

~AD HOC REPORT~
Non-Union Pension Agreement
Code of Ordinances §§ 14-2, 14-5 -14-13, and 14-18
Monday, October 24, 2016

Chairman Irving Fox called the meeting to order at 6:35 p.m. on Monday, October 24, 2016, Danbury City Hall, 155 Deer Hill Avenue. Present were Committee Members Vinny DiGilio and Fred Visconti. Also present were Ex-Officio Member Joe Cavo; Dianne Rosemark, Assistant Corporation Counsel; David St. Hilaire, Director of Finance; Andrea Gray, Payroll Supervisor/Accountant; and Richard Cohen, Shipman & Goodwin.

Mr. Fox stated the subject of the meeting, non-union pension amendments, stems from the January, 2016 City Council meeting, Item 6., and is a continuation of the previous committee meetings. The purpose is to provide non-union employees employed after a specified date, a defined contribution plan to provide regular, full-time active employees an additional pension option allowing for an actuarially-calculated full-release payment.

Ms. Rosemark noted a comprehensive plan was reviewed on September 26, 2016. She distributed highlighted proposed amendments previously discussed, with the exception of three new items, and a memo from Hooker & Holcombe noting the expected actuarial impact of the proposed pension amendments. The additions include: 1) push back new provisions for new hires to July 1, 2017; 2) new employees hired after that date will not have cost-of living added; and 3) memorialized return of contributions provision i.e., a person in the DB plan leaves the City without taking retirement can get their contributions back if they have been here less than 5 years, if they are here between 5-10 years they would receive their contributions plus 3%, and if they are here 10+ years, they are vested and would be looking to get a return of benefit.

Mr. St. Hilaire responded to Mr. Visconti's questions regarding Item 2) above and capping the City's future liability. He also answered Mr. Fox's comments on COLA and DC vs. DB plan incentives.

Mr. Cohen stated they updated the Ordinance; however, there are several, non-substantive, formatting items in addition to the memo referenced by Ms. Rosemark. Also regarding Item 3 in the Hooker & Holcombe memo, the investment advisor would need to be cognizant of potential lump sum popularity with regard to asset allocation. Mr. St. Hilaire commented on potential impacts as well. Ms. Rosemark also remarked that Hooker & Holcombe's paragraph 4 regarding eliminating COLA will be corrected prior to submission to City Council.

Mr. Visconti stated for the record, that the changes discussed tonight will not prevent the Committee from voting this evening.

In response to Mr. Cavo, Ms. Gray estimated approximately 75-80 people are participating. Mr. St. Hilaire recommended against a clause preventing a large number of lump sum payouts within a certain timeframe as not necessary.

A motion was made by Councilman DiGilio, and seconded by Councilman Visconti, to recommend the adoption of the specified amendments to Code of Ordinances Sections 14-2, 14-5 through 14-13, and to add new Section 14-18 as set forth and subject to a Public Hearing, having received a qualified cost estimate from the City's Actuaries in accordance with Connecticut General Statute Section 7-450AB. The motion passed unanimously.

A motion by Councilman Visconti, and seconded by Councilman DiGilio, that the Ad Hoc Committee be adjourned. The motion passed unanimously at 7:00 p.m.

Respectfully Submitted,
Irving Fox, Chairman Vinnie DiGilio Fred Visconti