

Statement of:

***Nicholas Trigila***  
*City of Hartford Pension Commissioner*  
*Employee Representative*

My name is Nicholas Trigila, Employee Representative on the City's Pension Commission, Hartford police officer, and proud lifelong resident of the City. I'd like to thank the Finance Committee for allowing testimony on **Senate Bill 464**.

I am providing this testimony to **oppose SB 464** on two distinct grounds:

- 1) It violates City charter as it relates to the funding of the Municipal Employee Retirement Fund (MERF) and,
- 2) It violates state law on the collective bargaining process.

In regards to the first point, SB 464 has a stipulation that authorizes the City to underfund the MERF. Not meeting the recommended pension obligation is morally wrong, fiscally irresponsible, and violates the City charter. Historically, the Pension Commission has always looked for ways to work with the City in regards to its obligations, and fully intends to do so moving forward. Our fund, as of today, is healthier than most public pensions specifically because City charter requires the actuarial determined contribution to be made on a yearly basis. Moreover, employees have made their contractually obligated contributions and have agreed to increases in order to provide the City with savings. Contrary to what the mayor's administration would have the public believe, the unfunded liabilities caused by asset losses sustained during the global economic crisis are to blame – **not collective bargaining agreements or headline grabbing pensions**. SB 464's plan to allow the pension fund to drop to 65% funded status in order to close budget gaps is not only arbitrary, but would only save the city a mere \$20-\$30 million dollars before reaching that level according to our pension consultants. As it already stands, the current accounting formulas as it relates to assumed rates of return on pension investments are generous, which has not only placed stress on the fiduciaries but also helped to lessen the burden on taxpayers. Shirking our fiduciary responsibility through reduced funding would not only diminish the City's ability to pay out promised benefits but also adversely impacts future generations of Hartford taxpayers. This happens by not making the full actuarial determined contribution and missing out on critical investment opportunities to grow the fund. The current rules under the City charter have secured the MERF's long-term health and have positively contributed to the City's bond rating. It's not sound logic to address an annual deficit problem by creating a crippling pension crisis in the process.

Regarding the second issue of collective bargaining rights, passage of this bill will remove neutrality from the arbitration process – a cornerstone to any fair negotiation. Under SB 464 arbitrating impasses in labor negotiations would fall squarely on the shoulders of the Sustainability Commission, which is made up of the Mayor, two of his appointees, and several elected City officials. Essentially, the party to a contract dispute

will also act as arbitrator negating any sort of fairness in the process. Even when the City of Waterbury went into receivership several years ago, the majority of their oversight board appointees were made up by state officials. That process, at least in part, ensured some level of arguable neutrality. Hartford, however, is not Waterbury, and has failed to prove such an imminent and dire financial situation that would substantiate such an overhaul.

If this bill passes in its current form, the Sustainability Commission will act as binding arbitrator for any municipal contract negotiation impasse – a wholly unfair practice. There is no defensible reason as to why the current arbitration process in place is not fair to the City and its employees. Furthermore, SB 464 allows for changes to current employee contracts, pensions, retiree benefits, and medical benefits – which run contrary to recent remarks made by the mayor in an op-ed piece he penned for the Hartford Courant. In regards to underfunding the pension, the authorization in this bill to do so will lead to severe economic consequences for the City of Hartford as a fiduciary, and that goes directly against this current administration's stance on confronting the economic crisis head on.

**I urge this committee to reject SB 464** for the aforementioned reasons and to support the hardworking employees and duly elected City officials to address our financial predicament.