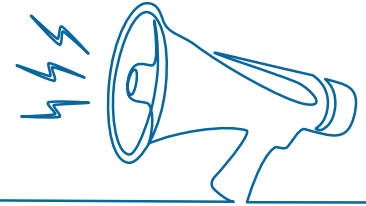




LABOR RELATIONS

CCM Public Policy Issue Bulletin



The services towns and cities provide are only as good as the critical employees who work everyday to enable municipalities to function. Municipal leaders must balance a variety of factors when budgeting for services and ensuring the employees are working in a competitive market. Although there are many factors that local leaders must consider, some have larger impacts on a local budget than others. It should be no surprise that employee benefits and compensation are one of the most significant cost drivers of municipal budgets.

CCM has been building a positive working relationship with labor groups to work collaboratively in supporting local workforce. There remain issues that local officials strive to address each year.

Workers Compensation and Mandates

Workers compensation is an insurance that provides cash benefits and/or medical care for workers who are injured or become ill as a direct result of their job. Municipalities are required to carry workers compensation insurance and it's especially critical for municipal jobs that may carry a higher risk of injury such as police and fire. In most cases, the burden is on the employee to prove the injury is job related, but there have been multiple legislative proposals in Connecticut that would shift that burden. The consequence of which would be costly for property taxpayers.

Shifting the burden, or “presuming” that if an employee experiences a particular injury that it be worked related imposes a significant burden on towns and cities, and would be a dramatic shift in traditional public policy. For example, prior to 1996, there was a presumption under workers’ compensation that if a police officer or firefighter experienced

hypertension or heart ailment that it be work related. This resulted in tens of millions of dollars being paid out, which forced the legislature to sunset the law because of its costs and abuse.

In recent years, similar presumptions have been proposed including presuming that if a firefighter contracted cancer that it is work related, mandated Post Traumatic Stress Disorder (PTSD) coverage for first responders, and another would have presumed that any contraction of COVID-19 be contracted at work. Expanding workers compensation benefits can be very costly which is why CCM has worked with police and fire to develop solutions – that do not include workers’ compensation presumptions - to take care of our employees without negatively impacting a municipal budget.

In 2016, CCM worked with fire fighters labor unions to create a separate fund, outside of workers compensation, to provide wage replacement for eligible employees that contract cancer. CCM also has worked with the police unions to provide PTSD coverage in certain limited and horrific cases. CCM has always been a willing partner to ensure employees are taken care of through compromise and collaboration.

Connecticut’s Municipal Employees Retirement System (CMERS)

This is a public pension plan provided by the State of Connecticut for participating municipalities’ employees. Unlike the State Employees Retirement System, which is negotiated between the Governor’s Office and state employee unions and has multiple tiers, CMERS benefits and structure are set in state statute and there is no opportunity to negotiate benefit levels between municipal employers and municipal employ-

For Fiscal Years Ending	June 30, 2023*	June 30, 2022	June 30, 2021	June 30, 2020
Employer Contribution Rates				
General Employees				
With Social Security	17.55%	16.44%	14.95%	13.73%
Without Social Security	21.58%	19.02%	16.39%	14.23%
Police and Fire				
With Social Security	23.11%	22.45%	20.95%	19.45%
Without Social Security	24.82%	23.59%	21.92%	20.24%

ees. Employee contributions have steadily increased and maintaining CMERS adequately is becoming increasingly unsustainable financially. In order to contain costs, some municipal leaders have called on the legislature to establish a new tier within the CMERS, similar to the State, so towns and cities could begin to achieve savings. While the Legislature has recognized the need to make changes in the state employee's retirement plan they have never implemented such revisions to the municipal retirement system.

Prevailing Wage

Prevailing wage mandates require workers on public works construction projects to receive the same wage that is customarily paid for the same work in the project's town. Appropriate thresholds for remodeling, refinishing, refurbishing, rehabilitation, alteration and new construction, are essential to municipalities in managing their limited resources. Currently, the thresholds for new construction are \$1 million, which was enacted in 2017, while the renovations threshold remains at one hundred thousand (\$100,000). The renovations threshold has not been updated since 1991.

Without the legislature increasing these thresholds, municipalities are paying at least 20% more on projects subject to prevailing wage requirements and this is exacerbated by the recent cost of living and inflationary increases. The combination of prevailing wage requirements and inflation has strained municipal budgets and is making them even more reliant on the local property tax. Prevailing wage thresholds are just one of the many factors that municipal officials have to balance when budgeting.

Shared Services = Reduced Costs and Increased Efficiency

Often times, enhanced service delivery and efficiency can be achieved through sharing or employees and resources between municipalities. CCM continues to pursue opportunities to encourage the development and expansion of shared and regional services. In an effort to facilitate these efforts, local lead-

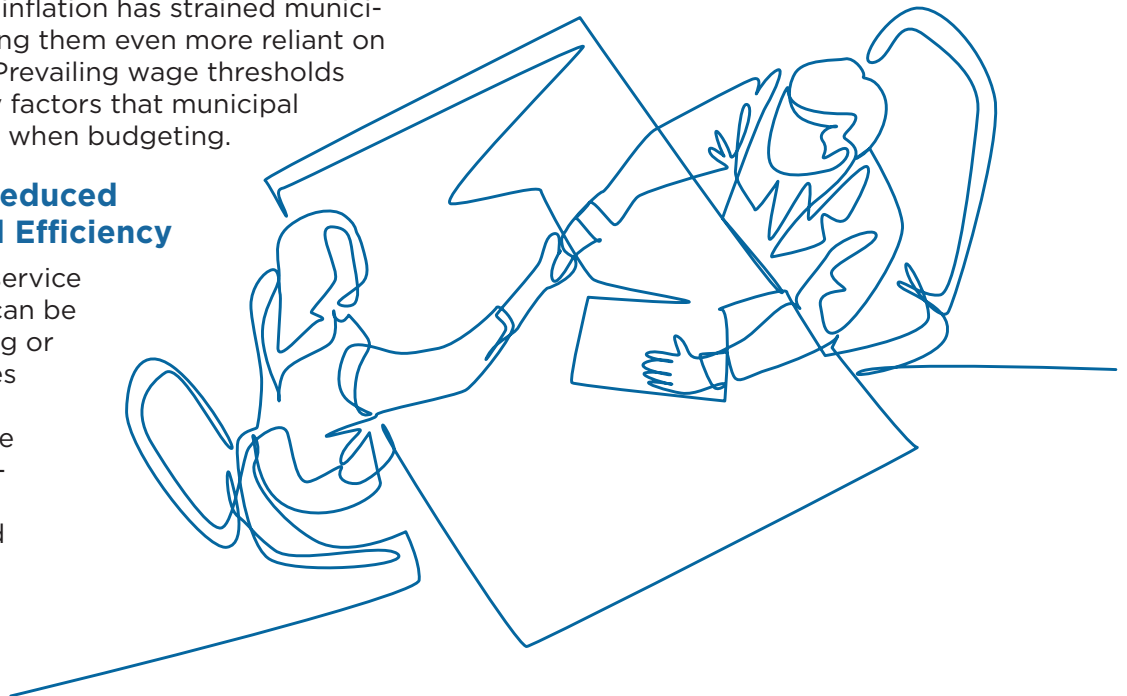
ers have to address various obstacles. This includes municipal charters, special acts or home rule ordinances that prohibit or limit a municipality from sharing services with other municipalities. In these cases, sometimes state action is better to resolve this issue.

In addition, often municipal officials will need to contract with multiple employee bargaining units (ex. firefighters, police officers, janitors, administrative staff, public works, etc.). This inefficient process imposes administrative and costly delays. In these instances, collective bargaining units should work as a coalition bargaining unit to negotiate with municipalities for the provision of public services.

More innovative ways are necessary to address changing service delivery needs.

Labor Issues Remain a Focus for Municipal Issues

These labor issues are on the forefront of every local leader's mind. As explained in our earlier issue bulletin, Connecticut's municipalities are overreliant on the property tax and there is always a balance between benefits and budget as changes to certain labor issues can have a direct effect on how much property tax you will pay. CCM remains committed to ensure there is an adequate balance in meeting the needs of municipal employees and property taxpayers.



Public Policy
and Advocacy

Brian O'Connor
Director of Public Policy
boconnor@ccm-ct.org
203-498-3026

