SUMMARY STATEMENT

ITEM NO.: DRPA-15-140
SUBJECT: DRPA Guaranty of PATCO’s Workers’ Compensation Liability

COMMITTEE: Finance

COMMITTEE MEETING DATE: November 10, 2015

BOARD ACTION DATE: November 18, 2015

PROPOSAL: That the Board authorize the DRPA to guaranty and assume the liability for PATCO’s Workers’ Compensation Program in the event that PATCO is ever unable to meet its financial obligations to its Program.

PURPOSE: To provide the Commonwealth of Pennsylvania with assurance that PATCO’s Workers’ Compensation Program is financially secure and backed by the DRPA in the event that PATCO is ever unable to meet its financial obligations to the Program.

BACKGROUND: In 2008, the DRPA applied to the Bureau of Workers’ Compensation of the Commonwealth of Pennsylvania (“the Bureau”) for approval to pay its workers’ compensation liability without insurance (commonly referred to as self-insurance status). Approval was granted.

At this time, PATCO is also applying for self-insured status for its own Workers’ Compensation Program. As a condition for granting self-insured status to PATCO, the Bureau requires that the DRPA guaranty the payment of PATCO’s past, present and future workers’ compensation and self-insurance obligations in the event it is ever unable to meet its financial obligations to its Program.

Staff recommends that the DRPA agree to guaranty the financial liability of PATCO Workers’ Compensation Program in the event that PATCO is ever unable to meet its’ financial obligations.

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: TBD
Other Parties Involved: PATCO, Commonwealth of Pennsylvania Bureau of Workers’ Compensation
RESOLUTION

RESOLVED: That the Board authorizes the DRPA to guaranty and assume the liability of PATCO’s past, present and future workers’ compensation and self-insurance obligations in the event it is determined by the Bureau of Workers’ Compensation that the PATCO is unable to meet its financial obligations; and be it further

RESOLVED: The Chair, Vice Chair 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 Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair 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 Chair and Vice Chair 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:

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