

CITY OF NEW HAVEN

RETIREE HEALTH AND MEDICAL BENEFITS TRUST AGREEMENT

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CITY OF NEW HAVEN
RETIREE HEALTH BENEFITS TRUST AGREEMENT

THIS TRUST AGREEMENT (hereinafter referred as the "Trust Agreement"), hereby made and entered into this _____ day of _____, 2023, by and between the CITY OF NEW HAVEN (herein referred to as the "City" or "Employer") and the individuals appointed to a committee of eight persons (the "Committee") by the Employer, the members of which shall be as follows: (a) five persons who are employees of the City and who are appointed by the Employer, in its sole discretion, to serve as members of the Committee, and three members appointed to the Committee by the Employer shall be the following individuals: (a) one individual, as designated in writing and delivered to the Employer by the president of the Elm City Local, CACP New Haven Police Union (the "New Haven Police Union Trustee"), and (b) and two individuals, as designated in writing and delivered to the Employer by the presidents of the OPEB Contributing Unions (as defined herein), or a representative thereof, other than the New Haven Police Union (each an "OPEB Contributing Union Trustee") (each individual appointed to the Committee herein referred to as a "Trustee" and collectively herein referred to as the "Trustees"). The initial Trustees which comprise the Committee shall be set forth on Schedule A attached hereto and Schedule A shall be updated from time to time as necessary to reflect changes in the members of the Committee.

W I T N E S S E T H:

WHEREAS, the employees of the City include individuals who belong to: (a) those certain groups of employees as described in section "i" through "iii" below (the "Employee Groups"), and (b) the following collective bargain units as described in "iv" through "xvii" below (collectively referred to herein as the "Unions"):

- i. Executive Management & Confidential Employees, as such term is defined in the Executive Management and Confidential Employees Personnel And Procedures Manual, effective [12/27/11] ("Executive Management and Confidential");
- ii. Board Of Education Contractual Employees, as such term is defined in the [____] Manual, effective _____]
- iii. [School Crossing Guard Association employees], as such term is defined in the [____ Manual, effective _____]
- iv. Elm City Local, CACP New Haven Police Union (the "New Haven Police Union");
- v. School Administrators Association of New Haven, Local 18;
- vi. United Association Of Journeymen And Apprentices Of The Plumbing And Pipe Fitting

- Industry Of The United States And Canada, Local 777;
- vii. Hotel & Restaurant Employees & Bartenders Union AFL-CIO Unite here, Local 217 Cafeteria Workers;
 - viii. American Federation Of State, County And Municipal Employees, AFL-CIO Council 4, Local 287 Custodians,
 - ix. UPSEU, Local 424 Unit 34 Public Works ("Local 424 Public Works");
 - x. UPSEU, Local 424, Unit 128 Parks ("Local 424 Parks"),
 - xi. International Association Of Fire Fighters, AFL-CIO Local 825 Firefighters;
 - xii. American Federation Of State, County And Municipal Employees, AFL-CIO Council 4 Local 884 Clerical ("Local 884 Clerical");
 - xiii. The New Haven Federation Of Teachers (American Federation of Teachers), AFL-CIO; Local 933 Teachers,
 - xiv. American Federation Of State, County And Municipal Employees, AFL-CIO Council 4 Local 1303-464 Attorneys ("Local 1303-464 Attorneys");
 - xv. American Federation Of State, County And Municipal Employees, AFL-CIO Council 4 Local 1303-467 Nurses ("Local 1303-467 Nurses");
 - xvi. American Federation Of State, County And Municipal Employees, AFL-CIO Council 4 Local 3144 Management And Profession "Local 3144 Management"; and
 - xvii. American Federation Of State, County And Municipal Employees, AFL-CIO, Council 4 Local 3429 Paraprofessional.

WHEREAS, the Employer has agreed to provide health and medical benefits to retired City employees (herein referred to as the "Retirees") who are members of the following collective bargaining units and Employee Groups (except to the extent that any particular member of such collective bargaining unit or Employee Group has opted out of receiving any such retiree medical benefits):

- i. New Haven Police Union;
- ii. Local 1303-467 Nurses;
- iii. Local 424 Public Works;
- iv. Local 424 Parks;
- v. Local 3144 Management;
- vi. Local 884 Clerical;
- vii. Local 1303-464 Attorneys (collectively with the Unions listed in "(i)" through "(vii)", inclusive of this paragraph, the "OPEB Contributing Unions"); and
- viii. Executive Management and Confidential.

WHEREAS, pursuant to collective bargaining agreements (herein referred to as a "CBA") between the Employer and the members of the such OPEB Contributing Unions Executive Management, the members who are current employees of the Employer and Executive Management (herein referred to as the "Employees") are required to contribute a portion of their annual salary to a fund to subsidize the Employer's cost of providing these retiree health benefits in accordance with the applicable collective bargaining agreements between the Employer and such OPEB Contributing Unions, a portion of which are included on Schedule B attached hereto; and

WHEREAS, if, after the effective date of this Trust Agreement, the Employer subsequently enters into an agreement with a collective bargaining unit that is not an OPEB Contributing Union or the Board of Education Employees or School Crossing Guard Employees wherein the Employer agrees to provide health and medical benefits to retired City employees who are members of such collective bargaining unit or Employee Group (and such employees are required to contribute a portion of their annual salary to the Trust Fund), then the term "OPEB Contributing Unions" as used herein shall automatically be deemed to include such collective bargaining unit and/or the term Employee Group shall be treated, for purposes of interpreting this agreement, as including the Employee Groups that are contributing to the Trust Fund (as defined below), and their respective members shall be treated as "Retirees" and "Employees" for purposes of this Trust Agreement without requiring further amendment to this Trust Agreement; and

WHEREAS, the Employer will appoint a Committee, the members of which Committee will serve as a trustee of this Trust; and

WHEREAS, the Employees' salary contributions will be directed to the Trustees, in trust, which contributions when received by the Trustees, and the income thereon, will constitute a trust fund (herein referred to as the "Trust Fund") to be held by said Trustees for the exclusive benefit of funding the payment of health and medical benefits for the Retirees (hereinafter referred to as the "Benefits"); and

WHEREAS, the Employer desires the Trustees to hold and administer the Trust Fund, and the Trustees are willing to hold and administer such Trust Fund pursuant to the terms of this Trust Agreement; and

WHEREAS, the Employer desires the Trustees to maintain books and records which will track accumulations, including any earnings thereon, of the amounts contributed by the

members of each Union and Executive Management; and the Trustees are willing to maintain such books and records; and

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants herein contained, the Employer and the Trustees do hereby covenant and agree as follows:

ARTICLE I.
TRUSTEES AND TRUST FUND

A. NAME OF TRUST:

This trust shall be entitled "CITY OF NEW HAVEN RETIREE HEALTH AND MEDICAL BENEFITS TRUST AGREEMENT" (hereinafter referred to as the "Trust") and shall fund the payment of the Benefits in accordance with the relevant provisions of the applicable CBA.

B. ACCEPTANCE OF TRUST:

The Trustees hereby agree to act as Trustees of the Trust, and to take, hold, invest, administer and distribute in accordance with the following provisions all contributions and assets in the Trust Fund paid or delivered to the Trustees, subject, however, to the relevant provisions of the applicable CBA.

C. EXCLUSIVE BENEFIT OF RETIREES:

This Trust shall be administered for the exclusive benefit of the Retirees for the purpose of funding the payment of the Benefits per General Accounting Standards Board 43/45 using both the corpus and income of the Trust Fund. The Trustees shall discharge their duties hereunder with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man 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. No part of the Trust Fund shall be diverted to or used for purposes other than the exclusive benefit of funding the payment of the Benefits, whether by operation or natural termination of the Trust, by power of revocation or amendment or by any other means; provided, however, that subject to the foregoing, the Employer shall have the right to amend or terminate this Trust Agreement at any time.

ARTICLE II.
GENERAL RESPONSIBILITIES OF TRUSTEE

1. RECEIPT OF CONTRIBUTIONS; ADMINISTRATION:

The Trustees shall:

(a) receive all contributions paid in cash or other property acceptable to the Trustees;

(b) subject to Connecticut General Statutes, invest, manage, and administer all contributions so received together with the income therefrom and any increment thereon consistent with the funding policy and method determined by the Employer (subject to the direction of an Investment Manager if one should be appointed by the Employer);

(c) fund the payment of the Benefits as directed by the Employer; and

(d) maintain records of receipts, income, losses and disbursements with respect to amounts contributed by the members of each Union and Executive Management, and furnish to the Employer a written annual report for each fiscal year of the applicable CBA.

2. LIMITATIONS ON RESPONSIBILITIES:

The Trustees shall have no duty or power to require that contributions be made to the Trustees by the Employees or to determine that the amounts received comply with the applicable CBA, or to determine that the Trust Fund is adequate to fund the payment of the Benefits. The Trustees shall not be responsible for the administration of the provisions of the applicable CBA relating to the funding of payment of the Benefits and their responsibility shall be limited to holding, investing and reinvesting the Trust Fund and to make payment to fund the Benefits as directed by the Employer. The Trustees shall act, and be fully protected in acting, in accordance with the written directions of the Employer. The Trustees shall not be responsible for the correctness of any payment, disbursement or action if made in accordance with such directions, or for the adequacy of the Trust Fund to meet or discharge any liability for the payment of the Benefits under the applicable CBA.

3. ACTIONS IN LIEU OF DIRECTIONS:

If at any time the Employer shall be incapable for any reason of giving directions or authorizations to the Trustees as contemplated herein, the Trustees may act and shall be fully protected in acting without such directions or authorizations as they, in their discretion, shall

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deem appropriate or advisable under the circumstances for implementing this Trust Agreement or the provisions of the CBA which relate to the funding of payment of the Benefits.

ARTICLE III.
POWERS OF THE TRUSTEE

1. INVESTMENT POWERS AND DUTIES OF THE TRUSTEE:

(a) General Investment Powers: The Trustees shall receive, hold, manage, convert, sell, exchange, invest, reinvest, disburse and otherwise deal with the Trust Fund, including all contributions made by the Employees to the Trust and the income and profits therefrom, in the manner and for the uses and purposes as herein provided. The Trustees shall diversify the investments held within the Trust Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Trustees shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial ability to fund the payment of the Benefits on the basis of information furnished by the Employer. In making such investments, the Trustees shall not be restricted to securities or other property of the character expressly authorized by the applicable law for trust investments; however, the Trustees shall make all investment decisions in accordance with the investment policy adopted by the Trustees, from time to time, and any limitations imposed by the Internal Revenue Code of 1986 (as amended) or Connecticut General Statutes with particular reference to Connecticut General Statutes §§ 7-450(b) and 45a-541 to 45a-541(l) inclusive.

(b) Bank Agency: The Trustees may employ a bank or trust company pursuant to the terms of its usual and customary agency agreement, under which the duties of such bank or trust company shall be of a custodial, clerical and record-keeping nature.

(c) Collective Trust Fund: The Trustees may from time to time with the consent of the Employer transfer to a common, collective, or pooled trust fund maintained by any corporate trustee hereunder, all or such part of the Trust Fund as the Trustees may deem advisable, and such part or all of the Trust Fund so transferred shall be subject to all the terms and provisions of the common, collective, or pooled trust fund which contemplate the commingling for investment purposes of such trust assets with trust assets of other trusts. The Trustees may, from time to time with the consent of the Employer, withdraw from such common, collective, or pooled trust fund all or such part of the Trust Fund as the Trustees may deem advisable.

2. OTHER POWERS OF THE TRUSTEE:

Subject to any restrictions imposed by Connecticut General Statutes, in addition to all powers and authorities under common law, statutory authority and the relevant provisions of the CBA, the Trustees shall have the following powers and authorities, to be exercised in the Trustees' sole discretion:

(a) General Investment Powers: The Trustees shall have the power with regard to all property in the Trust Fund, at any time or from time to time, to invest and reinvest such property in property of any kind, domestic or foreign, real, personal, mixed or choses in action, and including but not limited to stocks, bonds, commodities or securities of any kind, precious metals, mutual funds, common trust funds, coins and currency, options, by any method including but not limited to puts, calls, strips, straddles, short sales, futures, margin or by the exercise of options of any sort, in all cases consistent with the investment policy adopted by the Trustees, from time to time, but irrespective of any statute, case rule, or custom limiting the investment of Trust Fund funds in general, and to retain the same for such periods of time as the Trustees shall deem advisable, consistent with the investment policy adopted by the Trustees, from time to time, except, however, this Section shall not give the Trustees power to invest the Trust Fund in any manner which is in violation of any Federal law, United States Treasury rule or regulation or Connecticut law (including, without limitation, Connecticut General Statutes §§ 7-450(b) and 45a-541 to 45a-541(l) inclusive, as pertaining specifically to the investment of retirement trust funds.

(b) Power to Sell: The Trustees shall have the power to sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustees, by private contract or at public auction with or without advertisement. No person dealing with the Trustees shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition.

(c) Real Property: The Trustees shall have the power to purchase, retain, develop, manage, operate, partition, mortgage, insure, repair and improve or lease real property for any period, and to sell, exchange, or otherwise dispose of any real property held by the Trustees and to enter contracts in connection therewith.

(d) Power to Handle Mortgages, etc.: The Trustees shall have the power to consent to the subordination, modification, renewal, or extension of any debenture, note, bond, mortgage, open account indebtedness, or other obligation, whether or not secured or evidenced

by any writing, or of any other term or provision thereof, or of any guarantee thereof, or to the release of such guarantee; foreclose mortgages and bid on property under foreclosure, or take title to property by conveyances in lieu of foreclosure, either with or without payment of consideration; continue mortgage investments after maturity, either with or without renewal or extension, upon such terms and conditions as it shall deem advisable; release obligors on bonds secured by mortgages, or obligors on other obligations, or refrain from instituting suits or actions against such obligors for deficiencies; use such part of the property held by the Trust Fund as it shall deem advisable for the protection of any investment in real or personal property, or any investment in any mortgage or pledge on real or personal property.

(e) Vote Securities: The Trustees shall have the power to vote upon any stocks, bonds, or other securities; give general or special proxies or powers of attorney with or without power of substitution; exercise any conversion privilege, subscription rights or other options, and make any payments incidental thereto; dissent from, oppose, or consent to, or otherwise participate in, corporate reorganizations, consolidations, sales, merger or other changes affecting corporate securities, and delegate discretionary powers, and pay any assessments or charges in connection therewith; participate in any protective plan, agreement, reorganization, consolidation, sale, merger, or readjustment to the same extent and as fully as though the Trustees were the absolute and individual owner of such stock or securities; deposit with any committee or depository pursuant to any plan or agreement of protection, reorganization, consolidation, sale, merger, or readjustment, any property held in the Trust Fund; and generally exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property.

(f) Exercise Rights; Options: The Trustees shall have the power to exercise all options, conversion or subscription rights or privileges appurtenant to any stocks, bonds, or other securities, notes, mortgages or other property at any time held in the Trust Fund or, in the discretion of the Trustees, grant or sell any such rights, upon such terms and conditions as it deems advisable; to sell, purchase and acquire put or call options if the options are traded on and purchased through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, or, if the options are not traded on a national securities exchange, are guaranteed by a member firm of the New York Stock Exchange.

(g) General Power to Hold Property in Anyone's Name: The Trustees shall have the power to cause any securities or other property to be registered in one of the Trustees' own name and to hold any investments in bearer form; but the books and records of the Trustees shall at all times show that all such investments are part of the Trust Fund.

(h) Power to Borrow: The Trustees shall have the power to borrow or raise money in such amount, and upon such terms and conditions, as it shall deem advisable, and for any sum so borrowed, to issue a promissory note as Trustees, and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustees shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any borrowing.

(i) Power to Hold Cash: The Trustees shall have the power to keep such portion of the Trust Fund in cash or cash balances as the Trustees may, from time to time, deem to be in the best interests of the Retirees, without liability for interest thereon.

(j) Power to Hold Original Property: The Trustees shall have the power to accept and retain for such time as it may deem advisable any securities or other property received or acquired as Trustees hereunder, whether or not such securities or other property would normally be purchased as investments hereunder.

(k) Settlement of Claims: The Trustees shall have the power to settle, compromise, compound or submit to arbitration any claims, debts, or damages due or owing, to reduce the rate of interest on, extend or otherwise modify, or foreclose upon default, or otherwise enforce any such obligation, to commence or defend suits or legal or administrative proceedings, and to represent the Trust in all suits and legal and administrative proceedings with respect to settlement of claims, to enforce any right, obligation, or claim, in their absolute discretion, and in general protect in any way the interests of the Trust, either before or after default, and in case they shall consider such action for the best interests of the Trust, in their absolute discretion, abstain from the enforcement of any right, obligation, or claim, and abandon any property, whether real or personal, which at any time may be held by the Trust.

(l) Power to Abandon: The Trustees shall have the power to abandon any property, real or personal, which it shall deem to be worthless or not of sufficient value to warrant keeping or protecting, to abstain from payment of taxes, liens, water-rents, assessments, repairs, maintenance, or upkeep of any such property, to permit any such property to be lost by tax sale or other proceedings, or to convey any such property for a nominal consideration or without consideration.

(m) Employ Agents, Investment Managers: The Trustees shall have the power to employ suitable agents and counsel and to pay their reasonable expenses and compensation, and such agent or counsel may or may not be agent or counsel for the Employer, and to appoint one or more Investment Managers, who may be banks, trust companies or any

other corporation or entity, to manage (including the power to acquire and dispose of) any assets of the Trust Fund. In the event that the Trustees do appoint Investment Managers, the Trustees shall not be liable for the acts or omissions of such managers, or be under an obligation to invest or otherwise manage any asset of the Trust Fund which is subject to the management of such Investment Manager.

(n) Power to Purchase Annuities: The Trustees shall have the power to apply for and procure from responsible insurance companies, to be selected by the Employer, as an investment of the Trust Fund such annuity, or other contracts (on the life of any Retiree) as the Employer shall deem proper, to exercise, at any time or from time to time, whatever rights and privileges may be granted under such annuity or other contracts and to collect, receive, and settle for the proceeds of all such annuity or other contracts as and when entitled to do so under the provisions thereof.

(o) Bank Accounts and Required Investments: The Trustees shall have the power to invest any assets of the Trust Fund in time deposits or savings accounts bearing a reasonable rate of interest in the Trustees' bank, to invest in Treasury Bills and other forms of United States government obligations, consistent with the investment policies adopted by the Trustees, from time to time, and to deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations.

(p) Execute Instruments: The Trustees shall have the power to make, execute, acknowledge, and deliver any and all deeds, leases, assignments, documents of transfer and conveyance, and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(q) Nominees: The Trustees shall have the power to hold property of the Trust Fund in the name of a nominee or nominees, without disclosure of the Trust, or in bearer form so that it will pass by delivery, but no such holding shall relieve the Trustees of the responsibility for the safe custody and disposition of the Trust Fund in accordance with the provisions of this Trust Agreement, and the Trustees' books and records shall at all times show that such property is part of the Trust.

(r) General Authority: The Trustees shall have the power to do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustees may deem necessary to carry out the purposes of this Trust Agreement or the provisions of the CBA which relate to the funding of payment of the Benefits, *provided that*, for the

avoidance of doubt, the Trustees shall have no power to demand or require that any contributions be made to the Trust by the Employees or the Employer.

3. PROVISIONS RELATING TO TRUSTEES:

The following provisions, in addition to all others herein, shall apply to the Trustees and their duly appointed successors to the extent permitted by law:

(a) To Exercise Powers Without Order of Court: The Trustees shall not be required to obtain the order or approval of any court in the exercise of any power or discretion herein given.

(b) Successor Trustees: Every successor Trustee shall have all title, powers, and discretions herein given to the Trustee succeeded without act of conveyance or transfer.

(c) Exoneration from Liability: Except for willful default or gross negligence, the Trustees shall not be liable for any act, omission, loss, damage, or expense arising from the performance of their duties under this Trust Agreement.

(d) General Authority of Trustees: No person or corporation dealing with the Trustees in any transactions affecting the Trust Fund shall be required to inquire or investigate into their authority for entering into such transaction, or to see the application made by them of the proceeds of any such transaction.

(e) Power to Resign: Any Trustee acting hereunder may resign at any time, without court application or approval, by an instrument in writing, signed by such Trustee and delivered to any other Trustees then acting and also to the successor Trustee, if any.

(f) Power to Continue until Distribution of Property: All of the rights, duties, powers, authorities, and immunities given to the Trustees by this Trust Agreement shall continue after termination of the Trust until the Trustees shall have made actual distribution of all property held by it hereunder.

(g) Power to Delegate: Any Trustee acting hereunder may delegate, at any time or from time to time, any or all of its rights, powers, duties, and authority of a non-discretionary nature to any other Trustee acting hereunder; provided, however, that any such delegating instrument shall be revocable at any time.

(h) Duty of Successor Trustee to Inquire: No successor Trustee shall be required to inquire into or take any notice of the prior administration of the Trust or be liable or responsible for any losses or expenses resulting from or occasioned by anything done or neglected to be done in the administration of the Trust prior to becoming a Trustee.

(i) Legal Counsel: The Trustees may consult with legal counsel (who may be counsel for any Trustee or the Employer) with respect to the construction of the Trust Agreement or their duties hereunder, or with respect to any legal proceeding or any question or law involving the Trust Agreement, and shall be fully protected with respect to any action taken or omitted by them in good faith pursuant to the advice of such counsel.

(j) Required Consent for Actions by Trustees: Where there are three (3) or more Trustees, the act or decision of a majority of the Trustees shall bind all of the Trustees. Where there are less than three (3) Trustees, the unanimous approval of the Trustees shall be required for an act or decision of a Trustee to bind the Trustees.

(k) Corporate Successor Trustee: Any corporation into which any corporate Trustee then serving may be merged or with which it may consolidate, or any corporation resulting from any merger, consolidation, or reorganization to which any corporate Trustee then serving shall be a part, or any corporation which shall succeed to all or to substantially all of the fiduciary business or assets of any corporate Trustee then serving, shall be substituted hereunder as Trustee for the then serving corporate Trustee without the necessity of executing or filing any other paper or doing any other act.

(l) Trustees' Compensation and Expenses and Taxes: The Trustees shall be paid such reasonable compensation as shall from time to time be agreed upon in writing by the Employer and the Trustees. An individual serving as Trustee who already receives full-time pay from the Employer shall not receive compensation from the Trust. In addition, the Trustees shall be reimbursed for any reasonable expenses, including reasonable counsel fees, incurred by them as Trustees. Such compensation and expenses shall be paid from the Trust Fund unless paid or advanced by the Employer. All taxes of any kind and all kinds whatsoever that may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund shall be paid from the Trust Fund.

ARTICLE IV.
PROHIBITED TRANSACTIONS

1. TRANSACTIONS WITH DISQUALIFIED PERSONS:

Except as otherwise provided in this Article, the Trustee shall not cause the Trust to engage in a transaction if it know or should know that such transaction constitutes a direct or indirect:

- (a) sale, exchange, or leasing of any property between the Trust and a Disqualified Person;
- (b) lending of money or other extension of credit between the Trust and a Disqualified Person;
- (c) furnishing of goods, services, or facilities between the Trust and a Disqualified Person; or
- (d) transfer to, or use by or for the benefit of, a Disqualified Person of any assets of the Trust Fund.

2. SELF-DEALING:

No Trustee shall:

- (a) deal with the Trust Fund in his own interest or for his own account;
- (b) in his individual or any other capacity, act in any transaction involving the Trust on behalf of a party (or represent a party) whose interests are adverse to the interests of the Trust or the interests of the Employees or Retirees; or
- (c) receive any consideration for his personal account from any party dealing with the Trust in connection with a transaction involving the Trust Fund.

3. DEFINITIONS:

- (a) Disqualified Person: A person who is:
 - (1) a fiduciary;
 - (2) a person providing services to the Trust;

- (3) the Employer;
 - (4) a member of an employee organization, any of whose members are covered by the Trust;
 - (5) an owner, direct or indirect, of fifty percent (50%) or more of:
 - (A) the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of a corporation;
 - (B) the capital interest or the profits interest of a partnership;or
 - (C) the beneficial interest of a trust or unincorporated enterprise which is the Employer or an employee organization described in subparagraph (4);
 - (6) a member of the Family (as defined in subsection (i)) of any individual described in subparagraph (1), (2), (3) or (4);
 - (7) a corporation, partnership, trust or estate of which (or in which) fifty percent (50%) or more of:
 - (A) the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of such corporation;
 - (B) the capital interest or profits interest of such partnership;or
 - (C) the beneficial interest of such trust or estate, is owned directly or indirectly or held by persons described in subparagraph (1), (2), (3), (4) or (5);
 - (8) an officer, director (or an individual having powers or responsibilities similar to those of officers or directors), a ten percent (10%) or more shareholder, or a highly compensated employee (earning ten percent (10%) or more of the yearly wages of the Employer) of a person described in subparagraph (3), (4), (5) or (7); or
 - (9) a ten percent (10%) or more (in capital or profits) partner or joint venturer of a person described in subparagraph (3), (4), (5) or (7).
- (b) Fiduciary: Any person who:

(1) exercises any discretionary authority or discretionary control with respect to management of the Trust or exercises any authority or control with respect to management or disposition of its assets;

(2) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Trust Fund, or has any authority or responsibility to do so; or

(3) has any discretionary authority or discretionary responsibility in the administration of the Trust.

Such term includes any person designated under Section 405(c)(1)(B) of ERISA.

(c) Family: The Family of any individual shall include such individual's spouse, ancestor, lineal descendant, or any spouse of a lineal descendant.

4. EXEMPTIONS:

The prohibitions provided in this Article shall not apply to the following transactions:

(a) contracting or making reasonable arrangements with a Disqualified Person for office space, or legal, accounting or other services necessary for the establishment or operation of the Trust, if no more than reasonable compensation is paid therefor;

(b) any transaction between the Trust Fund and (i) a common or collective trust fund or pooled investment fund maintained by a Disqualified Person which is a bank or trust company supervised by a State or Federal agency, or (ii) a pooled investment fund of a duly licensed insurance company qualified to do business if:

(A) the transaction is a sale or purchase of an interest in the fund,
and

(B) the bank, trust company, or insurance company receives no more than reasonable compensation;

(c) receipt by a Disqualified Person of any benefit to which such Disqualified Person may be entitled as a Retiree, so long as the benefit is computed and paid on a basis which is consistent with the terms of this Trust Agreement and the relevant provisions of the CBA as applied to all Retirees;

(d) receipt by a Disqualified Person of any reasonable compensation for services rendered, or for the reimbursement of expenses properly and actually incurred, in the performance of his duties with the Trust Fund, but no person so serving who already receives full-time pay from the Employer shall receive compensation from the Trust, except for reimbursement of expenses properly and actually incurred; or

(e) service by a Disqualified Person as a Fiduciary in addition to being an officer, employee, agent, or other representative of a Disqualified Person.

ARTICLE V. REPORTS

1. ANNUAL REPORT OF THE TRUSTEES:

Within seventy-five (75) days after the close of the Employer's fiscal year, the Trustees shall furnish to the Employer a written statement of account setting forth:

- (a) the net income, or loss, of the Trust Fund;
- (b) the gains, or losses, realized by the Trust Fund upon sales or other disposition of the assets;
- (c) the increase, or decrease, in the value of the Trust Fund;
- (d) all payments and distributions made from the Trust Fund; and
- (e) such further information as the Trustees deem appropriate. The Employer, forthwith upon its receipt of each such statement of account, shall acknowledge receipt thereof in writing and advise the Trustees of its approval or disapproval thereof. Failure by the Employer to disapprove any such statement of account within thirty (30) days after its receipt thereof shall be deemed an approval thereof. The approval by the Employer of any statement of account shall be binding as to all matters provided therein as between the Employer and the Trustees to the same extent as if the account of the Trustees had been settled by judgment or decree in an action for a judicial settlement of their account in a court of competent jurisdiction in which the Trustees, the Employer and all persons having or claiming an interest in the Trust Fund were parties; provided, however, that nothing herein contained shall deprive the Trustees of their right to have their accounts judicially settled if the Trustees so desire.

(f) The Employer may at reasonable intervals request from the Trustees a list of all receipts and disbursements and a list of investments to determine the financial condition

of the Trust Fund. Neither the Employer nor any person having an interest in the Trust Fund shall have the right to demand or be entitled to receive any further or different accounting by the Trustees, except as otherwise provided in this Trust Agreement and as provided by law.

ARTICLE VI.

REMOVAL OF TRUSTEE; SUCCESSOR TRUSTEE

1. RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE:

(a) Any Trustee may resign at any time by delivering to the Employer, at least thirty (30) days before its effective date, a written notice of resignation.

(b) The Employer may remove any Trustee by mailing by registered or certified mail, addressed to such Trustee at the Trustee's last known address, at least thirty (30) days before its effective date, a written notice of removal, and to the extent applicable, a copy of an amendment to the Trust.

(c) Upon the death, resignation, incapacity, or removal of any Trustee, a successor may be appointed by the Employer, and such successor, upon accepting such appointment in writing and delivering same to the Employer, shall, without further act, become vested with all the estate, rights, powers, discretions, and duties of the predecessor with like respect as if originally named as a Trustee herein, *provided, however*, that:

(1) In the event of the death, resignation, incapacity, or removal of the New Haven Police Union Trustee, the Employer shall appoint as successor such individual as designated in writing (and delivered to the Employer) by the president of the New Haven Police Union, and such successor, upon accepting such appointment in writing and delivering same to the Employer, shall, without further act, become vested with all the estate, rights, powers, discretions, and duties of the predecessor with like respect as if originally named as a Trustee herein; and

(2) In the event of the death, resignation, incapacity, or removal of a OPEB Contributing Union Trustee, the Employer shall appoint as successor such individual as designated in writing (and delivered to the Employer) by the presidents of the City Collective Bargaining Units, or a representative thereof, other than the New Haven Police Union, and such successor, upon accepting such appointment in writing and delivering same to the Employer, shall, without further act, become vested with all the estate, rights, powers, discretions, and duties of the predecessor with like respect as if originally named as a Trustee herein. For the avoidance

of doubt, the Employer intends and understands that the OPEB Contributing Unions (other than the New Haven Police Union) will determine, by agreement among themselves, the process for selecting such person(s) as they wish to designate as the OPEB Contributing Union Trustee(s) and OPEB Contributing Union Trustee successor.

(d) Until such a successor is appointed, any remaining Trustees shall have full authority to act under the terms of this Trust Agreement and the relevant provisions of the CBA which relate to the funding of payment of the Benefits. Notwithstanding any provision herein to the contrary, the Employer may amend the Trust Agreement regarding the persons or City positions eligible to act as Trustees.

(e) The Employer may designate one or more successors prior to the death, resignation, incapacity, or removal of a Trustee. In the event a successor is so designated by the Employer and accepts such designation, the successor shall, without further act, become vested with all the estate, rights, powers, discretions, and duties of the predecessor with like effect as if originally named as a Trustee herein immediately upon the death, resignation, incapacity, or removal of the predecessor.

(f) Whenever all of the Trustees hereunder cease to serve as such, such former Trustees shall furnish to the Employer a written statement of account with respect to the portion of the Employer's fiscal year during which such person served as Trustees. This statement shall be either (i) included as part of the annual statement of account for the Employer's fiscal year required under ARTICLE V, Section 1., or (ii) set forth in a special statement. Any such special statement of account should be rendered to the Employer no later than the due date of the annual statement of account for the relevant fiscal year of the Employer. The procedures set forth in ARTICLE V, Section 1. for the approval by the Employer of annual statements of account shall apply to any special statement of account rendered hereunder, and approval by the Employer of any such special statement in the manner provided in ARTICLE V, Section 1. shall have the same effect upon the statement as the Employer's approval of an annual statement of account.

ARTICLE VII.

AMENDMENT, TERMINATION AND MERGERS

1. AMENDMENT:

The Employer shall have the right at any time to amend this Trust Agreement. However, no such amendment shall:

(a) authorize or permit any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to purposes other than for the exclusive benefit of the Retirees;

(b) cause any reduction in the amount credited to the account of any Retiree; or

(c) be made without the Trustees' and Employer's written consent if such amendment affects the rights, duties or responsibilities of the Trustees and Employer.

Any such amendment shall become effective as provided therein upon its execution. The Trustees shall not be required to execute any such amendment unless the amendment affects the duties of the Trustees hereunder.

2. TERMINATION:

This Trust Agreement and Trust created hereby may be terminated at any time by the Employer, and upon such termination the assets of the Trust Fund shall be distributed. This Trust Agreement and the Trust created hereby will terminate as to the Employer in the case of complete distribution of the Trust Fund. Any such distribution will be at the time and manner determined by the Employer pursuant to the requirements of the relevant CBA provisions with written instructions to the Trustees.

3. MERGER OR CONSOLIDATION:

This Trust may be merged or consolidated with, or its assets may be transferred to, any other trust only if the benefits which would be received by a Retiree, in the event of a termination of the Trust are at least equal to the benefits the Retiree would have received if the Trust had terminated immediately before the transfer.

ARTICLE VIII.

NON-ASSIGNABILITY OF INTEREST

1. NON-ASSIGNABILITY:

To the extent permitted by law, no right to receive Benefits, nor any interest in the Trust, shall be subject to assignment (either at law or in equity), alienation, or anticipation, either by the voluntary or involuntary act of any Retiree, or by operation of law; nor shall such right, or interest, be subject to attachment, garnishment, levy, execution or other legal or equitable

process or in any other way to the demands or claims of any creditors of such person; nor be liable in any way for such person's debts, obligations, or liabilities.

ARTICLE IX.
MISCELLANEOUS

1. CONSTRUCTION OF AGREEMENT:

This Trust shall be construed and enforced according to the laws of the State of Connecticut.

2. GENDER AND NUMBER:

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

3. LEGAL ACTION:

In any application to the courts, only the Employer and the Trustees shall be necessary parties, and no person having an interest in the Trust shall be entitled to any notice or process. Any judgment entered in such action or proceeding shall be conclusive upon all persons claiming an interest in or under the Trust or the relevant provisions of the applicable CBA relating to the funding the payment of the Benefits.

In the event any claim, suit, or proceeding is brought regarding the Trust and/or applicable CBA to which the Trustees or the Employer may be a party, and such claim, suit, or proceeding is resolved in favor of the Trustees or the Employer, they shall be entitled to be reimbursed from the Trust Fund, or from the Employer (in the case of the Trustees) for any and all costs, attorney's fees, and other expenses pertaining thereto incurred by them for which they shall have become liable.

4. HEADINGS:

The headings and subheadings of this Trust Agreement have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

5. IRREVOCABILITY OF TRUST:

All contributions made by the Employees shall be irrevocable, and no part of the corpus of the Trust Fund nor any income therefrom shall revert to the Employer or be used for or diverted to purposes other than for the exclusive benefit of the Retirees, as provided in the relevant provisions of the applicable CBA, except as provided by law.

6. SEVERABILITY:

If any provision of this Trust Agreement or the application of any such provision to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Trust Agreement or the application of such provision to persons or circumstances other than those to which it is so determined to be invalid and unenforceable shall not be affected thereby, and each provision hereof shall be valid and enforceable to the fullest extent permitted by law.

[remainder of page left blank - signature page follows]

[signature page to City of New Haven Retiree Health and Medical Benefits Trust Agreement]

IN WITNESS WHEREOF, this Trust Agreement has been executed the day and year first above written.

CITY OF NEW HAVEN

By _____

Name:

Title:

ATTEST:

_____, Trustee

IN THE PRESENCE OF:

_____, Trustee

IN THE PRESENCE OF:

_____, Trustee

IN THE PRESENCE OF:

[signature page to City of New Haven Employee Contributions Trust Agreement, continued]

ATTEST:

_____, Trustee

IN THE PRESENCE OF:

_____, Trustee

IN THE PRESENCE OF:

_____, Trustee

IN THE PRESENCE OF:

[signature page to City of New Haven Employee Contributions Trust Agreement, continued]

ATTEST:

_____, Trustee

IN THE PRESENCE OF:

_____, Trustee

IN THE PRESENCE OF:

SCHEDULE A

December ____, 2023

As of the date set forth above, the Trustees which comprise the Committee are as follows:

1. Name: _____
 Address: _____

2. Name: _____
 Address: _____

3. Name: _____
 Address: _____

4. Name: _____
 Address: _____

5. Name: _____
 Address: _____

6. Name: _____
 Address: _____

7. Name: _____
 Address: _____

8. Name: _____
 Address: _____

SCHEDULE B

[to be updated]

CITY OF NEW HAVEN OPEB RETIREE MEDICAL BENEFITS DEDUCTIONS BY OPEB CONTRIBUTING UNION									
Collective Bargaining Unit	7/1/11	7/1/12	7/1/13	7/1/14	7/1/15	7/1/16	7/1/17	7/1/18	7/1/19
New Haven Police Union	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Local 222, CILU #71	N/A	N/A	N/A	N/A	N/A	.25%	.50%	.75%	1.25%
Local 884 Clerical	N/A	N/A	N/A	N/A	N/A	N/A	.50%	.75%	1.25%
Local 424 Public Works	N/A	N/A	N/A	N/A	N/A	N/A	.50%	.75%	1.25%
Local 1303-467 Nurses	N/A	N/A	N/A	N/A	N/A	N/A	.50%	.75%	1.25%
Local 3144 Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A	.75%	1.25%
Local 424 Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Executive Management & Confidential Employees	N/A	N/A	N/A	N/A	N/A	N/A	N/A	.75%	1.25%

SCHEDULE B

[to be updated]

CITY OF NEW HAVEN OPEB RETIREE MEDICAL BENEFITS DEDUCTIONS BY OPEB CONTRIBUTING UNION									
Collective Bargaining Unit	7/1/20	7/1/21	7/1/22	7/1/23	7/1/24	7/1/25	7/1/26	7/1/27	7/1/28
New Haven Police Union									
Local 222, CILU #71									
Local 884 Clerical									
Local 424 Public Works									
Local 1303-467 Nurses									
Local 3144 Management									
Local 424 Parks									
Executive Management & Confidential Employees									