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Allan W. Fung
Mayor

July 5, 2017

Governor Gina M. Raimondo
Office of the Governor
State House
Providence, RI 02903

RE: Veto of H-5593a

Dear Governor Raimondo:

Over the objection of almost every municipal chief executive, the legislature recently passed H-5593a which would automatically extend collective bargaining agreements for municipal employees and teachers after the contract has expired. This is just plain wrong for our taxpayers! This proposal keep the terms, conditions and, most troubling, financial costs of a contract in place in perpetuity. As you can imagine, this severely handcuffs the ability of local officials to negotiate in the best interests of our taxpayers. Thus, I respectfully request that you veto this costly proposal, which would add yet another unfunded mandate that would bind our hands and be a financial hardship to our local taxpayers.

The expiration date of collective bargaining agreements is an important component of contract negotiations. It motivates the parties to come together and resolve their issues prior to the close of the contract. If for some reason the parties do not complete negotiations prior to the contract expiration, they should be able to extend contracts temporarily if both parties agree. As Mayor, I have been part of the city's negotiations team with my four different unions on over ten separate occasions and this routinely happens. In the overwhelming majority of cases, the parties agree to continue significant parts of the terms of the contracts in our mutually agreed upon ground rules for negotiations so that we have more time to work towards a final resolution in good faith. We have always found a compromise sitting across the table. As you can see, the process works and for this reason alone, this legislation is absolutely unnecessary.

Automatic contract extension would provide greater leverage for employees at the expense of municipal officials and taxpayers. Employees would have no incentive to renegotiate a contract if they are expected to make concessions on wages, health care or work conditions. For instance, our health care costs rose 5%, a significant increase, for the upcoming fiscal year. With the perpetual mandates of H-5593a, what motivation would any union leader have in absorbing any of this increase for their members if they know that they are locked into the prior health co-share,

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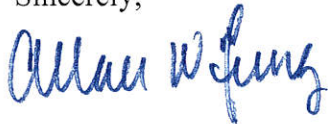
especially if it is a flat dollar amount? It would be patently unfair for the taxpayers to have to absorb that increase alone if no agreement is ever reached.

This proposal can also bind our hands with attempts to achieve job efficiencies and innovation in government. In a recent police contract, we still had the mandate that an officer be assigned to D.A.R.E. As most know, this model is outdated and most departments have moved to School Resource Officers to partner with school officials. With perpetual contracts, the city would still have to maintain this position, or any others, regardless of the effectiveness or even need if labor doesn't agree.

Both parties should be equally motivated to come to the table to renegotiate the contract, and extending contracts automatically and indefinitely through state law would disrupt that dynamic.

Municipal leaders have been working hard to control property tax growth while providing important services to the public. Perpetual contracts would severely undermine our efforts, and I again ask that you veto this legislation. Thank you for your consideration, and please do not hesitate to contact me if you need additional information or assistance.

Sincerely,



Allan W. Fung
Mayor