



Substitute Senate Bill No. 20

Special Act No. 06-4

AN ACT CONCERNING CERTAIN PROVISIONS OF SPECIAL ACT 01-1.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subdivision (7) of section 2 of special act 01-1 is amended to read as follows (*Effective January 1, 2007*):

(7) "Contract" means any agreement, contract, lease, obligation, other than a debt obligation, letter of intent or acceptance regarding the provision of goods or services to or for the benefit of the city by and between the city and any other party, [including collective bargaining agreements with employees of the city] and any agreement, contract, letter of intent or acceptance regarding the sale or lease of any assets of the city having a fair market value greater than fifty thousand dollars.

Sec. 2. Subsection (a) of section 11 of special act 01-1 is amended to read as follows (*Effective January 1, 2007*):

(a) In carrying out the purposes of [this act] special act 01-1, as amended by this act, the board shall have the following powers, duties and functions:

(1) Review and approve or disapprove the city's annual budget,

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including, but not limited to, the governmental funds, enterprise funds, and internal service funds, in accordance with the provisions of section 12 of [this act] special act 01-1;

(2) Review and approve or disapprove an initial financial plan of the city, in accordance with the provisions of section 12 of [this act] special act 01-1;

(3) Review and approve or disapprove the proposed terms of any deficit funding bonds or interim funding obligations pursuant to this act or any other bonds, notes or other obligations of the city;

[(4) (A) Approve or reject all collective bargaining agreements for a new term, other than modifications, amendments or reopeners to an agreement, to be entered into by the city or any of its agencies or administrative units, including the board of education. If the board rejects a proposed collective bargaining agreement, the parties to the agreement will have ten days from the date of the board's rejection to consider the board's concerns. In rejecting an agreement, the board shall indicate the specific provisions of the proposed agreement which caused the rejection, as well as its rationale for the rejection. The board may, at its option, indicate the total cost impact or savings it would find acceptable in a new agreement. After the expiration of such ten-day period, the board shall approve or reject any such agreement. If the parties have been unable to reach an agreement or the board rejects such agreement, the board shall set forth the terms of the agreement, which shall be binding upon the parties. In establishing the terms of the agreement, as well as in making a determination to reject a proposed agreement, the parties shall have an opportunity to make a presentation to the board. The board shall not be limited to consideration and inclusion in the collective bargaining agreement of matters raised or negotiated by the parties;

(B) Approve or reject all modifications, amendments or reopeners to

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collective bargaining agreements entered into by the city or any of its agencies or administrative units, including the board of education. If the board rejects a proposed amendment to a collective bargaining agreement, the parties to the agreement will have ten days from the date of the board's rejection to consider the board's concerns. In rejecting an amendment to an agreement, the board shall indicate the specific provisions of the proposed amendment which caused the rejection, as well as its rationale for the rejection. The board may, at its option, indicate the total cost impact or savings it would find acceptable in a new amendment. After the expiration of such ten-day period, the board shall approve or reject any revised amendment. If the parties have been unable to reach a revised amendment or the board rejects such revised amendment, the board shall set forth the terms of the new amendment, which shall be binding upon the parties. In establishing the terms of the new agreement, as well as in making a determination to reject a proposed amendment, the parties shall have an opportunity to make a presentation to the board;

(5) With respect to labor contracts in or subject to binding arbitration, serve as the binding arbitration panel. The board shall have the power to impose binding arbitration upon the parties any time after the seventy-fifth day following the commencement of negotiations. If, upon the effective date of this act, the parties are in binding arbitration, the board shall immediately replace any established binding arbitration panel. The time limits in the applicable provisions of the general statutes or any public or special acts governing binding arbitration shall be reduced by one-half. The board shall not be limited to consideration and inclusion in the collective bargaining agreement of the last best offers or the matters raised by or negotiated by the parties;]

[(6)] (4) Review and approve or disapprove any contract and any renewal, extension or modification thereof not covered by collective

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bargaining contemplating the expenditure in either the current or any future fiscal year of more than fifty thousand dollars and shall have the power to set aside any contracts which have not been authorized in accordance with the requirements of any state or local law;

[(7)] (5) Review and approve all bond ordinances and bond resolutions of the city;

[(8)] (6) Approve transfers of appropriations made by the Board of Aldermen;

[(9)] (7) Appoint one or more independent auditors as such term is defined in section 7-391 of the general statutes for the purpose of meeting the requirements of chapter 111 of the general statutes;

[(10)] (8) Audit compliance with the financial plan and the annual budget in such areas as the board shall determine;

[(11)] (9) Require the city to implement such measures relating to the efficiency and productivity of the city's operations and management as the board deems appropriate to reduce costs and improve services so as to advance the purposes of [this act] special act 01-1, as amended by this act;

[(12)] (10) Obtain information on the financial condition and needs of the city, provided nothing in this subdivision shall diminish the powers of the mayor, the finance director, the Board of Aldermen or any other board, agency or authority of the city otherwise provided by law;

[(13)] (11) Monitor compliance with, require implementation or implement the provisions governing revaluation set forth in section 12-62 of the general statutes;

[(14)] (12) Monitor the funding of pension contributions in

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accordance with actuarial recommendations;

[(15)] (13) Approve or disapprove the chief negotiator for the city for the purposes of collective bargaining and, in the case of disapproval, the board may appoint such negotiator;

[(16)] (14) Study the city's unfunded pension liability and, not later than two years from [the effective date of this act] March 9, 2003, report to the Governor and the General Assembly recommendations on addressing the unfunded liability which report shall be in accordance with section 11-4a of the general statutes; and

[(17)] (15) Report to the Governor and the General Assembly on or before July 1, 2001, and every six months thereafter, regarding the fiscal condition of the city and compliance with [this act] special act 01-1, as amended by this act, which report shall be in accordance with section 11-4a of the general statutes.

Sec. 3. Subsection (b) of section 11 of special act 01-1 is amended to read as follows (*Effective January 1, 2007*):

(b) The board may:

(1) Review and approve or disapprove the budget of the city's board of education on a line item basis and may require the board of education to submit to it any budget transfers;

(2) Appoint an emergency financial and administrative manager and delegate to such manager, in writing, such powers as the board deems necessary or appropriate for the purpose of managing the financial and administrative affairs of the city for the period of time during which the city is subject to the powers of the board provided the board may not delegate the powers enumerated under subdivisions (1) to [(5)] (3), inclusive, [(7), (15) and (17)] (5), (13) and (15) of subsection (a) of this section, as amended by this act, and

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subdivisions (1) [(4), and (6) to (8)] and (5) to (7), inclusive, of this subsection and further provided the board may override any actions taken by such manager at any time;

(3) Retain such consultants experienced in the field of municipal finance, municipal law, governmental operations and administration or governmental accounting as it shall deem necessary or desirable for accomplishing its purposes;

[(4) Make a request to the exclusive representative of an employee bargaining unit to reopen the negotiation process and present a proposed revision to a contract. Such exclusive representative shall have five days to respond to such request and, if the exclusive representative fails to so respond, it shall be deemed to have denied such request.

(A) If the exclusive representative denies such request, the state board of labor relations, through its agent, shall convene, no later than ten days from the date of such denial, a meeting of the membership of the bargaining unit. At such meeting the board shall present its proposed revision. A vote of such membership shall be held on such proposed revision no later than five days after the date of the meeting. The agent of the state board of labor relations shall schedule such vote and shall post a notice of the appropriate date, time and location.

(B) If the exclusive representative agrees to negotiate with the board on the proposed revision, the parties shall have fourteen days to so negotiate, provided such period may be extended an additional fourteen days by mutual agreement of the parties. If the parties reach an agreement, the agreement shall be subject to the ratification procedure established by the bargaining unit. If the parties fail to agree, the last best offer of the board on such proposed revision shall be submitted to the membership of the bargaining unit for a vote to be held no later than five days from the date negotiations ceased pursuant

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to this subparagraph. The exclusive representative shall schedule such vote. The board shall have an opportunity to present its revisions to the membership prior to such vote.

(C) The vote pursuant to subparagraphs (A) and (B) of this subdivision shall constitute final action on the proposed revision. An affirmative vote by a majority of the membership of the bargaining unit shall constitute approval of the subject of such vote. A failure to achieve such affirmative vote shall constitute a final rejection of the proposed revision and such proposed revision shall not be subject to further dispute resolution, in which case the existing contract shall remain in effect. The requirements of this subsection shall not be considered a prohibited practice under subsection (a) of section 7-470 of the general statutes or subsection (b) of section 10-153e of the general statutes;]

[(5)] (4) Order any official or employee of the city or any agency or administrative unit thereof, including any member or employee of the board of education, to implement any decisions of the board;

[(6)] (5) Override any action or decision of the mayor, except an action or decision made by the mayor in relation to collective bargaining under sections 7-467 to 7-479, inclusive, of the general statutes, or sections 10-153a to 10-153n, inclusive, of the general statutes, Board of Aldermen or other city employee which action or decision affects the economic viability of the city, including, but not limited to, decisions with respect to personnel and other administrative hires;

[(7)] (6) Review any existing contract of the city, not covered by collective bargaining, to determine if such contract is in the best interest of the city and shall have the power to set aside such contract provided there is no significant penalty to the city as a result of such action; and

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[(8)] (7) Issue deficit funding bonds and interim funding obligations in the name and on behalf of the city as provided in section 3 of [this act] special act 01-1 and in doing so, require the city to comply with the provisions of section 7 of [this act] special act 01-1.

Sec. 4. Section 14 of special act 01-1 is amended to read as follows (*Effective July 1, 2006*):

(a) The board shall remain in existence and exercise the powers, duties and functions granted to it by [this act] special act 01-1, as amended by this act, until such time as the general fund [, special revenue funds,] and enterprise funds [, and internal service funds] of the city shall have, for five consecutive fiscal years, maintained a positive unreserved fund balance, retained earnings balance, in accordance with audits required by the general statutes and the board, by resolution, determines that: (1) There have been no annual budgetary deficits for the general fund of the city for five consecutive fiscal years; (2) the city has presented and the board has approved a financial plan that projects positive unreserved fund balances and retained earnings for the general fund [, special revenue funds,] and enterprise funds [and internal service funds] for the three succeeding consecutive fiscal years covered by such financial plan in accordance with generally accepted accounting principles and [this act] special act 01-1, as amended by this act, which financial plan shall contain actuarially recommended contributions sufficient to eliminate any audited deficit in any of its internal service funds over a period of no more than ten years from the date of the board's approval of such plan; and (3) the audits for five consecutive fiscal years have been completed and are unqualified relating to the annual reporting of results of operations for all governmental funds, enterprise funds, and internal service funds.

(b) If, during the period during which any borrowings of the city secured by a special capital reserve fund pursuant to section 6 of [this

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act] special act 01-1 or pursuant to special act 96-3 remain outstanding, the city incurs an audited annual budgetary deficit in its general fund in excess of one-half of one per cent of its most recently completed annual budget, fails to fund pension contributions in accordance with actuarial recommendations, fails to implement revaluation in accordance with section 12-62 of the general statutes or fails to fund its internal service funds [at a level necessary to avoid the accumulation of retained earnings deficits] in accordance with the plan approved pursuant to subdivision (2) of subsection (a) of this section, the board may, at the direction of the secretary, be reestablished and may reassume the duties, powers and functions granted to it by [this act] special act 01-1, as amended by this act, and shall remain in existence until the provisions of subsection (a) of this section are again satisfied.

Approved May 30, 2006