



**Testimony
Bart Russell, Executive Director
Connecticut Council of Small Towns
Before the
Labor & Public Employees Committee
March 1, 2012**

Thank you for the opportunity to comment in support of the following binding arbitration proposals:

HB-5202 will help ensure that final decisions are issued in a timelier manner, which will assist towns in developing budgets that reflect accurate salary and benefit costs.

HB-5203 will improve the binding arbitration process by ensuring that arbitrators are truly neutral. By ensuring that the selection is made at random from among the panel of neutral arbitrators, HB-5203 will provide parties with more confidence in the arbitration process. This will go a long way toward improving the integrity of the process and providing all parties with a level playing field.

HB-5238 will prevent arbitrators from considering a town's fund balance - a balance that is maintained to protect the town's fiscal integrity - in determining a town's financial ability to pay for purposes of municipal binding arbitration awards. A town's fund balance is a critical tool in protecting a town's fiscal stability. In fact, it is a big factor in determining a town's bond rating which is critical to borrowing funds at a lower interest rate. Allowing this to be considered in making a binding arbitration award makes no sense whatsoever. The current process penalizes towns that are doing the right thing by maintaining an adequate fund balance to reduce indebtedness costs.

COST therefore urges your support for these binding arbitration reform proposals.