12, 2023 at 7:00 p.m. at the Red Hill Borough Hall, 56 West Fourth Street, Red Hill, Pennsylvania, 18076, will consider and could vote to adopt an Ordinance entitled “Ordinance Authorizing the Participation of Red Hill Borough in the Pennsylvania Municipalities Pension Trust Pursuant to the Pennsylvania Intergovernmental Cooperation Law” amending the Code of Ordinances of the Borough of Red Hill, Chapter 1 (Administration and Government) by adding a new Part 8 entitled “Employee Pension Plan” authorizing the participation of red Hill Borough in the Pennsylvania Municipalities Pension Trust pursuant to the Pennsylvania Intergovernmental Cooperation Law.

Copies of the proposed Ordinance are available for public inspection at the offices of the Borough of Red Hill, 56 West Fourth Street, Red Hill, Pennsylvania 18076 where a copy of the proposed ordinance may be obtained at a charge not greater than the cost thereof, the offices of *The Town & Country*, 2508 Kutztown Road, Pennsburg, Pennsylvania 18073 and the Montgomery County Law Library, Court House, Norristown, Pennsylvania, during normal business hours.

MARK A. HOSTERMAN, ESQUIRE
WISLER PEARLSTINE, LLP
Solicitor for the Borough of Red Hill