

To All Union Presidents,

Mayor Bronin delivered his State of the City address yesterday at City Hall. The tone was somber due to the current fiscal crisis. I'm sure all of you are aware of the discussion regarding a state oversight board that could grant the City authority to open up collective bargaining agreements and chip away at the benefits your unions have worked so hard to attain.

That issue aside, as your Employee Representative on the Pension Board, my real and immediate concern is related to the Actuarial Determined Contribution (ADC) -- formerly referred to as the ARC payment. In the mayor's address last night he stated the following: "We must consider decreasing our pension contributions.

Not because our pensions are fully-funded, but because a city in our financial position doesn't have the luxury of fully-funding pensions in the near-term."

This causes me great concern seeing as how the Pension Commission, and the Treasurer's Officer, has a

fiduciary responsibility to make the full ADC payment on a yearly basis. Next year (FY-2017) the ADC will be

\$40.2 million. Approximately \$25 million of that figure is to cover part of the asset losses sustained during the

financial crisis of 2008-2009. Mayor Bronin wants to avoid paying back those losses in the near-term and

only make the normal payment, which is around \$12 million. He understands that the City is contractually

obligated to make the full ADC payment. However, he intends to work with the Hartford Delegation to pass

legislation granting him authority to make a reduced payment. Any reduction would have a compounding

effect over time that will undoubtedly reduce the funded status (currently hovering around 75%) and cost the

City more in the long-term.

If you have any ideas or questions please feel free to contact me. You may want to consider working with

officials at the state level seeing as how current efforts by the new administration are aimed at circumventing

the City Charter and Collective Bargaining Agreements. We have to work together in order to ensure that our

pension fund is secure and that the hard working employees we represent are protected in their retirement

years.

Best regards,