

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: 7241 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 to express our concerns regarding House Bill 7241, which proposes amendments to the definition of final compensation for police officers and firefighters, as well as adjustments to retirement benefits for these individuals. While I understand the intention to provide support and recognition to our public safety personnel, I am apprehensive about the potential financial implications of this legislation for cities and towns.

The proposed changes, including defining final compensation as the highest annual compensation and providing retirees with a life annuity regardless of age or years of service, raise considerable questions about the fiscal sustainability of our pension systems. Additionally, the provision for an additional two and one-half percent (2.5%) of the final compensation multiplied by years of service after June 30, 2024, and the reduction in the actuarially adjusted retirement allowance for retirees below the retirement age, further complicate the financial landscape.

I am concerned by the lack of clarity surrounding the potential impact of these changes on cities and towns financially. Without a comprehensive analysis of the projected costs and implications for municipal budgets, it is difficult to assess the feasibility and long-term sustainability of the proposed amendments.

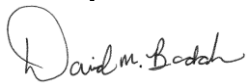
Given the significant financial responsibilities already borne by municipalities and the uncertainty surrounding future economic conditions, it is imperative that any changes to retirement benefits for police officers and firefighters are approached with caution and thorough consideration of their fiscal ramifications. Prudent fiscal management is essential to ensure the continued provision of essential services and the overall well-being of our communities.

In light of these concerns, we urge you to carefully evaluate the potential financial impact of House Bill 7241 on municipalities before proceeding further with this legislation. Additionally, I encourage the exploration of alternative approaches that balance the recognition of public safety personnel's contributions with the imperative of fiscal responsibility.

Thank you for your attention to this matter, and I trust that you will consider the concerns of the League in your deliberations on this important issue.

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 Edwards  
Ernie Almonte, Executive Director