TOWN OF BROOKFIELD
OTHER POST-EMPLOYMENT BENEFITS TRUST ORDINANCE

The Town of Brookfield ("Town"), in accordance with General Statutes section 7-450(b), hereby establishes the "Town of Brookfield Other Post-Employment Benefits Trust" (the "Trust") to hold and invest the assets that are set aside for the payment of other post-employment benefits, with the Trust to be administered and operated in accordance with the provisions of the Government Accounting Standards Board Statements 43 and 45, as may be amended or superseded, and pursuant to the terms and declarations set forth in the "Declaration of Trust" which is, and as amended from time to time, incorporated herein as though it was fully set forth herein.

The Board of Selectmen shall be responsible for the oversight of the Trust and the Trust assets and shall consult the Retirement Benefits Advisory Committee in the conduct of its duties pursuant to this Ordinance and the Declaration of Trust.

The Town delegates the duties of Trustees of the Trust to the Town Controller and Town Treasurer whose duties are as set forth in the Declaration of Trust and as required by law.

The provisions of this Ordinance shall become effective on the twenty-first (21) day following its adoption and publication as required by law.

Adopted by the Board of Selectmen of the Town of Brookfield on March 2, 2015.

William N. Tinsley, First Selectman
Martin E. Flynn, Selectman
William R. Davidson, Selectman

Board of Selectmen of the Town of Brookfield

TOWN OF BROOKFIELD
OTHER POSTEMPLOYMENT BENEFITS
DECLARATION OF TRUST

WHEREAS, pursuant to collective bargaining agreements and personnel policies, as amended from time to time, the Town of Brookfield (The "Town") and the Board of Education have established one or more plans that provide for certain postemployment benefits, including retiree medical benefits, but excluding pension benefits (collectively "OPEB Benefits") for certain groups of employees and retirees of the Town and the Board of Education, their spouses and dependents (collectively " Retirees") which are named in Exhibit A as amended from time to time (collectively the "Plan");

WHEREAS, the Town desires to fund OPEB Benefits through the trust established by an ordinance adopted pursuant to the Connecticut General Statutes Section 7 -450(b) (the "Trust" and the "Ordinance", respectively);

WHEREAS, pursuant to the Ordinance the Board of Selectmen, with assistance from the Retirement Benefits Advisory Committee ("RBAC") is responsible for oversight of the investment of Trust assets and delegated its duties as trustee of the Trust to the Town Controller (or his or her designee) and Town Treasurer (the "Trustees");

WHEREAS, the provision of OPEB Benefits to Retirees is an essential governmental function and an integral part of the exempt activities of the Town;

WHEREAS, the Town calculates and records the expenses and liabilities of OPEB Benefits pursuant to Government Accounting Standards Board ("GASB") Statement 45("GASB 45);

WHEREAS, consistent with the provisions of GASB 45 and GASB Statement 43 ("GASSB 43"), the funds which will be contributed to the Trust, as and when received by the Trustees, and earnings and losses thereon shall constitute a trust fund (the "Trust Fund") which shall be irrevocable and shall be held for the benefit of Retirees in accordance with the Plan;

WHEREAS, consistent with the provisions of GASB 45 and GASB 43, including updated GASB amendments, the Trust assets shall be legally protected from creditors of the Town; and

WHEREAS, the Town desires to set forth in this Town of Brookfield Other Postemployment Benefits Declaration of Trust (the "Declaration of Trust") the terms and conditions of the Trust.

NOW, THEREFORE, THIS DECLARATION OF TRUST is dated March 2, 2015 by the Town of Brookfield.

ARTICLE I – CREATION OF TRUST

1.1 *Creative of Trust.* Pursuant to the Ordinance, the Town created a Trust consisting of such sums as shall be initially contributed by the Town, and all amounts thereafter contributed under the Plan, and the earnings and appreciation thereon, less the losses and depreciation thereon and less payments made by the Trustees under the Plan and this Declaration of Trust with respect to Retirees. Furthermore, the Town delegated its duties as trustee of the Trust Fund to the Controller and Treasurer whose duties as of the effective date of this Declaration of Trust include the duties of Trustees as set forth herein.

1.2 *Exclusive Purpose of Trust.* The Trustee shall hold the assets of the Trust for the exclusive purpose of providing OPEB Benefits to Retirees and defraying reasonable expenses of administering the Plan and Trust. No part of the net earnings of the Trust shall inure to the benefit of the Town or any other person, except through the payment of OPEB Benefits permitted under the Trust.

1.3 *Incorporation of Plan and Ordinance.* The provisions of the Plan and the Ordinance shall be read as an integral part of this Declaration of Trust, and are specifically incorporated herein by reference.

1.4 *Protection of Trust Assets.* All assets of the trust shall be legally protected from creditors of the Town to the full extent of applicable law.

ARTICLE II – CONTRIBUTIONS

2.1 *Receipt of Contributions.* The Trustees shall receive any contributions paid to it in cash or in the form of such other property as it may from time to time deem acceptable and which shall have been delivered to it. All contributions so received, together with the income therefrom and any other increment thereon, shall be held, invested, reinvested and administered by the Trustees pursuant to the terms of this Agreement without distinction between principal and income. The Trustees shall not be responsible for the calculation or collection of any contribution under the Plan, but shall be responsible only for property received by its pursuant to this Declaration of Trust.

2.2 *Compliance with Laws.* This Declaration of Trust and the Trust Fund thereunder are intended to meet the requirements of section 115 of the Code and Section 7-450 of the Connecticut General Statues.

ARTICLE III – PAYMENTS FROM TRUST FUND

3.1 *Payments Directed by the Town.* The Trustees shall from time to time at the Town's direction make payments out of the Trust to the persons or entities to whom such monies are to be paid in such amounts and for such purposes as may be specified in the Town's directions. Alternatively, the Trustees shall reimburse the Town from time to time at the Town's direction for such payments made directly by the Town for ease of administration, provided the Town promptly seeks reimbursement out of the Trust Fund.

The Trustees shall be under no liability for any payment made pursuant to the direction of the Town. Any direction of the Town shall constitute a certification that the distribution or payment so directed is one which the Town is authorized to direct.

3.2 *Impossibility of Diversion.* It shall be impossible at any time for any part of the Trust Fund to be used for, or diverted to, purposes other than to provide the benefits contemplated under the Plan for the exclusive benefit or Retirees, except that any taxes and administration expenses for which the Trust is liable may be made from the Trust Fund as provided for herein.

ARTICLE IV – DUTIES OF THE TOWN

4.1 *Employer contributions.* The Town shall make contributions to the Trust from time to time as it may, in its sole discretion, deem appropriate. The Trustees shall have no duty or authority to ascertain whether contributions should be made by the Town or to bring an action to enforce the Town to make such contributions.

4.2 *Employee contribution.* Employee and/or Retiree contributions, to the extent required under the Plan, shall be deposited to the Trust as soon as administratively practicable.

4.3 *Indemnification of Trustees.* Without limiting any other indemnification that may apply under applicable law, the Town shall indemnify and hold harmless the Trustees for any liability or expense, other than liability and expensed incurred as a result of any willful or wanton act of the Trustees, including without limitation reasonable attorney's fee, incurred by the Trustees with respect to holding, managing, investing, or otherwise administering the Trust Fund.

ARTICLE V – INVESTMENTS

5.1 *Responsibility for Investment.* Except as provided in Section 5.2 of this article, upon receipt of direction from Board of Selectmen, the Trustees shall have the power to invest and reinvest the Trust Fund.

5.2 *Appointed of Custodian, Investment Manager or Consultant.* Upon recommendation and approval of the Board of Selectmen, the Trustees shall have the power and authority to enter in (i) a custodial agreement with an institutional custodian who shall serve as custodian of the monies and securities in the Trust Fund pursuant to the terms of said agreement; (ii) an investment management agreement with an investment manager who shall direct the investment and reinvestment of all or a portion of the Trust Fund (the "Separate Account"); and(iii) any other agreement necessary to retain a consultant to provide advice with respect to the management of the Trust Fund. Without limiting any other indemnification that may apply under applicable law, the Trustees and Board of Selectmen as applicable, shall have no liability: (i) for the acts or omissions of an investment manager; (ii) for following the investment directions of an investment manager; (iii) for failing to act in the absence of investment manager direction; or (iv) for

any diminution in the value of the Trust Fund as a result of following the direction of an investment manager. If recommended and approved by the Board of Selectmen, a custodian, investment manager or consultant may be removed. In the event of such resignation or removal, the power and authority to invest and reinvest the Separate Account formerly under the control and management of an investment manager will return to the Trustees, subject to Section 5.1 above, unless the Board of Selectmen appoint a successor investment manager with respect to such assets.

5.3 *Investment Subject to Prudent Investor Rule.* The assets of the Trust Fund, whether invested by the Trustees or by an investment manager appointed by the Trustees, shall be invested and managed in compliance with the prudent investor rules set forth in the Connecticut General Statues sections 45a-541 to 45a-5411, inclusive, as amended from time to time.

5.4 *Investment Policy.* The Board of Selectmen shall adopt an investment policy for the OPEB trust assets. Such policy may be amended from time to time. The Trustees, custodian and investment manager shall be subject to such policy, and it shall be the duty of the Trustees, custodian and investment manager to act in strict accordance with such policy as communicated to it by the Board of Selectmen. Notwithstanding the above, the Town may direct the Trustees, who shall further direct the custodian and investment manager to provide cash assets in an amount determined by the Town to be sufficient to meet the liquidity requirements for the administration of the Plan.

ARTICLE VI – POWERS OF THE TOWN

6.1 *General.* The Town, as such term is used in this Declaration of Trust, shall act through the Board of Selectmen, as applicable based on the context and otherwise applicable town ordinances and procedures. In order to carry out the provisions of this Declaration of Trust, the Town has delegated, or may delegate, duties under Ordinance and this Declaration of Trust, to certain specified entities and officials. This Article sets forth the powers and duties delegated to the Trustees. In general, the Town shall discharge its duties under this Declaration Trust solely in the interest of the Retirees covered under the Plan and for the exclusive purpose of providing OPEB Benefits to such persons and defraying reasonable expenses of administering the Trust, 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, and by diversifying the investments of the Trust, unless under the circumstances it is clearly prudent not to do so, all in accordance with the provisions of this Declaration of the Trust insofar as they are consistent with the provisions of the prudent investor rules set forth in Connecticut General Statues sections 45a-541 to 45a-5411, inclusive, as this Declaration of Trust and the Connecticut General Statues may be from time to time amended. The Duties and obligations of the Trustees as such shall be limited to those express imposed upon it by this Declaration of Trust notwithstanding any reference herein to the Plan or the provision thereof.

6.2 *Power of the Board of Selectmen.* The Board of Selectmen shall:

(a) to the extent all or portion of the Trust Fund is not managed by an investment manager, direct the Trustees with respect to the investment and reinvestment of such portion of the Trust Fund (See Section 5.1)

(b) develop and adopt an investment policy (See Section 5.4)

(c) select and appoint custodian(s), investment manager(s) and consultant(s), as necessary or desirable (See Section 5.2)

(d) monitor and review the investment performance of the Trust Fund;

(e) have prepared, and delivered to the RBAC not less frequently than annually, reports regarding said performance;

(f) monitor and evaluate the performance of third parties retained to provide services to the Trust Fund, including making changes as necessary.

6.3 *Fees and Expenses.* Any individual serving as Trustee who already receives full-time pay from the Town shall not receive compensation from this Trust except for reimbursement of expenses properly. The Trustee shall be reimbursed for any reasonable expenses incurred in the administration of the Trust Fund. Such expenses shall be paid from the Trust Fund unless sooner paid by the Town in which event the Town may seek reimbursement from the Trust Fund. 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 or the income thereof shall be paid by the Trustees from the Trust Fund.

6.4 *Accounts and Records.* The Trustees shall keep accurate and detailed accounts of all investments, receipts, disbursements, and other transactions hereunder and provide calendar year-end summary valuation in January.

ARTICLE VII – AMENDMENT AND TERMINATION OF AGREEMENT

7.1 *Amendments.*

(a) Any or all of the provisions of this Declaration of Trust may be amended, in whole or in part, by an instrument in writing adopted by the Board of Selectmen. No such amendment shall authorized 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 benefits of Retirees, and no such amendment shall cause or permit any of the Trust Fund to revert to or become the property of the Town.

(b) Notwithstanding subsection (a) above, a non-discretionary amendment (i) necessary to comply with (x) applicable law, including but not limited to Code Section 115 and section 7-450 of the Connecticut General Statues, as amended, or (y) the provisions of GASB 43 or GASB 45, as amended, or (ii) to update Exhibit A to reflect an amendment to the Plan, shall be effective upon approval by Board of Selectmen.

7.2 *Termination.*

(a) Upon approval by the Board of Selectmen, this Declaration of Trust may be terminated at any time, and upon such termination, the Trust Fund shall be paid out by the Trustees as and when directed by the Town, and in accordance with the provisions of Section 1.2 and 3.2 hereof and the terms of the Plan. Upon termination of the Trust, Trust Funds shall be applied to pay any remaining debts, liabilities and approved claims of the Plan. Any assets remaining in the Trust after meeting its obligations shall be distributed to the Town.

ARTICLE VIII – GENERAL

8.1 *Limited Effect of the Plan and Trust.* Neither the establishment of the Plan nor the Trust nor any modification thereof, nor the creation of nay fund or account, nor the payment of any OPEB Benefits, shall be construed as giving to any person cover under the Plan or other person any legal or equitable right against the Trustees, the Town, or any officer or employee thereof, except as may otherwise be provided in the Plan or in the Trust. Under no circumstances shall the term of employment of any employee be modified or in any way affected by the Plan or this Trust.

8.2 *Protective Clause.* Neither the Town nor the Trustees shall be responsible for the validity of any contract of insurance issued in connection with the Plan or Trust or for the failure on the part of the insurer to make payments provided by such contract, or for the action of any person which may delay payment or render a contract null and void or unenforceable in whole or in part.

8.3 *Constructive of Trust.* This Trust shall be construed and enforced according to the laws of the State of Connecticut and the Code. If any provision of this Trust shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions of the Trust.

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

8.5 *Headings*. The headings and sub-headings of this Trust have been inserted for convenience of reference and are to be ignored in any construction of the provision hereof.

IN WITNESS WHEREOF, this Declaration of Trust is effective as of the day and year first above written.

TOWN OF BROOKFIELD
CONNECTICUT

Date: 3/3/2015

By: _____

Its: First Selectman

Exhibit A

Groups covered by the Town of Brookfield Board of Education OPEB Plan

Town
Non-Union town employees
CSEA, Local 2001, SEIU (Town Hall Employees)
Local 1544, Council #15, AFSCME, AFL-CIO (Police)
Local 1303-371 of Council #4 AFSCME AFL- CIO (Public Works and Highway)

Schools
Brookfield Education Association (Teachers)
Brookfield Administrators Association (Administrators)
Brookfield Professional School Nurses' Association Chapter 136-10 of Local 13
International Federation of Professional and technical Engineers AFL/CIO, CLC (Nurses)
Brookfield Education Secretarial Association, Chapter of 136-08
International Federation of Professional and technical Engineers AFL/CIO, CSEA (Secretaries)

CSEA/SEIU Local 2001, CTW (Custodians)
CSEA/SEIU Local 2001, CTW (Paraprofessionals)

Note: OPEB Benefits vary by employee group.