



Cities and Towns Oppose Guaranteed Lifetime Contracts and Expanded Binding Arbitration

General Assembly interfering in municipal contracts will cost taxpayers

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PROVIDENCE – The Rhode Island League of Cities and Towns announced strong opposition to Senate bills that would allow the automatic continuation of police and fire contracts ([S0544](#), [S0547](#)) and binding arbitration for municipal employees ([S0687](#)). The bills, set for a vote by the [Senate Labor Committee today](#), will force higher personnel costs on cities and towns and increase the burden on local taxpayers.

“City and town leaders have the knowledge of what their communities can afford and the responsibility to make workforce decisions and negotiate contracts in the best interests of employees and taxpayers,” said Charles Lombardi, North Providence Mayor and League President. “The Senate bills tilt the playing field, increasing municipal costs and putting those costs back on local taxpayers. Passing the costs off to taxpayers has to stop.”

Senate Bills 0544 and 0547 would automatically and indefinitely extend an expiring contract until the parties have agreed to a successor contract, negating the need for negotiations and making it harder for a municipality to gain concessions or make necessary reforms. Senate Bill 0687 would expand binding arbitration for municipal employees to include monetary issues. With personnel costs representing 70% of municipal budgets, unelected arbitrators would have extreme power over local spending and contractual promises, regardless of a city or towns ability to pay.

“These bills put further constraints on our already limited resources and impact our ability to run our cities,” **said Providence Mayor Jorge O. Elorza**. “Cities and town leaders negotiate and execute dozens of contracts every year with our finances, best practices, the taxpayers and our valued employees in mind, and that is where decision-making must remain.”

“Passing this legislation would give unelected arbitrators even greater control over municipal budgets, with no recourse for taxpayers or employees, and no regard for a community’s ability to pay, and in managing its local priorities” **said Andrew E. Nota, East Greenwich Town Manager**. “Do we want to invest our tax dollars on needed infrastructure, schools, health and safety, and other critical municipal services, or do we want to spend it on arbitrators, lawyers and court costs.”

Nineteen communities, representing 60% of the state’s population, are currently [challenging](#) the General Assembly and the State in court on the constitutionality of a similar lifetime contract law from 2019. The League of Cities and Towns also proposed alternative solutions to lifetime contracts, including legislation that allows temporary contract continuation if all parties agree. The League supported 2017 legislation allowing voluntary extension authority for firefighter contracts (H5973, S0288). Former Governor Raimondo signed those bills into law, negating the need for this year’s contract continuation bill for firefighters (S0547).

“If contract negotiations are indefinitely delayed, particularly in an economic downturn, it will inevitably lead to property tax increases and cuts in other public services,” **said Mark Stankiewicz**,



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Charlestown Town Administrator. “Transferring power away from municipal officials to unelected arbitrators to decide the fate of our contracts and the price tags that go along with them is incredibly irresponsible.”

The League’s members have also advocated for changes to the current binding arbitration process, which is lengthy and expensive. Rather than expanding it and giving more power to unelected arbitrators, the process should be reformed.

Founded in 1968, the Rhode Island League of Cities and Towns is a municipal membership organization that serves as the unified voice of local government in Rhode Island.

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