

REPRESENTATIVE TOWN MEETING

Darien, Connecticut

Town Government Structure and Administration (TGS&A) Committee

A Special Meeting of the TGS&A Committee will be held on Monday April 17, 2017 at 7:30pm in the Room 119, Town Hall.

The agenda for the April 17, 2016 Special Meeting will be:

1. In a joint meeting with the RTM Finance and Budget Committee (F&B), discuss pending modifications to Section 50-91 of the Town Code, relating to pension cap agreements. Room 119.
2. Following the discussion with F&B, meet and take action on the pending modification to Section 50-91 of the Town Code, relating to pension cap agreements. Auditorium.
3. Adjournment

It should be noted that at a Special Meeting, only the topics that have been listed on the agenda may be discussed.

Draft copies of the Executive Summary and the Resolution relating to modification of Section 50-91 are attached.

Frank Kemp, Chairman

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Executive Summary

Date: March 28, 2017
To: Seth Morton, Moderator
From: Kate Clarke Buch, Town Administrator
RE: Pension Plan Amendment

Beginning in 2014, the Town began negotiating with the various bargaining units covered under the Town of Darien Employee Retirement Plan (“the Plan”) to implement a cap on the pension benefits provided under the Plan. Those negotiations took several years due to the varying expiration dates of bargaining agreements. In all cases, we have now negotiated a 70% cap on the pension benefit, with certain exceptions. The exceptions are for employees who have at least 25 years of service as of the effective date specified in their unit’s agreement. Those employees will have a cap of either 75% or the amount to which he/she would have been entitled had he/she retired on the effective date for their unit. With the agreements all in place, the next step is to amend Section 50-91 of the Town of Darien Code of Ordinances.

**RESOLUTION OF THE REPRESENTATIVE TOWN MEETING OF THE TOWN OF
DARIEN APPROVING THE AMENDMENT TO SECTION 50-91 OF THE DARIEN
CODE OF ORDINANCES**

WHEREAS, the Town of Darien (the "Town") for several years has been negotiating with various bargaining units covered under the Town of Darien Employee Retirement Plan (the "Plan") to implement a cap on the Pension benefits under the plan;

WHEREAS, pursuant to Section 50-181 of the Town of Darien Code of Ordinances, the Plan may be amended by the Town's Board of Selectmen (the "Board") with approval of the Board of Finance and a Representative Town Meeting; and

WHEREAS, the Town has reached an agreement with eight different bargaining units to implement a cap on the Pension benefits with different effective dates for different agreements;

NOW THEREFORE, BE IT RESOLVED: That the following amendment to section 50-91 of the Town Code, effective 07/01/2017 or such later date as may be established in the individual bargaining unit agreements, is hereby approved.

Section 50-91 of the Darien Code of Ordinances shall be amended to include the following language on what will become a new paragraph (c):

Effective 07/01/2017, or such later date as may be established in the individual bargaining unit agreements, no annual retirement benefit shall exceed a maximum of seventy percent (70%) of the employee's "average annual compensation" as defined by Section 50-36 of the Darien Code.

Notwithstanding the above, employees with at least twenty-five (25) years of credited service in the pension plan on 07/01/2017, or such later date as may be established in the individual bargaining unit agreements, shall not receive an annual retirement benefit plan that is greater than:

1. seventy-five percent (75%) of the employee's "average annual compensation" as defined by Section 50-36 of the Darien Code.

or

2. the percentage of the employee's "average annual compensation" as defined by Section 50-36 of the Darien Code that he/she would have been entitled to receive had he/she retired on 07/01/2017, or such later date as may be established in the individual bargaining unit agreements.