



## Town of Smithfield

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DENNIS G. FINLAY  
TOWN MANAGER

July 5, 2017

The Honorable Gina M. Raimondo  
Governor  
State of Rhode Island  
State House  
Providence, RI 02903

Dear Governor Raimondo:

The General Assembly has passed legislation that would automatically extend collective bargaining agreements for municipal employees and teachers after expiration (H5593 Sub A). Because it would limit the ability of local officials to negotiate in the best interests of taxpayers, I respectfully request that you veto the perpetual contracts bill.

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. In the vast majority of cases in Rhode Island, the parties do agree to continue their contract terms until they can complete negotiations. For that reason alone, this legislation is 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 expected to make concessions on wages, health care or work conditions. 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. Perpetual contracts will limit municipal leaders' ability to promote efficient and cost-effective government and will ultimately lead to higher costs to taxpayers.

Municipal leaders have been working hard to control property tax growth while providing important services to the public. Perpetual contracts would undermine those 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 yours,

Dennis G. Finlay  
Town Manager

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