

Third Taxing District

2 Second Street
East Norwalk, CT 06855

Tel: (203) 866-9271

Fax: (203) 866-9856

Third Taxing District of the City of Norwalk

Commission Meeting

Monday, April 18, 2016 at 7:00p.m.

At the Third Taxing District Office, 2 Second Street, East Norwalk, CT

1. Public Comment – 15 Minute Limit
2. Minutes of Meeting – April 7, 2016 Special Meeting – A/R* (Pgs. 1-7)
3. Pension Plan Review (Mark Vida, Fairfield Country Trust/Reliance) (Pgs. 8-52)
4. Adjourn

*A/R – Action Required/See Attached Motion

Agenda backup material is available at the TTD office, www.ttd.gov and will be available at the meeting.

M:\Shared\ Commission Meeting Information\Agenda 4-18-16.doc

District Commissioners

Charles L. Yost	203-853-0837	Chairman	James Smith	203-866-9271	General Manager
David L. Brown	203-866-8099	Commissioner	Ron Scofield	203-866-9271	Assistant General Manager
Debora Goldstein	203-252-7214	Commissioner	Michael Intrieri	203-866-3001	Treasurer

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THIRD TAXING DISTRICT
of the City of Norwalk
Special Commission Meeting
April 7, 2016

ATTENDANCE: Commissioners: Charles Yost, Chair; David Brown, Debora Goldstein
Treasurer: Dr. Michael Intrieri

STAFF: Jim Smith, General Manager; Ron Scofield, Assistant General Manager

OTHERS: Drew Rankin and Justin Connell (CMEEC)
Atty. Chris Hodgson (Berchem, Moses & Devlin)
Janet Evelyn (NICE)

CALL TO ORDER

Commissioner Yost called the meeting to order at 7:00 p.m. A quorum was present.

PUBLIC COMMENT

There were no comments from the public.

MINUTES OF MEETING – MARCH 14, 2015

**** COMMISSIONER BROWN MOVED TO APPROVE THE MINUTES OF MARCH 14, 2016.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER BROWN MOTIONED TO SUSPEND THE RULES AND CHANGE THE ORDER OF THE AGENDA, BRINGING ITEM #5, CMEEC PRESENTATION, TO ITEM #3.**
**** COMMISSIONER GOLDSTEIN SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

CMEEC: REGIONAL COMPETITIVENESS PRESENTATION

Justin Connell presented to the Commission the summer market outlook. Currently the CMEEC Rate 9 Energy Portfolio, and effectively TTD, is hedged at 70% at a price of \$3.00/MWh. The balance will be filled in, during the next few months leading up to the summer based on updated market and weather conditions, with the overarching objective to maximize regional competitiveness. As of right now, they are seeing trends that the summer weather conditions will be much hotter than in the past few years.

EXECUTIVE SESSION

**** COMMISSIONER YOST MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS PERSONNEL.**

**** COMMISSIONER BROWN SECONDED.**

**** COMMISSIONER GOLDSTEIN VOTED AGAINST.**

**** THE MOTION PASSED 2 TO 1.**

The Commissioners, Treasurer, Mr. Smith, Mr. Scofield and Mr. Hodgson entered into Executive Session at 7:19 p.m.

**** COMMISSIONER GOLDSTEIN MOVED TO EXIT EXECUTIVE SESSION AND RETURN TO PUBLIC SESSION.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Treasurer, Mr. Smith, Mr. Scofield and Mrs. Hodgson returned to public session at 8:05 p.m.

NICE REQUEST FOR BANNERS

Janet Evelyn spoke about the upcoming NICE Festival to be held on July 9, 2016 at Oyster Shell Park. She explained what they have been doing in terms of fundraising and sponsorships for the festival, including support from the City of Norwalk, as well as other business owners throughout the City. She is seeking funds in the amount of \$1,500 for the production of 25 banners which they would like to put up on the poles in the TTD District.

**** COMMISSIONER GOLDSTEIN MOVED TO DONATE \$1,000 TO THE FESTIVAL, BUT NOT TO HAVE BANNERS PUT UP IN THE DISTRICT.**

**** COMMISSIONER YOST SECONDED.**

**** COMMISSIONER BROWN VOTED AGAINST.**

**** THE MOTION PASSED 2 TO 1.**

RENEWAL OF JUMAR MARKETING SERVICE CONTRACT

Mr. Smith reviewed the current Statement of Work #7 from Jumar and stated that there are no changes to the original Master Services Agreement. Commissioner Goldstein asked how many years Jumar has been our marketing company and Mr. Smith replied, three years. Commissioner Goldstein said she would like to see the contract go out to bid next year.

**** COMMISSIONER YOST MOVED TO APPROVE THE JUMAR MARKETING CONTRACT, STATEMENT OF WORK #7, IN THE AMOUNT OF \$3,000/MONTH FOR 12 MONTHS BEGINNING MAY 1, 2016.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Smith asked the Commission to let him know if there are any specific issues from the Commission going forward that they would like him to discuss with Jumar to enhance their performance over the next 12 months.

PROCEDURAL HANDOUT

The Commission discussed the procedural handout that was sent to them by Commissioner Yost. It was the consensus that the General Manager (Jim Smith) should handle the business relationships with the TTD vendors, specifically any having to do with the day-to-day operations of the department. With regard to vendors that are involved with the Commission as it pertains to District business, it was agreed that any one-on-one meetings that the Commission would like to have with the vendors, should also include the General Manager, as the representative for TTD.

SUMMER CONCERTS

Discussion took place about the list of bands that were selected for the upcoming concert season and how the final list was determined. It was decided to try and book the Fairfield Counts for an additional concert to the series if a date is available from the City of Norwalk for the rental of the Showmobile. If there are no available dates, then some concerts may need to be rescheduled and one of the current bands may need to be cancelled in order to fit in the Fairfield Counts.

Commissioner Yost expressed his concern to the other Commissioners of a possible lawsuit if TTD cancels one of the bands that have already been retained for the upcoming summer season. It was the consensus of the other Commissioners to move forward with this process. Commissioner Yost asked Mr. Smith to check with Atty. Bove on this.

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- ** COMMISSIONER GOLDSTEIN MOVED THAT FOR FUTURE YEARS THE COMMISSION FORMALLY REVIEW THE LIST OF BANDS AND TAKE A VOTE BEFORE ANY BANDS ARE CONTRACTED.**
- ** COMMISSIONER BROWN SECONDED.**
- ** COMMISSIONER YOST VOTED AGAINST.**
- ** THE MOTION PASSED 2 TO 1.**

GENERAL MANAGER'S REPORT

Update on WWTP Solar Feasibility Analysis

Bill Solder approached Mr. Smith about some thoughts of putting solar collectors on top of the roof of the WWTP. The issued is currently being pursued with Brightfields (CMEEC's Solar Garden vendor). Some preliminary work has already been conducted in order to determine whether or not there is enough space. Commission Brown asked if this project will save the ratepayers money or in the end be an added cost. Mr. Smith replied that it is too early in the process to determine this. If after the analysis is complete and it is determined that it will cost the ratepayers money, the project will not be done.

Update on April's Tree Lighting

Mr. Smith informed the Commission that the upcoming Tree Lighting is set for Monday, April 11, 2016 at 8:00 p.m. at the Roger Ludlow Park. Mayor Rilling and Mr. Bill Solder from the Exchange Club will be present and the Commission will have a photo opportunity.

Update on System Performance

Mr. Smith said the TTD system is doing very well and was able to sustain the recent heavy winds that we currently experienced over the past couple of weeks. There was only one small outage at Dorlan and affected only 3 to 5 customers due to a tap burning down and they were restored within an hour.

Update on Sea Wall Repair

Mr. Scofield presented 4 bids to the Commission with his recommendation of Guinta-Bolduc Mason Contractors in the amount of \$19,750.00. Mr. Bolduc comes highly recommended for sea wall repairs in the Westport/Norwalk area. In addition to Guinta-Bolduc Mason, an Engineer will need to be contracted in order to assist in filling out the necessary paperwork for permits required by DEEP. This additional cost would be approximately \$5,000. Mr. Scofield expressed his concern that this repair needs to be done as quickly as possible in order to prevent any further damage to the wall, as well as a danger on the property for anyone who may be in the park. It has been roped off until the work can be completed.

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Mr. Smith has also spoken to a representative from the insurance carrier, Nationwide, and they indicated that there is coverage up to \$25,000.00 for this type of claim.

It was the consensus of the Commission that Mr. Scofield move forward on this project and get the repair done as quickly as possible.

Commissioner Yost asked if any of the contractors have looked at the wall in its entirety. The contractors have and it was suggested that TTD consider having work performed on the rest of the wall a section at a time over the next few years.

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE

Mr. Smith said through the first eight months revenues are up 8%. Expenses are flat, indicating that they are under control. Other Income is down due to the Norden Generators not running as much. Other Expenses remains about the same. Net Income is at \$750,593, which is up considerably from last year. TTD continues to maintain its cash balances. The CMEEC principal continues to be paid down. The Patriot loan continues to be paid down and is currently at \$43,000 and should be paid off within the next 3 months.

KPI's

Operating Ratio is still slightly over 100% and we continue to work to bring that down. Power Supply Expense Ratio is right where it should be. Bad Debt is on the right track as work is continued to be done by cleaning up the aging report and the liens. System Load Factor will begin to go up as Cervalis increases.

PCA

Continues to go down. Once it reaches a neutral number (or zero), then a decision will be made whether or not to adjust the PCA figure.

PROJECT SUMMARY

Cablevision Pole Attachments – TTD is expecting a check from Cablevision for approximately \$29,000.00 for the past years, as well as approximately \$10,000 for each year going forward.

Storage Facility – A couple of bids have been received. Atty. Bove is working P&Z to move the process along.

SCADA System – Trying to finish up. There have been some problems with the current vendor.

Fuel Tanks – New fuel tanks have been ordered. It could take up to 20 weeks to receive them, as they are custom made.

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Metro North Bridge Project – Mr. Smith will be receiving more information on this next week.
As an FYI, all maps will be digitized for the project.

ADJOURNMENT

**** COMMISSIONER YOST MOVED TO ADJOURN.
** COMMISSIONER GOLDSTEIN SECONDED.
** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:42 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.

TRUST AGREEMENT

FOR

Third Taxing District - Pension
Defined Benefit Plan



**Reliance Trust Company
Trustee**

**1100 Abernathy Road
500 Northpark, Suite 400
Atlanta, GA 30328-5646
404-266-0663**

TRUST AGREEMENT

THIS TRUST AGREEMENT (this "Agreement") is entered into as of this 23 day of August, 2007 by and between Third Taxing District (the "Company") and Reliance Trust Company (the "Trustee").

WITNESSETH:

WHEREAS, the Company maintains, for the benefit of its eligible employees and those of its participating affiliate companies, the Third Taxing District Defined Benefit Plan (the "Plan"), which is intended to qualify under §401(a) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Company desires to appoint the Trustee as a directed trustee to hold and administer the assets of the Plan in accordance with this Agreement; and

WHEREAS, the Trustee has agreed to serve as directed trustee of the trust established under this Agreement;

NOW, THEREFORE, the Company and the Trustee hereby mutually covenant and agree as follows:

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ARTICLE I DEFINITIONS

The following words and phrases, when used herein with an initial capital letter, shall have the meanings set forth below unless a different meaning plainly is required by the context. Any reference to a section number shall refer to a section of this Agreement unless otherwise specified.

- 1.1 **Administrator** means the person, committee or entity appointed by the Company to serve as Plan Administrator of the Plan within the meaning of Code §414(g). Unless the Company notifies the Trustee in writing of the appointment of an Administrator, the Company shall be deemed to be the Administrator.
- 1.2 **Administrative Service Agent** means _____, which shall provide such services required to carry out the administrative tasks of the Plan, to the extent those functions are allocated to it by the Investment Committee and in accordance with this agreement.
- 1.3 **Beneficiary** means any person designated under the terms of the Plan to receive benefits payable upon the death of a Participant.
- 1.4 **Brokerage Account** means the brokerage account established with a registered broker/dealer for the purpose of investing the assets of the Trust.
- 1.5 **Code** means the Internal Revenue Code of 1986, as amended.
- 1.6 **Company** means Third Taxing District and its successors that adopt the Plan
- 1.7 **Company Stock** means the common stock of the Company or any other qualifying employer security within the meaning of ERISA § 407(d)(5).
- 1.8 **Custodian** means Reliance Trust Company, which shall also serve as custodian for the Trust Fund. To the extent any assets are held by any custodian other than Reliance Trust, such party shall also be considered a Custodian for the Trust.
- 1.9 **ERISA** means the Employee Retirement Income Security Act of 1974, as amended.
- 1.10 **Investment Committee** means the person, committee or entity appointed in accordance with the terms of the Plan to make and effect investment decisions under the Plan and Trust. Unless the Company notifies the Trustee in writing of the appointment of an Investment Committee, the Administrator shall be deemed to be the Investment Committee.
- 1.11 **Investment Fund** means any of the separate funds established by the Investment Committee for the investment of Plan assets.

- 1.12 **Investment Manager** means any person, corporation or other organization or association appointed by the Investment Committee pursuant to the terms of §4.2 to manage, acquire or dispose of the assets of an Investment Fund.
- 1.13 **Participant** means an employee or former employee of a Participating Company who has an accrued benefit or account balance under the Plan.
- 1.14 **Participating Company** means the Company and any of its affiliates that has adopted or hereafter may adopt the Plan for the benefit of its employees and which continues to participate in the Plan.
- 1.15 **Plan** means Pension Plan of Third Taxing Dist. ; as such Plan may be amended from time to time.
- 1.16 **Trust** means the trust established by this Agreement.
- 1.17 **Trust Fund** means the total amount of cash and other property held from time to time under this Agreement.
- 1.18 **Trustee** means Reliance Trust Company.

ARTICLE II
ESTABLISHMENT OF THE TRUST

2.1 **Trust Established.**

The Company hereby establishes with the Trustee, as a funding medium for the Plan, a Trust consisting of the Trust Fund and such earnings, profits, increments, additions and appreciation thereto and thereon as may accrue from time to time.

2.2 **Limit of Participating Companies' Interests.**

- (a) **No Right To Reversion.** Except as provided in subsection (b) hereof, the Participating Companies shall not have any right, title, interest, claim or demand whatsoever in or to the funds held by the Trustee, other than the right to a proper application thereof and accounting therefor by the Trustee as provided herein, nor shall any funds revert to any Participating Company.
- (b) **Return of Contributions.** Any other provisions of this Agreement or the Plan notwithstanding, if and to the extent permitted by the Code, ERISA and other applicable laws and regulations thereunder, upon the Company's request, a contribution (i) made by a mistake in fact, or (ii) conditioned upon the deductibility of the contribution under Code §404, shall be returned to the specified Participating Company within 1 year after the mistaken payment of the contribution or the disallowance of the deduction (to the extent disallowed), whichever is applicable.

2.3 **Trustee's Conditional Acceptance.**

The Trustee accepts the Trust hereby created and agrees to perform the duties hereby required of the Trustee, subject, however, to the following conditions:

- (a) **Directed Trustee.** The parties expressly acknowledge and agree that the Trustee is a directed trustee as described in ERISA §403(a). In the management and control of the Trust Fund, the Trustee shall be subject to the direction of the Company, the Administrator and the Investment Committee, and, to the extent applicable under the terms of this Agreement, the directions of Investment Managers. The Trustee shall not make any investment review of, consider the propriety of holding or selling, or vote (other than as directed by the Administrator, the Investment Committee, an appointed Investment Manager in accordance with the provisions of this Agreement or the Plan) any assets held in the Trust Fund. The Trustee shall have no responsibility to review or make recommendations regarding investments made at the direction of the Company, Administrator, the Investment Committee or an Investment Manager. The Company, the Administrator and the Investment Committee shall not issue any directions to the Trustee that are in violation of the terms of the Plan or this Agreement or prohibited by ERISA.

- (b) **Limitations on Investments.** Notwithstanding any provision in this Agreement to the contrary, unless otherwise agreed to in writing by the Trustee, all of the assets of the Trust shall be invested in shares of investment companies registered under the Investment Company Act of 1940 and other securities as directed by the Investment Committee including shares of Company Stock (to the extent directed by the Investment Committee), insurance policies and such other investments as the Custodian agrees to hold in custody. The Company hereby authorizes and directs the Trustee to enter into such agreements with the Custodian as the Company may direct from time to time.
- (c) **Compensation.** The Trustee shall be entitled to compensation for its services under this Agreement at such rates as from time to time the Trustee and the Company shall agree in writing.

The Trustee may also retain for its own account, as additional compensation under this Agreement, earnings (i.e., "float") on amounts received from the Trust Fund before such amounts are invested pursuant to the Agreement and on amounts held pending distribution.

- i. **Contributions and Purchases:** The timing of cash investment is dependent upon the Administrative Service Agent and their request of funds received into the trust. If Trustee receives a deposit as a result of its performing an ACH (Automated Clearing House) debit to Company's bank account, this cash will generally be invested within 24 hours and often on the same day received by Trustee. If funds are sent to Trustee via wire, ACH or check, the investment of these funds will generally occur within 36 hours of receipt. Trustee will earn Fed Funds income on money received from the date of deposit at Trustee until the date the monies are wired in payment of investment purchases in the account, or settlement date. Company may monitor and compute the amount of income earned by Trustee by reviewing the date of deposit (as reported on the account statements) versus the settlement date of the purchase(s).
- ii. **Distributions and Sales:** Generally, Trustee will wire funds within 24 hours of the funds becoming available as a result of sale settlements. In the case of participant distribution checks or other trust checks, the Trustee earns income from the date cash is made available in the trust account until the date a check is cashed. Trustee will generally issue checks within 48 hours of receipt of both cash and complete payment instructions. If Company wishes to compute the amount of interest income Trustee earns on cash awaiting distribution, Company may review the trust account and participant distribution activity, i.e., date cash received or made available for distribution, date wired out of the trust or otherwise the date each participant check was cashed times the per-diem Fed Funds rate.
- iii. **Rate:** The Fed Funds target rate is published in the Wall Street Journal.

- (d) **Documentation Authenticity.** The Trustee shall not be answerable for any action which it takes in a proper and timely manner pursuant to any direction, consent, request or other paper or document on the belief that the same is genuine, and signed by the proper person if such direction, consent, request or other paper or document relates to a matter with respect to which the purported initiator or signee has authority under the Plan or this Agreement.
- (e) **Right to Resign Upon Termination of Custodian.** Trustee reserves the right to resign pursuant to §7.1, in the event the Custodian resigns or is removed by the Company, Administrator or Investment Committee.

**ARTICLE III
DUTIES OF TRUSTEE**

3.1 **Duties.**

It shall be the duty of the Trustee hereunder:

- (a) **Receipt of Contributions.** To receive any contributions paid to it under this Agreement in cash, shares of Company Stock or in other property acceptable to the Trustee. The Trustee shall not be responsible for the calculation or collection of any contribution required to be paid by a Participating Company to the Trustee under the Plan, but shall be responsible only for property actually received by it pursuant to this Agreement;
- (b) **Management of Funds.** In accordance with directions received under the terms of this Agreement, to hold, invest, reinvest, manage and administer (except as otherwise provided herein) all contributions so received, together with the income therefrom and any other increment thereon, for the exclusive benefit of Participants and their Beneficiaries in accordance with the terms of this Agreement;
- (c) **Payments.** The Administrator hereby delegates its authority to direct payments under the Plan to the Administrative Service Agent. The Trustee shall be fully protected in relying upon the directions received from the Administrative Service Agent. The Administrator hereby indemnifies Trustee from any loss, claim, damage or liability, including legal expenses, that may arise in connection with Trustee's acting upon such direction. The Administrator shall provide written notice to Trustee to revoke such delegation to Administrative Service Agent. Notwithstanding the foregoing delegation of authority, the Administrator retains the right to separately direct the Trustee with respect to any payment from the Trust Fund, and Trustee shall be fully protected in relying upon such directions;
- (d) **Records.** To keep such accounts and records and make such reports and disclosures as shall be required under this Agreement;
- (e) **Authorized Acts.** To take any action directed by the Company, the Investment Committee, the Administrator, the Administrative Service Agent, or the authorized designee of any of them. The Trustee may rely on any such direction without question and shall not be liable for any failure to act pending receipt of any such direction;

ARTICLE IV
INVESTMENT OF TRUST ASSETS

4.1 General Investment Power/Investment Funds.

- (a) **Authority of Investment Committee.** Except as provided in §§4.2 and 4.3, the Investment Committee shall have all authority and responsibility for the management, disposition and investment of the Trust Fund, and the Trustee shall comply with directions of the Investment Committee. The Investment Committee shall not issue any directions that are in violation of the terms of the Plan or this Agreement or prohibited by ERISA.
- (b) **Investment Funds.** The Trust shall be divided into one or more separate Investment Funds, the number, makeup and description of which shall be determined from time to time by the Investment Committee. The Trustee and or Custodian shall implement, terminate, value, transfer to and from and allocate the gains, losses and expenses among the Investment Funds in accordance with the proper directions of the Investment Committee, the Administrator, or their delegates, and, to the extent applicable under the terms of this Agreement, the directions of Investment Managers.
- (c) **Funding Policy.** The Investment Committee shall have responsibility for establishing and carrying out a funding policy and method as required under ERISA §402(b)(1) consistent with the objectives of the Plan and the requirements of ERISA. The Trustee shall not be responsible for the proper diversification of the Trust Fund, for the prudence of any investment of Trust assets, or for compliance with statutory limitations on the amount of investment in securities or other property of the Company or its affiliates.

4.2 Investment Managers.

- (a) **Appointment.** The Investment Committee may, but shall not be required to, appoint one or more Investment Managers to manage the assets of all or any one or more of the Investment Funds. Each such Investment Manager shall be either (i) registered as an investment adviser under the Investment Advisers Act of 1940; (ii) a bank, as defined in such Act; or (iii) an insurance company qualified to perform the services of Investment Manager under the laws of more than one state. The Investment Committee shall obtain from any Investment Manager so appointed by it a written statement acknowledging that such Investment Manager is, or on the effective date of its appointment will become, a fiduciary within the meaning of ERISA §3(21)(A) with respect to the Trust assets under its management, and certifying that it has the power to manage, acquire or dispose of Trust assets in the manner contemplated by the contract or other written instrument by which its appointment is or will be effected, and that it is either an investment adviser under the Investment Advisers Act of 1940, a bank or an insurance company which is qualified to be appointed as an Investment Manager under this Agreement.

- (b) **Contractual Arrangement.** The Investment Committee shall enter into a written contract or agreement with each such Investment Manager in connection with its appointment as such, and such contract shall be subject to such terms and conditions and shall grant to the Investment Manager such authority and responsibilities in the management of the applicable Investment Fund assets as the Investment Committee deems appropriate under the circumstances. Without limiting the generality of the foregoing, such contract may establish investment objectives for the assets of the Investment Fund(s) under the management of the Investment Manager and may limit the types of assets that may be acquired or held by such Investment Fund(s).
- (c) **Trustee's Duties.** With respect to each Investment Fund the management of which has been delegated to an Investment Manager, the Trustee shall follow and carry out the instructions of the appointed Investment Manager with respect to the acquisition, disposition and reinvestment of assets of such Investment Fund, including instructions relating to the exercise of all ownership rights in such assets, and the Trustee shall not be under any obligation to invest or otherwise manage any assets allocated to such Investment Fund. The Trustee is authorized and directed to follow and carry out any investment direction received from the Administrative Services Agent, without limitation, and shall be fully protected in acting upon such instruction
- (d) **Failure to Direct.** In the event that an appointed Investment Manager shall fail to direct the Trustee with respect to investment of all or any portion of the cash held in an Investment Fund under its management, the Trustee shall invest such cash only when and as directed by the Investment Committee.
- (e) **Termination of Appointment.** Upon the termination of the appointment of an Investment Manager, the Investment Committee shall (i) appoint a successor Investment Manager with respect to the Investment Fund(s) formerly under the management of the terminated Investment Manager, (ii) direct the Trustee to merge or combine such Investment Fund(s) with other Investment Fund(s) or Trust assets, or (iii) direct the Trustee to invest the assets of such Investment Fund as the Investment Committee deems appropriate in accordance with the existing funding policy.

4.3 **Manner and Effect of Directions.**

- (a) **Delegation of Authority to Custodian.** The Trustee is authorized and directed to serve as the Custodian with the authority and responsibility for receiving and carrying out the directions of the Company, Administrator, the Investment Committee or their designees. With respect to any assets held by a party other than Trustee, the Trustee is authorized and directed to delegate to the Custodian the authority and responsibility for receiving and carrying out the directions of the Participants, Company, Administrator, the Investment Committee or their designees. The Trustee is authorized and directed to enter into such agreements with another Custodian as are deemed necessary or appropriate to effect such delegation. The Company represents that all directions given by it in any capacity under this Agreement, whether to the Trustee or the Custodian, shall comply with the terms of the Plan, this Agreement, ERISA and other applicable law.
- (b) **Manner of Direction.** Any direction, request or approval of the Company, the Administrator, the Investment Committee, Investment Manager or any other party to whom authority to give such directions, requests or approvals is delegated under the powers conferred under this Agreement (including, without limitation, the Administrative Service Agent and its designees) shall be provided to the Trustee or the Custodian in writing, by automated telephone response system, electronic data transmission (including internet communications) or such other means as is acceptable to the Trustee or the Custodian, as applicable.
- (c) **Liability for Authorized Acts.** The Trustee shall incur no liability to anyone for any action which it or the Custodian as its delegate takes pursuant to a direction, request or approval given by the Company, the Investment Committee, the Administrator or by any other party to whom authority to give such directions, requests or approvals is delegated under the powers conferred upon the Company, the Investment Committee, the Administrator or such other party under this Agreement.

4.4 **Authorization of Designee(s).**

The Administrator and the Investment Committee may each appoint one or more designees to act on their behalf. If a designee (or designees) is appointed, the appropriate person shall furnish the Trustee with written documentation of the appointment and a specimen signature of each designee. The Trustee shall be entitled to rely upon such documentation until the Trustee is otherwise notified in writing by the Administrator or Investment Committee.

ARTICLE V POWERS OF TRUSTEE

5.1 General Authority.

In accordance with the directions of the Investment Committee and any Investment Managers as provided in Article IV, the Trustee shall receive, hold, manage, convert, sell, exchange, invest, reinvest, disburse and otherwise deal with the assets of the Trust, including contributions to the Trust and the income and profits therefrom, without distinction between principal and income.

5.2 Specific Powers.

In the management of the Trust, the Trustee shall have the following powers in addition to the powers customarily vested in trustees by law and in no way in derogation thereof; provided, all such powers shall be exercised only upon and in accordance with the directions of the Investment Committee, the Administrator and any duly appointed Investment Managers:

- (a) Purchase of Property. With any cash at any time held by it, to purchase or subscribe for any authorized investment (as defined in §5.3) and to retain the same in trust;
- (b) Disposition of Property. To sell, exchange, transfer or otherwise dispose of any property at any time held by it;
- (c) Retention of Cash. To hold cash without interest in administrative accounts for contribution and distribution processing in such amounts as may be reasonable and necessary for the proper operation of the Plan and the Trust;
- (d) Exercise of Owner's Rights. To give general or special proxies or powers of attorney with or without power of substitution with respect to any corporate stock or other security; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, consent to, or otherwise participate in, reorganizations or other changes affecting any stock, bond, note or other property, and to delegate discretionary powers and pay any assessments or charges, in connection therewith; and generally to exercise any of the powers of an owner with respect to any stock, bond, note or other property held as part of the Trust; provided, notwithstanding anything herein or in the Plan to the contrary, the Investment Committee shall instruct the Trustee with respect to the voting, tendering or exchanging shares of Company Stock.

- (e) **Registration of Investments.** To cause any stock, bond, other security or other property held as part of the Trust to be registered in its own name or in the name of one or more of its nominees, or in the name of any Custodian or in the name of one or more of the Custodian's nominees; provided, the books and records of the Trustee shall at all times show that all such investments are part of the Trust;
- (f) **Borrowing.** To the extent permitted by the Plan and at the direction of the Investment Committee, to borrow or raise money for the purposes of the Trust in such amounts, and upon such terms and conditions, as determined by the Investment Committee; and, for any sum so borrowed, to issue its promissory note as Trustee and to secure the repayment thereof by pledging all or any part of the Trust Fund; and no person lending money to the Trustee shall be bound to see to the application of the money lent or to inquire into the validity, expediency or propriety of any such borrowing;
- (g) **Qualified Pooled Investments.** To transfer, at any time and from time to time, all or any part of the Trust Fund to, or withdraw the same from, any pooled Investment Fund or group or collective trust, invested in similar types of securities or other investments, maintained by a bank or trust company (including, if applicable, the Trustee) supervised by a state or federal agency, which has been determined by the Internal Revenue Service to be a qualified trust or fund exempt from federal income tax under Code §501(a) and which has been established to permit separate pension and profit sharing trusts qualified under Code §401(a) to pool some or all of their funds for investment purposes; to the extent the Trust Fund is invested in such a pooled fund or group or collective trust, the terms of the instrument establishing such pooled fund or group or collective trust are made a part of this Agreement as fully as if set forth at length herein; the commingling of assets of this Trust with assets of other qualified participating trusts in such pooled funds or group or collective trusts is specifically authorized;
- (h) **Purchase of Contracts.** To apply for, purchase, hold, transfer, surrender and exercise all incidents of ownership of any life insurance or annuity contract (but not a contract for a life annuity unless the Plan provides for the distribution of benefits in such form) which the Investment Committee directs it to purchase;
- (i) **Execution of Instruments.** To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments, which may be necessary or appropriate to carry out the powers herein granted;
- (j) **Settlement of Claims and Debts.** To settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Trust, to commence or defend suits or legal or administrative proceedings and to represent the Trust in all suits and legal and administrative proceedings;

- (k) **Employment of Agents, Advisers and Counsel.** To employ suitable agents, actuaries, accountants, investment advisers, brokers and counsel, and to pay their reasonable expenses and compensation from the Trust. Counsel may be counsel to the Company, and such counsel's advice may be sought on any legal matter including the interpretation of this Agreement and the Plan. The Trustee shall be fully protected in acting on advice of counsel to the Company, if such counsel is acting on behalf of the Company; and
- (l) **Power to do any Necessary Act.** To do all acts which it may deem necessary or proper and to exercise any and all powers of the Trustee under the Plan and this Agreement upon such terms and conditions as it may deem in the best interests of the Trust.

5.3 **Authorized Investments**

- (a) **General Definition.** "Authorized investment" as used in this Article V shall mean bonds, debentures, notes or other evidences of indebtedness; stocks (regardless of class) or other evidences of ownership, in any corporation, mutual investment fund, investment company, association or business trust; annuity contracts (other than life annuity contracts); guaranteed income contracts, and savings accounts and certificates and interest-bearing deposits in any depository institution (including the Trustee of any affiliate of the Trustee). To the extent directed by the Investment Committee, "authorized investment" shall include Company Stock. "Authorized investments" shall not be limited to that class of investments which are defined as legal investments for trust funds under the laws of the state in which the Company has its principal place of business or of any other jurisdiction.
- (b) **Limitation on Investment in Securities of the Company.** Notwithstanding anything herein to the contrary, no assets of the Trust Fund shall be invested in securities of the Company or an affiliate unless the Investment Committee determines that such investment may be made without registration under the federal Securities Act of 1933, as amended, and under any applicable state law, or in the alternative, that the securities have been so registered or qualified. The Investment Committee shall specify any restrictive legend that is required to be set forth on the certificates for the securities and the procedures to be followed by the Trustee to effect a resale of such securities. The Investment Committee shall only direct the investment of Trust funds in securities of the Company or an affiliate if those securities are traded on an exchange permitting a readily ascertainable fair market value. In addition, the Trustee shall not be directed to acquire any Company Stock if immediately after such acquisition the aggregate fair market value of Company Stock held in the Trust exceeds ten (10) percent of the assets of the Trust.

- (c) **Responsibility for Compliance.** The responsibility for determining whether any investment of Trust assets complies with the terms of this Agreement and applicable law shall lie solely with the Investment Committee, and the Trustee shall have no responsibility to ascertain whether any investment made at the direction of the Investment Committee or other authorized person complies with the terms of this Agreement or applicable law.

5.4 **Prohibited Transactions.**

Notwithstanding the provisions of §5.2, in no event shall the Trustee knowingly exercise any powers under the Plan or this Agreement in a manner that will constitute a prohibited transaction, as defined in Code §4975 or in ERISA §406, for which an exemption does not exist.

ARTICLE VI ADMINISTRATION

6.1 Accounting by Trustee.

- (a) **Books and Records.** The Custodian generally shall be responsible for keeping accurate and detailed records of all investments, receipts and disbursements and other transactions hereunder, including such specific records as shall be required by law and such additional records as may be agreed upon in writing between the Administrator or the Investment Committee and the Trustee. All books and records relating thereto shall be open to inspection and audit at all reasonable times by any person or persons designated by the Administrator or the Investment Committee. The Trustee shall promptly provide copies of such records to any persons designated by the Administrator.
- (b) **Accounting.** Following the close of each calendar year, or more frequently as the Trustee and the Administrator may agree, and after the effective date of the removal or resignation of the Trustee, the Trustee shall file with the Administrator and the Investment Committee (and/or their authorized designees) a written statement, setting forth all investments, receipts, disbursements and other transactions, effected by it during such year or during the period beginning as of the close of the last preceding year to the date of such removal or resignation. The Trustee shall deliver such statement, when requested, in a timely manner to permit the Trust to be valued at such reasonable times, as the Administrator or Investment Committee shall deem appropriate or to provide for the orderly replacement of the Trustee, as the case may be. Except as may be required by statute or by regulations published by federal government agencies with respect to reporting and disclosure, as may be required pursuant to the terms of the Plan or this Agreement or as reasonably may be requested by the Administrator or the Investment Committee, no person shall have the right to demand or to be entitled to any further or different accounting by the Trustee.
- (c) **Release.** Except with respect to alleged breaches of fiduciary responsibility under ERISA, upon the expiration of 90 days from the date of filing such annual or other statement, the Trustee shall be forever released and discharged from any liability or accountability to anyone as respects the propriety of its acts or transactions shown in such account, except with respect to any acts or transactions as to which the Administrator or Investment Committee, within such 90-day period, shall file with the Trustee its written disapproval. In the event such a disapproval is filed, and unless the matter is compromised by agreement between the Trustee and the Administrator or the Investment Committee, the Trustee shall file its statement covering the period from the date of the last annual statement to which no objection was made in any court of competent jurisdiction for audit or adjudication. With respect to alleged breaches under ERISA, the Trustee shall be entitled to rely upon the statutes of limitations set forth therein.

- (d) **Valuations.** The Trustee shall deliver to the Administrator and the Investment Committee (and their authorized designees) such information as may be required or requested to permit the Trust Fund to be valued at such other times as the Administrator or Investment Committee shall deem appropriate.
- (e) **Reliance on Custodian.** The Trustee shall be entitled to rely on the Custodian for the maintenance and provision of all Trust records specified in this Section 6.1.

6.2 **Expenses.**

The expenses incurred by the Trustee in the performance of its duties hereunder, including fees for legal services rendered to the Trustee, compensation of the Trustee and all other proper charges and disbursements of the Trustee, including all personal property taxes, income taxes and other taxes of any and all kinds whatsoever, that may be levied or assessed under existing or future laws upon or in respect of the Trust or any money, property or security forming a part of the Trust Fund, shall be paid by the Trustee from the Trust Fund, and the same shall constitute a charge upon the Trust Fund, unless the Company pays the same or any part thereof. To the extent a Participating Company pays any expenses that are properly payable from the Trust Fund, the Trustee shall reimburse the Participating Company from the Trust Fund if requested to do so by the Participating Company.

6.3 **Disbursements**

Upon written direction (which may be a continuing direction) from the Administrator as to the name of any person to whom a disbursement is to be paid from the Trust and the amount thereof, the Trustee shall draw checks in the name of the person so designated and shall deliver such checks in such manner, in such amounts and at such time as the Administrator shall direct.

ARTICLE VII
REMOVAL AND RESIGNATION OF TRUSTEE; SUCCESSOR TRUSTEE

7.1 Removal and Resignation.

The Company may remove the Trustee at any time upon 60 days' written notice delivered to the Trustee, or earlier if approved by the Trustee. The Trustee may resign at any time upon 60 days' written notice delivered to the Company, or earlier if approved by the Company.

7.2 Final Accounting.

In any such case, the Company shall notify the Trustee of the appointment of a successor trustee, and the Trustee shall convey and cause to deliver to such successor trustee all of the assets of the Trust Fund. Within 90 days after any such removal or resignation of the Trustee, the Trustee shall be responsible for delivering a final accounting to the Company, the Administrator or the Investment Committee as of the effective date of such removal or resignation pursuant to the terms of §7.1.

ARTICLE VIII
AMENDMENT OF TRUST; TERMINATION OF PLAN

8.1 Amendment of Trust.

- (a) **Right to Amend.** The Company and the Trustee may by written agreement amend this Agreement at any time or from time to time, and any such amendment by its terms may be retroactive.

- (b) **Exclusive Benefit.** Notwithstanding the foregoing, no amendment shall be made which would authorize or permit any assets of the Trust Fund, other than such assets as are required to pay taxes and administration expenses, to be used for or diverted to purposes other than the exclusive benefit of Participants or their Beneficiaries, except that this Agreement may be amended retroactively to affect the benefits of Participants and their Beneficiaries if necessary to cause the Plan and Trust to be or remain qualified and exempt from income taxes under the Code.

8.2 Termination of Plan.

In the event of termination of the Plan, the Trustee shall continue to hold the Trust, to be applied and distributed in accordance with the terms of the Plan.

ARTICLE IX
WITHDRAWAL OF PARTICIPATING COMPANY

9.1 **Withdrawal of Participating Company**

In the event that a Participating Company or any division or similar identifiable unit withdraws from the Plan, while at the same time the Plan remains in force with respect to other Participating Companies, the Administrator shall instruct the Trustee with respect to the disposition, if any, of the assets attributable to such withdrawing unit.

ARTICLE X MISCELLANEOUS

10.1 Nonalienation of Benefits.

Except as provided under the provisions of the Plan relating to qualified domestic relations orders and to the extent permitted by law, neither the benefits payable from the Trust Fund nor any interest in any of the assets of the Trust Fund shall be subject in any manner to the claim of any creditor of a Participant, or Beneficiary or to any legal process by any creditor of such Participant, or Beneficiary; and neither a Participant nor any Beneficiary shall have any right to alienate, commute, anticipate or assign any right to benefits payable from or any interest in the Trust, except as provided in the Plan.

10.2 Exclusive Benefit.

Except as otherwise provided in the Plan and this Agreement, no part of the Trust hereunder shall be used for or diverted to any purpose other than for the exclusive benefit of Participants and Beneficiaries or the payment of expenses as herein provided.

10.3 Effect of Plan.

The Trustee is not a party to the Plan, and in no event shall the terms of the Plan, either expressly or by implication, be deemed to impose upon the Trustee any power or responsibility other than as set forth in this Agreement. In the event of any conflict between the provisions of the Plan and this Agreement, this Agreement shall be deemed to be incorporated into and be a part of the Plan, and the terms of this Agreement shall control over any inconsistent terms of the Plan. The Trustee shall not be a named fiduciary under the Plan and shall not have the authority to interpret the Plan.

10.4 Entire Agreement.

This Agreement constitutes the entire Agreement between the parties hereto with regard to the subject matter hereof, and there are no other agreements or understandings between the parties relating to the subject matter hereof other than those set forth or provided for herein.

10.5 Approval of the Company.

The Company, the Administrator and the Investment Committee shall have the right, on behalf of all individuals at any time having any interest in the Trust, to approve any action taken or omitted by the Trustee.

10.6 **Notices.**

Notices, directions and other communications provided in writing shall be mailed to the parties at the following addresses:

If to the Company:

Third Taxing District
2 Second Street
Norwalk, CT 06855

If to the Trustee:

Reliance Trust Company
1100 Abernathy Road, 500 Northpark
Suite 400
Atlanta, Georgia 30328-5646
Attn: Institutional Services Division Manager

10.7 **Liability for Predecessor or Successor.**

Except as required under ERISA, no successor trustee hereunder in any way shall be liable or responsible for any actions or omissions of any prior trustee in the administration of the Trust or the assets comprising the Trust prior to the date such successor trustee assumes its obligations hereunder, nor shall any prior trustee in any way be liable or responsible for any actions or omissions of any successor trustee.

10.8 **Liability for Acts of Others**

The Trustee shall not be liable for the acts or omissions of the Company, the Administrator, the Investment Committee or any Investment Manager except with respect to any acts or omissions of any such party in which the Trustee participates knowingly or which the Trustee knowingly undertakes to conceal, and which the Trustee knows constitutes a breach of fiduciary responsibility of such party.

10.9 Indemnification

In the event that the Trustee incurs any liabilities, losses, or expenses (including without limitation attorneys' fees and court costs) (collectively referred to as "Losses") in connection with or arising out of its provisions of services under this Agreement or its status as Trustee hereunder, then the Company shall indemnify and hold the Trustee harmless from and against such Losses, except to the extent such Losses arise directly from a failure by the Trustee to discharge its responsibilities under the terms of this Agreement in accordance with the standards under ERISA that are applicable to the Trustee. The Trustee shall hold the Company harmless against any Losses as a result of a failure by the Trustee to discharge its responsibilities under this Agreement in accordance with the standards under ERISA that are applicable to the Trustee. The indemnification provided by this Section shall survive the termination of this Agreement.

10.10 Controlling Law.

This Agreement shall be construed according to the laws of the State of Georgia except to the extent superseded by ERISA or any other federal law.

10.11 Effective Date.

This Agreement shall be effective on and after May 7th, 2007.

Execution in Counterpart.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and the Trustee have caused this Agreement to be signed by their duly authorized officers or representatives as of the day first written above

Third Taxing District
(COMPANY)

RELiance TRUST COMPANY

By: A E Leary

By: [Signature]

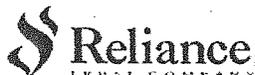
Title: General Manager Date: 5/7/07

Title: VP Date: 8/23/07

By: [Signature]

By: [Signature]

Title: Commissioner Date: 5/7/07



21
standard DB Title Commissioner Date 5/7/07

Paul Cassin

x [Signature] 5/7/07



ERISA 408(b)(2) Fee Disclosure

THIRD TAXING DISTRICT OF THE CITY OF NORWALK ELECTRICAL DEPARTMENT PENSION PLAN

This document is being provided pursuant to new regulations adopted by the Department of Labor ("DOL") requiring certain service providers to employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA) to provide certain disclosures to their plan customers.

About ERISA 408(b)(2)

The new regulation is issued under section 408(b)(2) of ERISA and requires service providers that reasonably expect to receive \$1,000 or more in compensation, directly or indirectly, to disclose information to assist plan fiduciaries in assessing the reasonableness of the service providers' compensation and potential conflicts of interest that may affect the service providers' performance.

About Reliance Trust Company

Reliance Trust is one of the largest independent trust companies in the country and is headquartered in Atlanta. The company was founded in 1975 and organized as a bank and trust company in 1981. Reliance Trust provides a full array of financial products and services to plan fiduciaries, recordkeeping and third party administrators of retirement plans. Services include: trustee and custodial recordkeeping, fiduciary services, investment and cash management, trade clearing and settlement services.

Plan Fiduciary Notification

Our records indicate that Reliance Trust may be a covered service provider as defined by the ERISA section 408(b)(2) regulation for your employee benefit retirement plan in the capacity of providing **Trustee, Investment Management, Custodian, and Paying Agent** services.

The duties of which include:

- **Trustee** - as a fiduciary to the plan responsible to carry out or cause to carry out the terms and provisions of the trust agreement.
- **Professional Investment Management** - as a fiduciary to the plan responsible for establishing and carrying out a funding policy and method, as required under ERISA §402(b)(1), consistent with the objectives of the Plan and the requirements of ERISA, to manage the assets of the Plan in our sole discretion.
- **Reporting** - provide certified annual trust accounting reports on plan investments (including transaction and distribution detail) and work with plan auditors.
- **Safeguard Assets** - safeguard plan assets as registered owner of investments.
- **Sponsor Assistance** - provide general trust administrative assistance and guidance to the plan sponsor and plan administrator(s) for matters concerning the trust.
- **Paying Agent** - prepare and disburse benefit payments as needed and perform related tax withholding, remittance and reporting services.

As such, Reliance Trust is receiving direct and/or indirect compensation for services provided to your employee benefit plan.

Exhibit A Provides disclosure of your employee benefit plan's fee schedule with Reliance Trust detailing the compensation paid to Reliance Trust for services we have been contracted to provide.

Exhibit B if applicable, provides disclosure of indirect compensation Reliance may be eligible to receive as additional compensation in the course of providing services to your plan.

Should you have questions about this document please contact your Reliance representative.



EXHIBIT A
Direct Compensation - Fee Schedule

1. Trustee and Investment Management Services

Reliance Trust Company is a trust company providing Trustee and investment management services to qualified retirement plans. As a directed trustee, Reliance Trust is a fiduciary to the plan and responsible for the proper execution of directions, safekeeping of plan assets and providing periodic trust reporting subject to the direction of the plan's named fiduciary, plan administrator and/or investment manager. As an investment manager, Reliance Trust is responsible for actively reviewing, selecting, and monitoring the performance of the investment options for the plan. Reliance Trust serves as an "Investment Manager" as defined in §3(38) of ERISA and acknowledges it is a "Fiduciary" as defined in section 3(21)(A) of ERISA.

Annual Base Fee \$3,500 PLUS
70 basis points (.0070)..... on the total market value of assets held

2. Custodian, Paying Agent, and Transaction Services

Reliance Trust Company is a trust company providing custodian and paying agent services to qualified retirement plans. As a custodian, Reliance Trust is responsible for the safekeeping, administration and periodic reporting of plan assets by maintaining electronic and physical records subject to the direction of the plan's named fiduciary, plan administrator and/or investment manager. As a paying agent, Reliance Trust is responsible for the proper execution of cashiering instructions and periodic reporting of all transactions received from the plan's designated agent including the plan's named fiduciary and plan administrator.

Purchases/Sales of Investments.....	\$.05 (5 cents) per share
Lump Sum, Rollover, Hardship & Trust Distributions.....	\$15 per distribution
Recurring Payment.....	\$5 per distribution
Wires/ACHs - Incoming or Outgoing to/from Reliance.....	\$15 each
Sub-accounts.....	\$250 per account
Express Mail Delivery Fees and Postage.....	May be billed at actual cost
Special Services Fee.....	\$250 per hour



EXHIBIT B
Indirect Compensation Disclosure

Income Earned on Cash Balances

Reliance Trust provides trustee, paying agency, custodial and accounting services to retirement plans. As a part of our overall compensation for these services, Reliance Trust may receive and retain for its own account, as additional compensation, any earnings (i.e., "float") on amounts received from plan assets and new contributions before such amounts are invested, on amounts held pending distribution, and on disbursements made by check until the check is cleared by the bank on which the check is drawn (or, in the case of an un-cashed check, until the check is returned to Reliance Trust and the funds otherwise distributed). This compensation is paid to Reliance Trust by [identify the payer of the float, i.e., the name of the bank]. Specific information concerning the time frames during which float earnings may be realized by Reliance Trust and rates at which earnings on float are expected to accrue to Reliance Trust are as follows:

- i. Contributions and Purchases: If Reliance Trust receives your payroll contributions by pre-authorized ACH (Automated Clearing House) debit to your bank account, such contributions will generally be invested by the close of business on the business day following receipt of such funds and corresponding investment instructions. If you (or your agent) transmits funds to Reliance Trust by wire transfer, ACH or check, such funds will generally be invested by the close of business on the second business day following receipt of such funds and investment instructions. Float earnings will accrue to Reliance Trust on funds received from the date of deposit with Reliance Trust until the date the monies are disbursed (generally by wire transfer) in settlement of investment purchases in your account.
- ii. Distributions and Sales: Funds received from sales of investments will generally be disbursed, or if Reliance Trust has received reinvestment instructions, reinvested, by the close of business on the business day following funds availability. In the case of disbursements by check, the float period begins on the date the check is written and ends when the check is cleared by the bank on which the check is drawn (or, in the case of an un-cashed check, when the check is returned to Reliance Trust and the funds otherwise distributed). Reliance Trust will generally issue checks by the close of business on the second business day following receipt of available funds and complete payment instructions. Typically, a disbursement check is mailed on the same day it is written.
- iii. Rates and Estimated Float Amounts: You may monitor and compute the approximate amount of float earnings received by Reliance Trust by reviewing periodic account statements from Reliance Trust (or corresponding information provided by Reliance Trust to you by electronic access) to determine the dates funds become available to Reliance Trust from contributions and sales of investments, dates of disbursement, and the dates of clearance of disbursement checks. Float earnings will generally be realized by Reliance Trust at rates approximating the federal funds "target" rate in effect from time to time. The federal funds target rate is published each business day in the "Money Rates" section of The Wall Street Journal. The availability of "float" to Reliance Trust may also allow Reliance Trust to reduce its overall cash position, thereby permitting Reliance Trust to deploy a larger portion of its funds in higher-yielding investments and activities.

Research / Soft Dollars

Reliance may receive proprietary research and other brokerage services (collectively referred to as "Research") from certain broker-dealers under "soft dollar" arrangements that comply with Section 28(e) of the Securities Exchange Act of 1934. This type of proprietary research generally does not have an identifiable price. Reliance is eligible to receive Research by sending trades and paying commissions to approved executing broker-dealers. Research generally may include, but is not limited to, access to company executives, conferences, analysis, forecasting services, research and roadshow visits. The parties listed immediately below are the top ten brokers (listed alphabetically) who provided the most significant amounts of Research to Reliance. For a full list of brokers providing Research, please contact us.

Top Five Brokers Providing Research to Reliance Trust Company		
Assent, LLC	Bank of America/Merrill Lynch	BNY/ConvergEx
JonesTrading	Weeden & Co.	

THIRD TAXING DISTRICT
OF THE CITY OF NORWALK
ATTN: RON SCOFIELD
2 2ND ST
EAST NORWALK CT 06855-2396

1-109-6



Account Name:	RELIANCE TRUST CO, TRUSTEE THIRD TAXING DISTRICT OF THE CITY OF NORWALK ELECTRICAL DEPARTMENT PENSION PLAN
Account Number:	M05173
Account Administrator:	BRENDA SAVAGE 404-965-7244

Important Information

THE STATEMENT OF INVESTMENT POSITION SHOWS ASSETS HELD ON SETTLEMENT DATE BASIS. SECURITY PRICES ARE OBTAINED FROM THE MOST RELIABLE SOURCES AVAILABLE. SHOULD WE BE UNABLE TO OBTAIN A CURRENT MARKET PRICE FOR AN ASSET, THE BOOK OR CARRYING VALUE WILL BE USED AS THE MARKET VALUE.

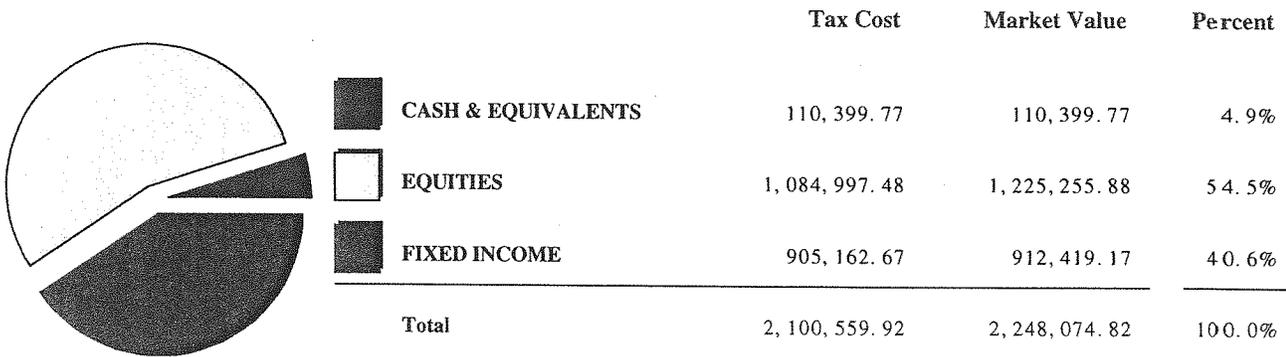
Account Activity Summary

	This Period	Year To Date	Income Summary	
			This Period	Year To Date
Beginning Market Value	2,168,527.20	2,232,562.08		
Assets Purchased / Received	16,494.98	168,539.40	Dividends	3,861.04
Assets Sold / Distributed	11,733.54	146,142.14	Interest	612.02
Income	4,473.06	23,266.29	Total Income	4,473.06
Other Receipts	12,504.38	37,510.70		
Disbursements	10,921.03	34,452.84		
Fees	1,294.97	3,926.89		
Change In Market Value	79,547.62	15,512.74		
Ending Market Value	2,248,074.82	2,248,074.82		

Account Statement

Account Number: **M05173**
 March 01, 2016 To March 31, 2016

Your Investment Portfolio Profile



Portfolio Statement

Quantity	Description	Market Value	Cost Basis
Cash & Equivalents			
110,399.770	FEDERATED GOVT OBLIGS INSTL	110,399.77	110,399.77
Total	Cash & Equivalents	110,399.77	110,399.77
Equities			
2,494.388	ACADIAN EMERGING MARKETS INSTL	38,762.79	43,370.48
6,629.261	CAMBIAR INTERNATIONAL EQUITY INSTL	158,969.68	161,835.97
3,631.773	AMERICAN BEACON SMALL CP VAL INST	83,567.10	76,476.30
649.944	DODGE & COX STOCK	102,145.20	86,834.41
2,398.447	AMERICAN FUNDS EUROPACIFIC GR F2	105,987.37	88,486.36
2,514.938	JPMORGAN MID CAP VALUE INSTL	88,777.31	77,787.04
1,730.080	HARTFORD SMALL CAP GROWTH Y	77,628.69	86,057.70
4,883.220	T. ROWE PRICE INSTL LARGE CAP GROWTH	131,993.44	76,227.54
3,425.968	NUVEEN WINSLOW LARGE-CAP GROWTH I	131,694.21	108,821.78
6,996.625	VANGUARD DIVIDEND APPREC IDX ADMIRAL	154,205.62	148,379.31
429.351	VANGUARD REIT INDEX ADM	50,981.14	51,386.20
2,694.087	VICTORY MUNDER MID-CAP CORE GROWTH Y	100,543.33	79,334.39
Total	Equities	1,225,255.88	1,084,997.48
Fixed Income			
100,000.000	AMERICAN EXPRESS CENTRN CD DTD 07/22/2015 2.05% 07/22/2019	101,238.00	99,475.00
100,000.000	CAPITAL ONE NA ASSN VA CD DTD 07/15/2015 1.6% 07/16/2018	100,630.00	99,300.00
45,000.000	CROSSVILLE TENN GO REF IMPT BDS SERIES B GO UNLTD DTD 08/16/2012 2.125% 06/01/2021-2019	45,463.50	44,730.90
100,000.000	GE MONEY BANK CD DTD 07/23/2010 2.75% 07/25/2016	100,660.00	102,112.00

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Account Statement

Account Number: **M05173**
 March 01, 2016 To March 31, 2016

Portfolio Statement (Continued)

Quantity	Description	Market Value	Cost Basis
Fixed Income			
100,000.000	HONOLULU HAWAII CITY AND COUNTY DTD 08/12/2015 3.768% 07/01/2026-2025	107,307.00	101,000.00
30,000.000	MADISON WIS UNLTD GO DTD 10/19/2010 2.25% 10/01/2016	30,250.20	31,200.00
50,000.000	MANUFACTURERS & TRADERS TR CO CD DTD 04/15/2015 .95% 04/16/2018	49,791.50	49,550.00
25,000.000	MISSISSIPPI ST GO BDS DTD 10/26/2011 3.243% 10/01/2021	26,860.50	26,119.75
40,000.000	NEW YORK NY SERIES H GO UNLTD DTD 06/16/2010 4.106% 06/01/2017	41,429.20	42,615.00
10,000.000	NEW YORK NY GO BDS FISCAL DTD 12/21/2010 4.13% 12/01/2017	10,538.00	10,729.40
45,000.000	NORWALK CONN 2010E DTD 08/01/2010 3.3% 08/01/2017	46,452.15	46,912.50
50,000.000	PASSAIC CNTY NJ UTILS AUTH SO REV REF BDS 2012B DTD 11/01/2012 1.868% 03/01/2017	50,155.00	50,500.00
50,000.000	CIT BANK CD DTD 10/4/2015 1.05% 10/03/2016	50,000.00	50,000.00
100,000.000	CRESTMARK BANK CD .85% 01/02/2016	100,030.62	100,030.62
50,000.000	TUCSON ARIZ UNLTD DTD 04/11/2012 2.541% 07/01/2018	51,613.50	50,887.50
Total	Fixed Income	912,419.17	905,162.67
Grand Total Assets		2,248,074.82	2,100,559.92

Account Activity Detail

Date	Description	Principal Cash	Income Cash	Cost	Gain / Loss
Beginning Balance		0.00	0.00	2,095,781.07	
Dividends					
03/01/16	DIVIDEND ON FEDERATED GOVT OBLIGS INSTL PAYABLE 02/29/2016 EFFECTIVE 02/29/2016	15.46			
03/28/16	LONG TERM CAPITAL GAINS DIVIDEND ON 633.813 SHS DODGE & COX STOCK AT 2.676 PER SHARE PAYABLE 03/24/2016 EFFECTIVE 03/23/2016	1,696.08			1,696.08
03/28/16	DIVIDEND ON 6,961.326 SHS VANGUARD DIVIDEND APPREC IDX ADMIRAL AT .111 PER SHARE PAYABLE 03/21/2016 EFFECTIVE 03/18/2016	772.71			
03/28/16	DIVIDEND ON 633.813 SHS DODGE & COX STOCK AT 1.30 PER SHARE PAYABLE 03/24/2016 EFFECTIVE 03/23/2016	823.96			

Account Statement

Account Number: **M05173**
 March 01, 2016 To March 31, 2016

Account Activity Detail (Continued)

Date	Description	Principal Cash	Income Cash	Cost	Gain / Loss
03/31/16	DIVIDEND ON 424.599 SHS VANGUARD REIT INDEX ADM AT 1.302 PER SHARE PAYABLE 03/21/2016 EFFECTIVE 03/18/2016	552.83			
Total Dividends		3,861.04	0.00	0.00	1,696.08
Interest					
03/01/16	INTEREST ON 50,000 UNITS PASSAIC CNTY NJ UTILS AUTH SO REV REF BDS 2012B DTD 11/01/2012 1.868% 03/01/2017 PAYABLE 03/01/2016	467.00			
03/04/16	INTEREST ON 50,000 UNITS CIT BANK CD DTD 10/4/2015 1.05% 10/03/2016	41.73			
03/14/16	INTEREST ON 100,000 UNITS CRESTMARK BANK CD .85% 01/02/2016	103.29			
Total Interest		612.02	0.00	0.00	0.00
Assets Received					
03/28/16	PURCHASED 10.857 SHS DODGE & COX STOCK ON 03/23/2016 AT 156.22 FOR REINVESTMENT	1,696.08-		1,696.08	
03/28/16	PURCHASED 35.299 SHS VANGUARD DIVIDEND APPREC IDX ADMIRAL ON 03/18/2016 AT 21.89 FOR REINVESTMENT	772.71-		772.71	
03/28/16	PURCHASED 5.274 SHS DODGE & COX STOCK ON 03/23/2016 AT 156.22 FOR REINVESTMENT	823.96-		823.96	
03/31/16	PURCHASED 4.752 SHS VANGUARD REIT INDEX ADM ON 03/18/2016 AT 116.32 FOR REINVESTMENT	552.83-		552.83	
Total Assets Received		3,845.58-	0.00	3,845.58	0.00
Assets Distributed					
03/02/16	SOLD 31.26 SHS AMERICAN BEACON SMALL CP VAL INST ON 03/01/2016 AT 21.67 S408529556 596260610002677	677.41		658.26-	19.15
03/02/16	SOLD .543 SHS ACADIAN EMERGING MARKETS INSTL ON 03/01/2016 AT 14.18 S408529555 596260610002669	7.70		9.44-	1.74-
Total Assets Distributed		685.11	0.00	667.70-	17.41

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Account Statement

Account Number: **M05173**
 March 01, 2016 To March 31, 2016

Account Activity Detail (Continued)

Date	Description	Principal Cash	Income Cash	Cost	Gain / Loss
Cash Management					
03/01/16	WITHDRAWAL FEDERATED GOVT OBLIGS INSTL	127.40		127.40-	
03/02/16	WITHDRAWAL FEDERATED GOVT OBLIGS INSTL	10,921.03		10,921.03-	
03/07/16	DEPOSIT FEDERATED GOVT OBLIGS INSTL	41.73-		41.73	
03/11/16	DEPOSIT FEDERATED GOVT OBLIGS INSTL	12,500.00-		12,500.00	
03/15/16	DEPOSIT FEDERATED GOVT OBLIGS INSTL	103.29-		103.29	
03/21/16	DEPOSIT FEDERATED GOVT OBLIGS INSTL	4.38-		4.38	
Total Cash Management		1,600.97-	0.00	1,600.97	0.00
Receipts					
03/10/16	RECEIVED FROM THIRD TAXING DISTRICT RELIANCE TRUSTEE FEES POST AGAINST FEE RECEIVABLE PENSION CONTRIBUTION	12,500.00			
03/18/16	RECEIVED FROM MONEY MKT SWEEP ON FEDERATED GOVT OBLIGS INSTL EFFECTIVE 03/16/2016 12(B)(1) FEE 0150856433 01312016	4.38			
Total Receipts		12,504.38	0.00	0.00	0.00
Disbursements					
03/01/16	TRUSTEE FEE TO RELIANCE TRUST COMPANY FOR THE PERIOD ENDING 02/29/2016 BASED ON MARKET VALUE _____1,147,265.23 PERIODIC DISTRIBUTIONS _____3.17	685.11-			
03/01/16	TRUSTEE FEE TO RELIANCE TRUST COMPANY FOR THE PERIOD ENDING 02/29/2016 BASED ON MARKET VALUE _____1,021,261.97 PERIODIC DISTRIBUTIONS _____2.83	609.86-			
03/01/16	PENSION PAYMENT AMEDEE ASSELIN	2,425.36-			
03/01/16	PENSION PAYMENT RANDALL SIMPSON	2,688.95-			
03/01/16	PENSION PAYMENT SHIRLEY JACKONICE	902.92-			

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Account Statement

Account Number: M05173

March 01, 2016 To March 31, 2016

Account Activity Detail (Continued)

Date	Description	Principal Cash	Income Cash	Cost	Gain / Loss
03/01/16	PENSION PAYMENT BERNICE WESTBERG	243.99-			
03/01/16	PENSION PAYMENT ANA MARIA AGUILAR	3,369.33-			
03/01/16	PENSION PAYMENT RAY D MITCHELL	1,290.48-			
Total Disbursements		12,216.00-	0.00	0.00	0.00
Ending Balance		0.00	0.00	2,100,559.92	1,713.49

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Account Number: M05173
March 01, 2016 To March 31, 2016

List Of Related Accounts

This Report Consolidates The Assets Of
The Following Accounts:

Account	Name	Market Value	Market Value %
0150856425	RELIANCE TRUST COMPANY, TTEE THIRD TAXING DISTRICT OF THE CITY OF NORWALK ELECTRICAL DEPT PENSION PLAN	1,225,255.88	54.50 %
0150856433	RELIANCE TRUST COMPANY TRUSTEE FOR THIRD TAXING DISTRICT CITY OF NORWALK ELEC DEPT PENSION PLAN	1,022,818.94	45.50 %
TOTAL MARKET VALUE		2,248,074.82	100.00



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THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 10 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was required to adjust the beginning balance of the business-type activity's net position for the effects of GASB Statement 68.

NOTE 11 - PENSION PLAN

General Information About the Pension Plan:

Method used to value investments. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan description. The District's Pension Committee administers the District's Pension Plan – a single-employer defined benefit pension plan that provides retirement, disability, and death benefits to plan members and beneficiaries.

Management of the District's plan is vested in the District's Pension Committee, which consists of three members who are the District's General Manager, Assistant General Manager and Senior Customer Account Analyst. The Pension Committee has the authority to amend the District's pension plan.

Employees covered by benefit terms. At July 1, 2014, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	8
	<u>17</u>

Benefits provided. The normal retirement date for participants is at or after the attainment of age 65 with 10 years of plan participation. Each vested participant is entitled to a retirement benefit, and such benefit is equal to 2.5% of the average monthly compensation during the 36 consecutive months immediately prior to retirement multiplied by the number of years of credited service. A participant may retire early on the first day of any month on or after the age of 55, with 10 years of plan participation. Benefits are reduced by .5% for each complete month by which commencement of benefit payments precedes the participant's normal retirement date. Benefits fully vest on participants on or after 40 years of service and are reduced by .5% for each complete month by which commencement of benefit payments precedes the participant's normal retirement date.

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 11 - PENSION PLAN - Continued

Disability benefits are available for participants with 10 years of service. If the participant is at least 55 on the date as of which he or she is entitled to a disability retirement benefit, the benefit is determined as for normal retirement (no early retirement factor is applied) but based on credited service and compensation prior to actual disability retirement. If the participant is less than 55 on the date as of which he or she is entitled to a disability benefit, the benefit is determined as in the immediately preceding sentence but is actuarially reduced for each month that the benefit starting date precedes his or her 55th birthday.

Pre-retirement death benefits are available for participants who are actively employed and for terminated employees with 10 years of service. The benefit is calculated as if the participant terminated, lived to the earliest date they could have retired, elected the 50% Joint and Survivor Annuity option, then died. The 50% continuation benefit is payable to the spouse (if any).

Contributions. The annual required contribution for the current year was determined as part of the July 2012, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses) and (b) projected salary increases of 3.0% per year plus a service-based scale based on years of service. The assumptions did not include postretirement benefit increases, which are not provided by the Plan. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 20 years. For the year ended June 30, 2015, the average active member contribution rate was 0 percent of annual pay, and the District's average contribution rate was 13.88 percent of covered payroll.

Investment policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the District's Pension Committee by a majority vote of its members. It is the policy of the District's Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The District's investments policy is provided in more detail in Note 2 to the District's financial statements. The following was the District's adopted asset allocation policy as of June 30, 2015:

Asset Class	Target Allocation
Cash and Cash Equivalents	29.00%
Governmental Debt	15.00%
US Large Cap Equity	27.00%
US Small/Mid Cap Equity	15.00%
International Equity	12.00%
Emerging Markets Equity	2.00%
Total	100.00%

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 11 - PENSION PLAN - Continued

Concentrations. The following investments represent more than 5% of the total Net Position Held in Trust for Pension Benefits:

Type of Investment	Description	Fair Market Value at June 30, 2015
Mutual Funds Equities	T. Rowe Price Inst Large Cap Growth Fund	\$152,200
Mutual Funds Equities	Cambiar International Equity Fund	141,769
Mutual Funds Equities	Dodge & Cox Stock Fund	127,511
Mutual Funds Equities	American Europacific Growth Fund F 2	141,458
Mutual Funds Equities	Vanguard Dividend Appreciation Index	124,863
Mutual Funds Equities	Victory Munder Midcap Core Growth Fund	102,761
Mutual Funds Equities	Nuveen Winslow Large Cap Growth Fund 1	153,321

Rate of Return. For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.6015%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The District's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions.

	Year Ending June 30, 2015	Year Ending June 30, 2014
Investment rate of return (net of investment-related and administrative expenses)	7.00%	7.00%
Rate of compensation increase (including inflation)	3.00% plus service based scale	3.00% plus service based scale

Service-based component of compensation increases (For determination of benefits)

Service	Compensation Increase
0-4	1.50%
5-9	1.00%
10-14	0.50%
15+	0.00%

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 11 - PENSION PLAN - Continued

The plan does not have statistically credible data on which to provide a precise basis for this assumption. The assumption is based on input from the plan sponsor regarding future expectations and set to be consistent with our long-term inflation assumption and merit pay increase for employee groups with similar demographics.

Inflation – 3%. This assumption is based on long term (1926-2013) historical inflation numbers. While near term averages have been lower, the actuary does not believe this trend will continue indefinitely and expects that there will be a reversion to the long term average.

Mortality. Pre-retirement: RP-2000 Employees Table – male and female rates, set forward one year, projected by Scale MP-2014 to valuation date with no adjustment.

Post-retirement: RP-2000 Healthy Annuitants Table – male and female rates, set forward one year, projected by Scale MP-2014 to valuation date with no adjustment.

Prior Valuation: RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined tables for non-annuitants and annuitants, projected to the valuation date using Scale AA.

Mortality Improvement. Projected to date of decrement using Scale MP (generational mortality).

Retirement

Age	Rate
<62	0%
62-64	10%
65-69	20%
70-74	15%
75	100%

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 11 - PENSION PLAN - Continued

Termination – Sample Termination Rates

	Years of Service			
Age	0	1	2	>=3
<=19	0.00%	0.00%	0.00%	0.00%
20	14.90	12.50	10.50	9.30
25	13.90	11.25	9.25	6.80
30	12.90	10.00	8.00	5.05
35	11.90	8.90	6.90	3.95
40	10.90	7.90	5.90	3.25
45	9.90	7.05	5.05	2.75
50	8.90	6.30	4.30	2.75
>=55	8.00	5.00	3.50	1.75

The actuarial assumptions in regards to rates of decrement shown above (mortality, retirement & turnover) are based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor and data from larger plans with similar demographics. The plan does not have sufficiently credible data on which to perform an experience study.

Expense. None assumed paid from the trust.

Percent of active employees married. 80%.

Spouse's Age. Husbands are assumed to be 3 years older than wives.

Disability costs. None.

Changes in assumptions as of July 1, 2014. The mortality table, retirement rates and termination rate assumptions all changed with this valuation. See respective sections for more detail.

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 11 - PENSION PLAN - Continued

Target Allocation and Expected Rate of Return

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
Cash & Cash Equivalents	29.00%	0.50%	0.15%
Government Debt	15.00%	1.75%	0.26%
U.S. Large Cap Equity	27.00%	4.75%	1.28%
U.S. Small/Mid Cap Equity	15.00%	5.50%	0.83%
International Equity	12.00%	5.25%	0.63%
Emerging Markets Equity	2.00%	6.00%	0.12%
	100.00%		3.27%
Long-Term Inflation Expectation			3.00%
Long-Term Expected Nominal Return			6.27%

*Long-Term Returns are provided by HHIA. The returns are geometric means.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation. The target allocation percentages displayed above are based on the actual asset allocation as of June 30, 2015 rounded to the nearest percent.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 6.50% and 7.00%. An expected rate of return of 7.00% was used.

Discount Rate

The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where (a) contributions amounts are established by statute or contract or (b) a formal written policy exists. Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members.

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 11 - PENSION PLAN - Continued

If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20-year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover expected benefit payments and administrative expenses.

Plans that are expected to have sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency. GASB permits alternative methods to evaluate the sufficiency of the plan's net fiduciary position. Based on the plan's current net pension liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, the actuary used the 7.00% interest rate assumption to discount plan liabilities.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2014	<u>\$3,158,932</u>	<u>\$2,276,061</u>	<u>\$882,871</u>
Changes for the year:			
Service Cost	103,474		103,474
Interest	223,981		223,981
Differences between expected and actual experience	(227,606)		(227,606)
Changes of assumptions	(23,527)		(23,527)
Contributions-employer		98,679	(98,679)
Contributions-member			
Net investment income		58,913	(58,913)
Benefit payments, including refunds of member contributions	(127,497)	(127,497)	
Administrative expense			
Other			
Net Changes	<u>(51,175)</u>	<u>30,095</u>	<u>(81,270)</u>
Balances at June 30, 2015	<u>\$3,107,757</u>	<u>\$2,306,156</u>	<u>\$801,601</u>

THIRD TAXING DISTRICT – CITY OF NORWALK, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 11 - PENSION PLAN - Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the District, calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability as of June 30, 2015	\$1,200,367	\$801,601	\$465,867

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2015, the recognized pension expense is \$147,152. As of June 30, 2015, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$(189,672)
Changes of assumptions		(19,606)
Net difference between projected and actual earnings on pension plan investments	\$79,535	
Total	\$79,535	\$(209,278)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ended June 30:	
2016	\$(21,971)
2017	(21,971)
2018	(21,971)
2019	(21,972)
2020	(41,858)
Thereafter	-

Payable to the Pension Plan – At June 30, 2015, the District reported a payable of \$801,601 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.