



## Town of East Greenwich Town Manager

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Testimony from Andrew E. Nota, East Greenwich Town Manager  
In Opposition of H7089 (Firefighters Arbitration), H7090 (Police Arbitration)

House Committee on Labor  
February 2, 2022

The Honorable Anastasia Williams  
Chair, House Committee on Labor  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

**Re: Opposition to Fire & Police Contract Continuation (H7089/H7090, Bennett)**

Dear Chairperson Williams and Members of the House Committee on Labor,

On behalf of the Town of East Greenwich I respectfully provide this testimony in opposition to House Bills 7089 and 7090, that would mandate contract continuation for both Police and Firefighter municipal employee groups. As you consider these two bills that are designed to expand contract continuation legislation, I would like to reiterate my strong opposition to any legislation mandating contract continuation of municipal employees. This legislation involving specifically Police and Fire employees, would greatly limit the control of municipal leaders over aspects of the collective bargaining process impacting municipal budgets and ultimately the funding and implementation of important and necessary community priorities. With personnel costs representing up to 75% of municipal expenditures in some communities, the General Assembly should be mindful of the difficulty municipalities will have in balancing community needs and local budgets when legislative influences are made to such core elements of that local process. We hire and work daily with our employee's thus we have the necessary functional working and professional relationship with our employee groups. History has proven that in the vast majority of such interactions, across all 39 cities and towns, the end result is successful contract agreements and in spite of inherent disagreements that may occur as part of any negotiation process, the need for legislative intervention does not exist in this area of local government.

As the members of the Committee are aware, the law has now been challenged in court by many cities and towns. Nineteen communities are now plaintiffs in that suit, which contends that the enacted law is unconstitutional, both as a violation of the Contract Clause because it alters the terms of existing contracts, as well as a violation of the Home Rule provision of the State Constitution. In light of the ongoing litigation in this area, we do not think it is advisable to expand contract continuation laws.

It is a municipal belief that the law violates the Rhode Island Constitutions Contract Clause and Home Rule provision. As this litigation is continuing with the previous defeat of the States Motion to Dismiss in Superior Court, allowing for the litigation to proceed, I ask that the Committee and General Assembly as a whole, to hold any further action on these bills until this matter has been ruled on by the courts. Mayors and Town Managers from across Rhode Island, have been unified in our opposition to legislation authorizing guaranteed contract continuation. In the eyes of many in the municipal sector, there has not been legislation in recent years more harmful to cities and towns and their resident taxpayers, than this specific law. The main goal in opposing this legislation is to maintain decision making at the local level to the direct parties involved in collective bargaining negotiations, and in protecting local residents, providing for and delivering services in an efficient form while being able to prioritize the use of each and every tax dollar invested.

As we see from its wording, this new law would enable unions to maintain contracts indefinitely, including all contract terms, with no limitation to just wages and benefits. Varying bargaining challenges can surface over time, as benefit costs rise, changes to retiree pensions occur, union avoidance of willingly coming to the table can be the result. During recessionary times, continuing contracts can pressure local budgets forcing an increase in taxes at the worst possible time for residents and forcing municipalities to consider a potentially worse decision involving employee layoffs. As Rhode Islander's already pay one of the highest property taxes in the country, these types of bills make things worse by not affording reasonable options to openly address critical municipal issues.

In the Governor's veto message of the contract continuation law in 2017, she noted an adverse impact of perpetual contract continuation in other parts of the country. During the great recession, a majority of labor contracts expired, but were not renegotiated, with labor unions deciding to stall negotiations instead of making concessions. This impasse forced municipalities to eliminate services and raise taxes to provide for critical necessities. It is important to reiterate, that most municipal leaders have a good working relationship with their employees and support the process of labor negotiations and the idea of employment agreement compromise.

These bills will have an impact on Rhode Islanders at different times, in different Rhode Island communities, for many years to come and those affected will feel that financial pressure and its impacts. I believe it is also critically important, that in spite of the federal funding that has entered the state, and its municipalities in recent months, that we remain cognizant of the structural fiscal challenges the state and some municipalities continue to face in the pre and post Covid timeframe. Due to this temporary fiscal relief, it is not the time to expand such legislation, that will have lasting financial impacts on Rhode Island residents far into the future. It is time to be prudent and reasonable in our decision making, and use this time and the facts before us, as an opportunity to get our business in order, and improve and strengthen the positioning of the state and its municipalities for years to come.

I ask that you please consider holding any future action on these bills until this matter has been ruled on by the courts. For these reasons, I strictly oppose House Bills 7089 and 7090.

Sincerely,

Andrew E. Nota, Town Manager  
Town of East Greenwich