SUMMARY STATEMENT

ITEM NO.: DRPA-12-103

SUBJECT: Adoption of the Delaware River Port Authority Retiree Other Post-Employment Benefits Plan

COMMITTEE: New Business

COMMITTEE MEETING DATE: November 7, 2012

BOARD ACTION DATE: November 21, 2012

PROPOSAL: That the Board authorizes the adoption of the Delaware River Port Authority Retiree Other Post-Employment Plan (OPEB) required for the establishment and administration of a Section 115 Irrevocable Trust for OPEB.

At its November 16, 2011 Board meeting, the Authority approved Resolution Number DRPA-11-099 appointing PNC Financial Services Group as the Trustee for the DRPA 115 Irrevocable Trust For OPEB. The Authority was then advised a Plan Document is a required document for the establishment of the Section 115 Irrevocable Trust for OPEB.

Amount: N/A

Contractor: N/A

PURPOSE: The Authority has decided to begin funding its OPEB liability in the fiscal year 2012. In order to accomplish this, an OPEB 115 Irrevocable Trust must be created which requires a trust agreement between the Authority and the trustee. A detailed Plan Document is a required document for the administration of an OPEB Section 115 Trust and works together with the trust agreement. The Plan document provides the means by which money gets into the Trust and more importantly the framework for how and when money is paid out of the trust. Without the plan document, the trust’s only purpose would be to provide for how assets held under the trust are managed and governed. There is no provision in the trust for how those assets are paid out of the trust and to the participants. The Delaware River Port Authority Retiree Other Post-Employment Benefits Plan has been reviewed and approved by outside counsel.
BACKGROUND: The Delaware River Port Authority Retiree Other Post-Employment Benefits Plan will provide certain health and insurance coverage benefits to eligible retired employees of the Delaware River Port Authority and its subsidiary PATCO and their eligible dependents within the meaning of Statement No. 45 of the Governmental Accounting Standards Board.

The Plan provides that the assets of the Plan shall be held in an irrevocable trust for the exclusive purpose of providing benefits to eligible retired employees of the Authority and their eligible dependents.

The Authority is establishing the trust specifically so that the assets of the trust will qualify as OPEB Plan Assets for purposes of Government Accounting Standards Board (GASB) 45 so the Authority may use the more favorable accounting standards that apply under GASB 45 to OPEB obligations that are appropriately prefunded.

SUMMARY:

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<td>Amount:</td>
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<td>Source of Funds:</td>
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<td>Capital Project #:</td>
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<td>Operating Budget:</td>
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<td>Master Plan Status:</td>
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<td>Other Fund Sources:</td>
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<td>Duration of Contract:</td>
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<td>Other Parties Involved:</td>
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RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority adopts the Delaware River Port Authority Retiree Other Post-Employment Benefits Plan.

RESOLVED: The Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

Amount: N/A
Source of Funds: N/A
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A