

# Planning and Development Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-882

AN ACT CONCERNING MUNICIPAL ARBITRATION AND THE MUNICIPAL  
**Title:** EMPLOYEES' RETIREMENT SYSTEM.

**Vote Date:** 3/29/2019

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/20/2019

**File No.:** 724

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

## **SPONSORS OF BILL:**

Sen. Martin M. Looney, 11th Dist.

Sen. Bob Duff, 25th Dist.

Rep. Joe Aresimowicz, 30th Dist.

Rep. Matthew Ritter, 1st Dist.

## **REASONS FOR BILL:**

SB 882 would amend subsection (a) and (b) of section 7-472c and Section 7-440 of the general statutes. These amendments would update the Municipal Employee Retirement System (MERS) to include the following changes:

- A panel of neutral arbitrators will be appointed before July 1<sup>st</sup>, 2019. There may be no less than 10 people on this panel, all state residents appointed by unanimous vote, and serving a term of five years.
- Increase the rate of contribution to the MERS by two percent in a three year period by employees contributing to Social Security and for those employees not contributing, the amount contributed starts at five percent in 2019 and increases to eleven percent by 2020.
- Introduce random selection into the arbitration process.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

[Jonathan A. Harris](#)

[Undersecretary, Intergovernmental Policy and Planning  
Office of Policy and Management \(OPM\)](#)

## **NATURE AND SOURCES OF SUPPORT:**

**Connecticut Conference of Municipalities** supports the bill, and believes that the revisions made by the bill are reasonable and necessary to ensure that the MERS is sustainable. They believe this will balance contributions rates between employees and employers, and also "...provide much needed predictability to the local budgeting process during difficult fiscal times." Testimony was submitted by the following members:

- Daneil Giungi, Senior Legislative Associate for CCM
- Curt Leng, Mayor of Hamden
- Tony Salvatore, Town Manager of Cromwell
- Ken Beausoleil, First Selectman of Thompson

**Laura Francis, First Selectman of Durham** supports SB 882, and urges the committee to pass it.

**Betsy Gara, Executive Director, Connecticut Council of Small Towns** supports the bill, stating that the imbalance of funding is straining the budget of municipalities. Gara mentions that the contribution rate has not been increased since 1947, which has harmed the budget of municipalities, and the lack of funds leads to services being cut and property taxes being increased.

**Derrylyn Gorski, First Selectman of Bethany** supports the bill, and believes that this increased contribution will help towns in controlling pension costs.

**[Isabel Blank, Manager, External Affairs at the Yankee Institute for Public Policy](#)**

#### **NATURE AND SOURCES OF OPPOSITION:**

**Pat and Sal Luciano, President CT AFL-CIO** opposes the bill, and believes it will burden low-wage workers the most. Mr. Luciano also urges the committee to oppose amending the binding arbitration statute, he references a Program Review and Investigations Study from 2006 that found the process to be effective and fair, with arbitrators ruling in favor of employees fifty-five percent of the time.

**Brian Greenleaf, Director of Finance and Operations, Ellington Public Schools** opposes the legislation, and believes despite its intentions; SB 882 shifts payment burdens onto employees. He feels that this increase will cost the taxpayers of Ellington more than it will help the town. These increases, he says, will cost fifteen percent of an Ellington employee's salary. Mr. Anderson would like to see a more equitable solution implemented by the legislature. He believes that all efforts to amend MERS wait until such a solution is found.

**Richard Hart, Director fo Legislative and Political Affairs, Uniformed Professional Firefighters Association** applauds the intent of this bill, but feels that a the six percent increase over three years is not acceptable. Mr. Hart says this increase will unnecessarily burden employees. He recommends a half a percent (0.5%) increase every year for four years, and revisiting this model every three years to determine whether improvements could still be made.

**Brian Anderson, Legislative Coordinator, Council 4 AFSCME** opposes the bill, and believes that the MERS should be left as it is. Mr. Anderson asks that the committee leave

municipal binding arbitration alone and "...reject random selection of neutrals", which he believes will kill continuity and polarize the entire arbitration process.

**Timothy Connellan, Superintendent, Southington Public Schools** supports the intent of the bill, and urges the committee to lower the contribution rate, which he believes will lift a significant burden off employees and still allow them to meet the contribution goals set by the bill.

**Mark Sciota, Town Manager, Town of Southington** supports the intent of the bill, but is concerned that the expectation for employees to increase contributions by two percent is too much of a burden for workers. Mr. Sciota recommends that the bill be "modified to be a joint solution".

**Steve Salerno, President, Southington Police Union** supports increased contribution to the Municipal Employee Retirement Systems, but believes that a six percent increase over three years is not fair. This rate of increase would, "negate any raises [they] obtained through contract negotiations."

**Sherri DiNello, Director of Business and Finance, Southington Public Schools** does not support the bill, her experience with developing the budget for Southington Public Schools has shown her the great impact that increasing contribution rates has on people. She supports amending the bill to spread the increase over a five year period. DiNello also attached a letter from John Herrington, Director of the Retirement Services Division of the Office of the State Comptroller. Herrington explains the purpose behind revisions made to the Municipal Employee Retirement System, which were based on the results of an experience study.

**Reported by: Wesaneit Tsegai**

**Date: 4/29/19**