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February 28, 2014

Malika Abdul-Basir
Clerk, Commerce Committee
124 North Capitol Avenue
P.O. Box 30014
Lansing, MI 48909-7514

Re: House Bill 5097 - (Legislation that would be devastating to the financial viability of municipalities and waste tax payer resources by hindering a municipality's ability to negotiate with its employees and reach collective bargaining agreements)

Dear Ms. Abdul-Basir,

The City of Jackson, like many other municipalities, is facing difficult financial challenges due to substantially reduced revenue that is not likely to rebound in the near future.

In 2011, the Legislature passed Public Act 54 ("2011 PA 54") which requires a public employer, after the expiration date of a collective bargaining agreement ("CBA") and until a successor CBA is in effect, to pay wages and provide benefits at levels and amounts that were *not greater* than those in effect on the expiration date. 2011 PA 54 included increases that would result from wage step increases.

Furthermore, 2011 PA 54 prohibits parties to a collective bargaining agreement from agreeing to, and an arbitration panel from ordering, any retroactive wage or benefit levels or amounts that were greater than those in effect on the expiration date of the CBA.

2011 PA 54 has been very successful in helping municipalities negotiate and reach agreements with its employees, especially with police and fire employees. Police and fire services are usually some of the highest costs that municipalities have and consume a large portion of every municipality's budget. 2011 PA 54 has allowed municipalities to control costs and be better stewards of taxpayer resources.

House Bill 5097 ("HB 5097") would amend MCL 423.215b to exempt police and fire employees from 2011 PA 54, so that police and fire employees can have retroactive pay increases after a CBA expires.

HB 5097 would cripple the ability of municipalities to negotiate with police and fire employees. HB 5097 would prevent municipalities from more quickly reaching agreements with police and fire employees. HB 5097 would strain the already depleted budgets of many municipalities and would cost taxpayers more money.

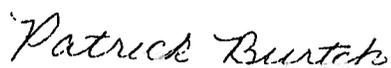
On behalf of the City of Jackson, I wish to thank you for your time and consideration. It is our hope that this letter will prove useful in the State of Michigan's and every local government's effort to be financially healthy, use taxpayer funds efficiently, provide effective services, and in making the Legislature aware of the harmful and devastating effects that House Bill 5097 will have on Michigan municipalities. If you have any questions, I encourage you to contact myself or my staff.

Sincerely,



Bethany M. Smith
Interim City Attorney
City of Jackson

With Regards,



Patrick H. Burtch
City Manager
City of Jackson