



Luke A. Bronin
Mayor

March 22, 2016

Honorable Adam M. Cloud, Treasurer
City of Hartford
550 Main Street
Hartford, CT 06103

RE: Pension Analysis

Dear Treasurer Cloud:

As we have discussed in recent weeks, I am working to develop a financial recovery plan that achieves fiscal stability for the City going forward. A major component of the City's expense structure is the salaries and retirement benefits of our hard working employees. As my staff has discussed with you separately, I request analysis that will provide perspective regarding the viability and potential costs savings of the following:

- Impact of fixing the City's contribution at \$20 million for each of the next five (5) fiscal years;
- Impact of fixing the City's contribution at \$30 million for each of the next five (5) fiscal years;
- Increasing vesting from five (5) to eight (8) years;
- Increasing vesting from five (5) to 10 years;
- Understand the financial impact(s) and process of moving to a defined contribution plan;
- Hybrid of defined benefit with a maximum of 50% base salary then shift to a defined contribution;
- The financial impact(s) of changing amortization from 25 years to a) 30 years; b) 35 years; and c) 40 years;
- Financial impact(s) and process of moving all employees to the State MERF Plan;
- For Police only: Cap pension benefit not-to-exceed 100% of base salary; and
- For Police only: Cap pensionable overtime earnings at 50%.

Should you have any questions, do not hesitate to call on me.

Sincerely,

A handwritten signature in black ink, appearing to read "Luke A. Bronin", is written over a horizontal line.

Luke A. Bronin
Mayor

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