

April 2, 2024

The Honorable Stephen M. Casey
House Municipal Government and Housing Committee
Rhode Island State House
82 Smith St.
Providence RI, 02903

RE: Bill Number: 7240 AN ACT RELATING TO TOWNS AND CITIES -- OPTIONAL RETIREMENT FOR MEMBERS OF POLICE FORCE AND FIREFIGHTERS

Dear Chairman Casey and Honorable Members of the House Municipal Government and Housing Committee:

I am writing on behalf of the League of Cities and Towns to express our deep concerns regarding House Bill 7240, which seeks to authorize an annual two and one-half percent (2.5%) escalation for all active and retired police and firefighters' retirement pension allowances.

While I deeply appreciate the invaluable service and sacrifice of our police officers and firefighters, I must voice my concerns about the potential financial implications of this proposed escalation. Granting a fixed annual increase, compounded each year, without adequate consideration of the long-term fiscal sustainability of our pension system could have serious repercussions for both taxpayers and retirees.

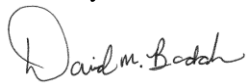
As our state grapples with economic challenges and fiscal constraints, it is crucial that any changes to pension benefits are carefully evaluated to ensure their viability and affordability over time. The proposed 2.5% escalation, compounded annually, could place undue strain on pension funds and exacerbate existing budgetary pressures faced by municipalities.

Moreover, while it is essential to honor the commitment made to our dedicated public servants, it is equally important to balance these obligations with prudent fiscal stewardship. We must prioritize responsible fiscal management to safeguard the financial stability of our pension systems and protect the interests of all stakeholders.

In light of these concerns, I urge you to reconsider your support for House Bill 7240.

On behalf of the League of Cities and Towns, thank you for considering our concerns.

Sincerely,



David M. Bodah
Associate Director

Cc: House Municipal Government and Housing Committee
Representative O'Brien
Ernie Almonte, Executive Director