CITY OF DANBURY

OFFICE OF THE MAYOR
DANBURY, CONNECTICUT 06810

MARK D. BOUGHTON
MAYOR

(203) 797-4511
FAX (203) 796-1666

November 17, 2005

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

Dear Common Council Members,

Attached for your consideration you will find a proposed amending ordinance regarding a Retirement Incentive Program for non-union members of the General Employees Pension Plan. 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 March 31, 2006, and must retire no later than June 30, 2006.

This Retirement Incentive Program is the result on on-going meetings and discussions with the Management Advisory Committee. The Committee is comprised of non-union employees who bring forward new ideas and issues of concern faced by our non-union workforce. Over the past year, the Committee had suggested improving pension benefits for all non-union employees, current and future. While this was not feasible from a cost perspective, I agreed to explore the possibility of a one-time retirement incentive program, which would allow employees that meet certain criteria to retire with an improved pension benefit. That program is what is before you now for your consideration.

Thank you for your consideration.

Sincerely,

Mark D. Boughton
Mayor

RECYCLED PAPER

ORDINANCE

CITY OF DANBURY, STATE OF CONNECTICUT

COMMON COUNCIL

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

CITY OF DANBURY
2005 RETIREMENT INCENTIVE PROGRAM

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

1. The City of Danbury hereby adopts the 2005 Retirement Incentive Program ("Program").

2. Those eligible for this Program include only active employees of the City of Danbury who are:

a) participants in the General Employees Pension Plan;
b) who have at least fifteen (15) years of credited service in the pension plan; and
c) are not represented by a union.

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

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 March 31, 2006, by submitting a written election to the Director of Finance. Such election to retire under this offering shall be irrevocable after March 31, 2006. The retirement date and the last day of work for individuals so electing shall be: (i) not earlier than May 1, 2006, and (ii) not later than June 30, 2006. An Employee that has not elected an optional form of benefit within the timeframe specified by Section 14-6 of the Code of Ordinances, and desires to make such an election, must do so within ten (10) days of submitting his or her election to retire 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 Finance Department staff as soon as possible. Although the City will make a reasonable effort to identify and notify all eligible employees, it is ultimately the employee's responsibility to investigate whether he/she are eligible.

5. An employee who retires under this Program shall receive the following benefits:

For an employee who, as of June 30, 2006 has or will have (i) attained age 51 and (ii) completed at least fifteen (15) 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 (2.00%) 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 cancel or withdraw this Program for any reason whatsoever, provided the City makes a written election to do so no later than April 30, 2006 and so notifies those who elected to participate in accordance with Section 3 hereof. In the event that the City cancels or withdraws this Program, 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.