

**Testimony of Craig Manemeit  
Director of Labor Relations  
City of New Haven**

**Connecticut General Assembly  
Planning and Development Committee  
March 10, 2010**

Honorable Committee Members, thank you for allowing me to address you today. My name is Craig Manemeit and I am the Director of Labor Relations for the City of New Haven. I am here today in support of Section 34 of HB 5031 "AN ACT REDUCING COSTS TO MUNICIPALITIES".

The City supports the creation of a state administered Municipal Employee Retirement Fund that would allow member communities to provide retirement benefits to employees in a less expensive and more cost-effective manner.

In the City of New Haven employee pension, health care and wages are, by far, the most significant cost drivers of our city budget. Approximately seventy cents of every dollar of our expenditures are dedicated to subsidizing these benefits. Year after year the City of New Haven experiences significant growth in these areas, so much so that the sum of increases in this area of the budget account for virtually the entire growth in expenditures from FY2010 to FY2011. (can you get me the actual dollar amount of increases as well as the percentage)

Despite our workforce having been reduced by more than 350 positions in the past 10 years, the liability associated with current employee pension, healthcare and wage packages have more than doubled - from \$47.3 million in FY2001 to \$104.2 million in FY2011. This is simply not sustainable.

It is imperative that changes are made in the manner employee benefits are provided in order to reduce the burden on municipalities who ultimately have to pay for them.

Specifically, we need to:

- Give employers the ability to offer, at a minimum, a defined contribution retirement plan to their employees;
- Amend our current collective bargaining statutes so as to require that an employer's 'ability to pay' is the dispositive factor an arbitrator considers when rendering a binding arbitration award;
- Redefine and specify what falls within the definition of a "mandatory subject of collective bargaining";

Implementing these changes won't be easy; nor will they be welcome. But these are not normal times and extreme measures are necessary. I can think of no other solution that

will guarantee the delivery of public services in the degree we now enjoy. Unless we can change the status quo, the impact of the escalating costs associated with municipal pension, healthcare and wage packages will inevitably result in the deterioration of public services.

I urge the honorable members of this committee to give serious and thorough examination of the structural issues facing municipal pensions in addition to the related issue of collective bargaining regulations.

Thank you for your time.