



City of Bristol

NEWS RELEASE

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MAYOR ANNOUNCES PENSION REORGANIZATION, SAVING THE CITY \$3.7 MILLION IN THE NEW BUDGET

The City of Bristol's Board of Finance adopted a budget Wednesday night that reflects a tax increase of less than 1 mill (0.85), thanks to a method of accounting recognition for the City's three pension funds. Without this action, the mill rate increase for the budget that takes effect on July 1, 2018 was projected to be 1.56 or a 5.5 % increase over last year's budget.

"The Police and Firefighter Benefits were both significantly overfunded, while the city's General Retirement Fund for all other city employees with the exception of teachers, dipped to 99% funded, which triggered a recommendation from the City's actuary to make a \$3.7 million contribution," stated Mayor Ellen Zoppo-Sassu. "By placing the Police and Firefighter Funds figuratively, on either side of the General Retirement Fund and creating an umbrella over all 3 of them, we were then able to use an average of all 3 funded ratios, which then eliminates the need to contribute this year, freeing up that money for mill rate reduction so the taxpayers didn't have to absorb such a large bump."

"We discussed this extensively with the City's actuaries, the City Treasurer and Comptroller, our pension attorney, and the Funds' investor, John Beirne," stated Councilman David Preleski. "It is important to know that this is not a gimmick – it is a legitimate way of recognizing the 3 funds as 1 invested fund, and by doing that, it saves the City and its taxpayers' money."

City Treasurer Thomas Barnes, who chairs the Retirement Board, agreed stating "I believe this will streamline the pension, save money on administrative costs and reduce the contribution cost of the City for the next decade. Taxpayers and unions both benefit in the long run."

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“Last month, facing a 1.56 mill rate increase which was 5.5% increase over last year’s budget, the Mayor approached the City Unions and invited them to a presentation by our actuary, Milliman Executive Becky Sielman, so everyone could understand what this meant,” stated Preleski. “Luckily, Ellen came into office with positive labor relationships and they were willing to listen. It was important for them to know we were not taking anything away from the Funds. We have more issues pending in the Mayor’s long-term strategic agenda for the City.”

Due to the Mayor’s husband being a member of the Police Department, she has a conflict of interest and delegated the discussions with the Bristol Police Union to Preleski, while she handled the discussion with the Bristol Fire Union Local 773.

“I am so impressed with the officers and members of the two Unions who did their homework and asked hard questions,” said Preleski. This is not a one-time savings to the taxpayers – next year’s contribution was slated to be \$4 million, and \$5 million in the fiscal year after that. In fact, the projections over the next 2 decades may result in the City saving tens of millions of dollars. I can’t say enough about how refreshing it is to have a mayor who is innovative and willing to spend long hours to make sure an agreement like this comes to be.”

Sean Lennon, President of the Local Fire Union #773 stated that he and his fellow members were happy to listen. “While our formal contract negotiations and those of the Police Union don’t begin until next spring, we understand how important this is to the city’s fiscal stability, at a time when the State is cutting municipal aid. We live and work here, and want what’s best for the City.”

James Pelletier, President of the Local Bristol Police Union agreed, and stated that “the City wants to market itself as an attractive place to families and businesses so classroom sizes, neighborhood safety, investment in roads, and high quality city services are all part of that package.”

Also approved in the budget was an additional police officer to join the School Resource Officers currently in the schools, a major renovation to Page Park Pool, several road improvement projects and more. The complete budget may be found under the Comptroller’s tab at www.bristolct.gov.

The budget will be formally adopted at a Joint Meeting of the City Council and Board of Finance on Monday, May 21, at 6:00pm in the Council Chambers of City Hall. Members of the public are welcome to attend.

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