

### **Declaration of Trust for the City of New Haven**

Declaration of Trust has been made this day by the Board of Aldermen, City of New Haven, Connecticut and hereby approved

Whereas, the City of New Haven (City) is government entity exempt from federal income tax under Internal Revenue Code of 1986; and

Whereas the City would like to provide for the security and welfare of its retirees by funding the other post employment benefits (OPEB) as described by the Government Accounting Standards Board (GASB) regulations number 43/45; and

Whereas it's the responsibility of the City of New Haven to provide retirees with medical benefit coverage as specified in the City's multiple labor agreements between the City of New Haven and its employees, and

Whereas the City currently pays its medical benefit obligations for both active and retired employees on a "pay as you go" basis and continues to makes such payments on an annual basis, and

Whereas, the City wishes to comply with said GASB 43/45 requirements and begin to fund such retiree medical benefit obligations by making contributions into this trust and accumulate assets in a segregated fund solely for the purposed of funding post retirement benefits under such trust; and

Whereas, the authority to provide for the investment and general administration of these assets to be used to fund such trust reside with the Controller of the City, and

Whereas the Board of Aldermen will receive an annual report of the assets held in such trust, and

Whereas, the Board of Aldermen will review the set up of this trust and language now being set forth for the Controller to provide for the investment and general administration of these assets that fund such trust not more than five years from the start of such trust, and

Whereas the Board of Aldermen reserve the ability to amend the duties of the Controller or to expand oversight of trust, including the creation of a board of trustees at that time, and

Whereas the City wishes to establish this trust to hold the assets and income to be used for the exclusive purpose of funding post retirement benefits as specified by labor agreements for its retirees,

Now, therefore the City of New Haven does hereby establish this trust, to be known as the City of New Haven Trust Fund for Other Post Employment Benefits per GASB 43/45.

**The City of New Haven Trust Fund for Other Post Employment Benefits per GASB 43/45 is hereby established**

**Article 1-Establishment of Trust**

Said trust is hereby established for the specific purposes of providing funding for the post employment benefits agreed upon by the applicable City Labor Agreements.

Main funding of this trust will be from contributions as appropriated in the City's annual General Fund Budget

**Article 2-Benefits**

This trust is to be used solely to fund benefits on behalf of the City retirees pursuant to those applicable labor agreements

As the City is a self insured employer and pays directly its share of the medical benefit cost of its employees and retirees as defined in the various labor agreements that govern such payment, the assets in this trust can be used solely to pay for the cost of the City in providing retiree medical benefits

**Article 3-Duties of the Controller**

It shall be the duty of the Controller to ensure that the City of New Haven holds title to the assets held in respect to the trust.

It shall be the duty of the Controller to pay over to the trust any contributions as appropriated in the City's annual General Fund.

It shall be the duty of the Controller to invest such funds in the trust in accordance with the parameters set forth by the City of New Haven investment policy, as specified:

**Investment Policy for the City of New Haven Trust Fund for Other Post Employment Benefits per GASB 43/45**

It will be the policy of the Controller to invest these trust funds in a manner which will provide the highest investment return with the maximum security.

It shall be the duty of the Controller to restrict such investments for said trust fund to a financial institutions that are State-qualified financial institutions with operations located in the City of New Haven. Any financial institution that receives such funds must not have any deficiencies in terms of compliance with the Community Reinvestment Act .

Any investment in Certificates of deposit shall be limited to those financial institutions that are State-qualified financial institutions with operations located in the City of New Haven.

In addition, the City Controller may establish investment accounts with the State of Connecticut Short Term Investment Fund, as well as other State qualified pooled funds that meet the City's needs for security and liquidity.

In addition, the Controller shall adhere to all other requirements of the City's investment policy included those requirements specified under scope, prudence, objectives, delegation of authority, ethics and conflicts of interest, authorized and suitable investments, collateralization, safekeeping, diversification, internal control.

#### Disbursements and Expenses

The Controller shall be responsible for any payments from the trust, however no payment shall be made, either during the existence or discontinuance of this plan which would cause any part of this trust to be used or diverted to purposes other than the exclusive purpose of funding post retirement medical benefits for retirees pursuant to the provisions of this trust.