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CITY OF DANBURY

155 DEER HILL AVENUE

DANBURY, CONNECTICUT 06810

DAVID W. ST. HILAIRE
DIRECTOR OF FINANCE

(203) 797-4652
FAX: (203) 796-1526

March 23, 2009

Members of the Common Council
Danbury City Hall
155 Deer Hill Avenue
Danbury, CT 06810

Dear Common Council Members,

Over the last several months, we have been preparing the City for the financial challenges that lie ahead by "freezing" the current year budget and leaving non-vital positions vacant while formulating next year's budget. Many economists have specifically noted that local governments will be the last to realize the benefits of any recovery that may occur when it does occur. Accordingly, the city must prepare as any home or business would when faced with incomes (revenues) that are expected to be lower or grow slower in the future - reduce expenses and control costs.

The Retirement Incentive Program has been proposed as an important step towards our on-going efforts to reduce and control costs and presenting a strong financial plan for the City. Attached for your consideration you will find a proposed amending ordinance allowing the non-union employees of the General Employees Pension Plan to participate in the 2009 Retirement Incentive Program. The program will provide additional pension benefits for certain eligible employees not currently available under the existing ordinance. Employees opting to retire under the incentive program must make their election to participate no later than April 16, 2009, and must retire no later than June 30, 2009.

Thank you for your consideration.

Sincerely,

David W. St. Hilaire
Director of Finance



ORDINANCE
CITY OF DANBURY, STATE OF CONNECTICUT
COMMON COUNCIL

Be it ordained by the Common Council of the City of Danbury:

That the Code of Ordinances of Danbury, Connecticut, is hereby amended by adding a section, to be numbered 14-16, which said section reads as follows:

Sec. 14-16 - 2009 Retirement Incentive Program

1. The City of Danbury hereby adopts the 2009 Retirement Incentive Program ("Program") for non-union employees of the City and the City of Danbury Board of Education.
2. Those eligible for the Program include only active full-time employees who are:
 - a. participants in the General Employee Pension Plan; and
 - b. have at least ten (10) years of credited service.

The term "credited service" shall be as defined in Section 14-2 of the Code of Ordinances of the City.

This Program shall not apply to individuals currently receiving a pension or previously retired under the City Charter or under a current or prior collective bargaining agreement.

3. Eligible employees shall elect their participation in the Program no later than April 16, 2009, by submitting a written election to the City of Danbury Director of Finance. Such election to retire under this offering shall be irrevocable after April 16, 2009. The retirement date shall be July 1, 2009 and the last day of work for individuals so electing shall be June 30, 2009. An employee who has not elected an optional form of benefit within the timeframe specified by Section 14-16 of the Code of Ordinances and desires to make such an election must do so within five (5) days of submitting his or her election to return under the terms of this Program.
4. An employee who is interested in electing participation in the Program should schedule a personal review meeting with the City of Danbury Finance Department staff as soon as possible to determine eligibility and benefits. It is the employee's responsibility to investigate whether he/she is eligible.
5. An employee who retires under this Program shall receive the following benefits:

For an employee who, as of June 30, 2009 (1) has or will have a combined total in age and credited years of service of 80 (Rule of 80) and (2) completed at least ten (10) years of credited service under the pension plan, the benefit formula will be increased from one and one-half percent (1.5%) to two percent (2%) and there shall be no actuarial reduction for retirement prior to normal retirement age applied to such pension benefit. The applicable actuarial reduction for any optional form of benefit selected by the employee shall apply.

6. The City reserves its right to withdraw this proposed ordinance for any reason whatsoever, provided the City makes a written election to do so no later than April 30, 2009 and so notifies those who elected to participate in accordance with Section 3 hereof. In the event that the City withdraws this proposed ordinance, or the ordinance is not adopted by the Common Council, an employee who has made an election to participate under Section 3 above shall have the right to withdraw his/her application for retirement by written notice to the Director of Finance.