

**EAST GOSHEN TOWNSHIP**  
**CHESTER COUNTY, PENNSYLVANIA**

**RESOLUTION 2018-182**

**A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM THE EAST GOSHEN TOWNSHIP OTHER POST-EMPLOYMENT BENEFITS TRUST AGREEMENT TO THE WESTTOWN EAST GOSHEN POLICE COMMISSION OPEB TRUST AGREEMENT AND TO AUTHORIZE THE TERMINATION OF THE EAST GOSHEN TOWNSHIP OTHER POST-EMPLOYMENT BENEFITS TRUST AGREEMENT.**

**WHEREAS**, the Board of Supervisors of East Goshen Township (East Goshen) is committed to honoring its post-employment health insurance commitments to both current and retired officers of the Westtown-East Goshen Police Department (WEGO);

**WHEREAS**, the WEGO Police Commission (Commission) is the governing body of WEGO;

**WHEREAS**, the Government Accounting Standards Board has issued a number of statements on Other Post-Employment Benefits (OPEB), including Statements 43, 45, 74 & 75, to ensure that the future costs of retiree health benefits are appropriately reported in state and local governments' financial statements;

**WHEREAS**, the Commission created a Trust on March 23, 2009 titled, "Westtown-East Goshen Police Commission OPEB Trust Agreement" (the "Commission OPEB Trust") as a vehicle for accepting and holding contributions from East Goshen and Westtown Township, the two charter municipalities of WEGO, for the funding of the Commission's OPEB liability;

**WHEREAS**, East Goshen established its own OPEB Trust on September 6, 2011 titled, "East Goshen Township Other Post-Employment Benefits Trust Agreement" (the "Township OPEB Trust") as a vehicle for accepting and holding contributions from the Township for the irrevocable funding of the Commission's OPEB obligation;

**WHEREAS**, Westtown Township has reserved fund balance in its General Fund designated for its share of the Commission's OPEB liabilities and has committed to making a contribution to the Commission OPEB Trust;

**WHEREAS**, the existing method of funding the Commission's OPEB liability, with both charter municipalities contributing money annually into separate accounts, while additional annual appropriations are contributed directly into the Commission OPEB Trust, is inefficient, duplicative and complicates long-range planning;

**WHEREAS**, East Goshen and Westtown Township have agreed in principle to consolidate their separate assets that are currently restricted for the Commission's OPEB liabilities;

**WHEREAS**, the Township OPEB Trust had a balance of \$1,535,021 as of June 30, 2018;

**WHEREAS**, between 2013 and 2017, East Goshen paid for 56.22% of WEGO's operating costs and Westtown Township paid 43.78% pursuant to Articles of Agreement between the two municipalities, as such Articles have been amended;

**WHEREAS**, Westtown intends to contribute approximately \$1,195,361 this year to the Commission OPEB Trust, which, based on the 56.22%-43.78% allocation described above, is proportionate to the balance of the funds in the Township OPEB Trust, although the precise amount of Westtown's transfer may be different depending on market timing;

**WHEREAS**, the Commission OPEB Trust and the Township OPEB Trust explicitly state that the trusts are vehicles for accepting and holding municipal contributions for the irrevocable funding of the Commission's OPEB obligation and therefore in all material respects serve identical purposes;

**WHEREAS**, the Board of Supervisors of East Goshen has determined it to be in the best interest of the Township to transfer the balance in the Township OPEB Trust to the Commission OPEB Trust and to terminate the Township OPEB Trust consistent with the terms in such Trust;

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**


1. East Goshen shall transfer the entire balance in the Township OPEB Trust to the Commission OPEB Trust upon confirmation that Westtown has committed to contributing its proportionate share (currently estimated at \$1,195,361) to the Commission OPEB Trust.

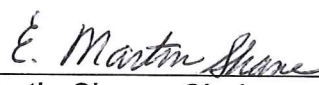
2. The Board shall execute the attached Termination of Trust Agreement to terminate the Township OPEB Trust.


RESOLVED AND ADOPTED, this 17<sup>th</sup> day of July 2018.

ATTEST:

**EAST GOSHEN TOWNSHIP  
BOARD OF SUPERVISORS**

  
\_\_\_\_\_  
Louis F. Smith, Jr. Secretary

  
\_\_\_\_\_  
E. Martin Shane, Chairman

  
\_\_\_\_\_  
Carmen Battavio, Vice-Chairman

  
\_\_\_\_\_  
Janet L. Emanuel, Member

  
\_\_\_\_\_  
Michael P. Lynch, Member

  
\_\_\_\_\_  
David E. Shuey, Member

**EAST GOSHEN TOWNSHIP OTHER POST-EMPLOYMENT BENEFITS TRUST**

**TERMINATION OF TRUST AGREEMENT**

WHEREAS, East Goshen Township entered into that certain Trust Agreement known as the East Goshen Township Other Post-Employment Benefits Trust Agreement, dated on or about September 6, 2011 (the "Trust Agreement"); and

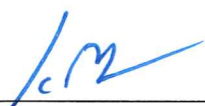
WHEREAS, East Goshen Township, acting by and through its duly elected members of the Board of Supervisors, intends to terminate the Trust Agreement.

WHEREAS, Resolution 2018-182 authorized the Board of Supervisors of East Goshen Township to execute this Termination of Trust Agreement to terminate the Trust Agreement and transfer the existing assets.


NOW THEREFORE, acting pursuant to the authority granted to the Township under Article 12, subsection 12.2 of the Trust Agreement, the Township terminates the Trust Agreement, effective immediately. Notwithstanding the foregoing, the Trustees shall continue to administer the Trust in accordance with its provisions until all final obligations thereunder have been fully discharged and satisfied.


IN WITNESS WHEREOF, the Board of Supervisors of East Goshen Township has authorized this Termination of Trust Agreement to be executed by their duly authorized officers as of this 17<sup>th</sup> day of July, 2018.

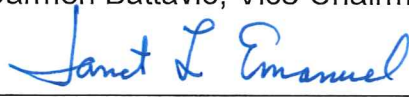
ATTEST:


  
\_\_\_\_\_  
Louis F. Smith, Jr., Secretary

**EAST GOSHEN TOWNSHIP  
BOARD OF SUPERVISORS**

  
\_\_\_\_\_  
E. Martin Shane, Chairman

  
\_\_\_\_\_  
Carmen Battavio, Vice-Chairman

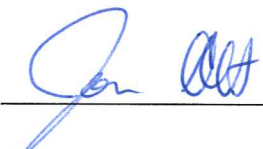
  
\_\_\_\_\_  
Janet L. Emanuel, Member

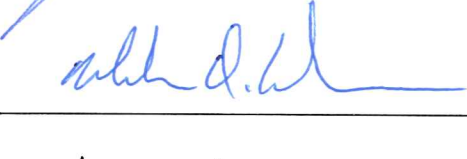
  
\_\_\_\_\_  
Michael P. Lynch, Member

  
\_\_\_\_\_  
David E. Shuey, Member

IN WITNESS WHEREOF, the East Goshen Township OPEB Trustees has caused this Termination of Trust Agreement to be executed by their duly authorized officers as of this 19<sup>th</sup> day of AUGUST, 2018.

**EAST GOSHEN TOWNSHIP OPEB TRUST TRUSTEES**

  
\_\_\_\_\_, Trustee

  
\_\_\_\_\_, Trustee

Janet L Emanuel  
\_\_\_\_\_, Trustee

\_\_\_\_\_, Trustee

\_\_\_\_\_, Trustee