



Connecticut AFL-CIO

FACT SHEET #5

For Further Information: (860) 571.6191

John Olsen, President Ext. 223

Lori Pelletier, Secretary-Treasurer Ext. 231

Tom Carusello, Political Director Ext. 232

S.B. 20 AAC Labor Provisions of Special Act 01-1

In 2001, the General Assembly enacted Public Act 01-01, creating the Waterbury Financial Planning and Assistance Board. This board had broad powers over nearly all affairs of the City of Waterbury. Included in these powers was the elimination of collective bargaining as it is practiced in the remainder of the State of Connecticut. The powers granted to the Board have given them absolute power to impose any contract provisions upon the employees they so wish.

After years of **mismanagement and corruption** and a grand list that **had not seen revaluation in nearly 20 years**, Waterbury taxes were unreasonably low and the city was facing large deficits.

Waterbury municipal employees contributed to the city's pension fund every pay period even though the city routinely under-funded the pension. **As a result, the city now faces 450 million dollars in unfunded pension liability.**

It was represented at the time that the strong anti-labor provisions of Act 01-01 were necessary elements to ensure that the Board had the ability to realize financial savings through imposition of its'

will on employees. **It was generally understood that the objective of the labor provisions was to realize fiscal savings.** Instead, the Board has used its' powers to gut labor agreements that have been in place for years, won with concessions at the bargaining table. Most of the provisions removed from these agreements have no fiscal impact on the budget and have been punitive.

Prior to the passage of Public Act 01-1, **Waterbury Municipal Employees stood ready to "give back" in excess of 12 million dollars to assist the city in its' fiscal crisis.** These savings were rejected by the state. Obviously the state felt that **the employees should be more accountable for the corruption and mismanagement of the past than the inept and corrupt officials who ruled over Waterbury's demise.**

It is **dangerous and wrong to empower one Board with absolute control, accountable to no one.** Individuals with personal agendas and conflicts of interest are permitted to **sit above the normal checks and balances** provided to every other municipality and its' citizens.

Special points of interest:

- It is generally understood that the objective of the labor provisions of PA 01-01 was to realize fiscal savings.
- The Board has used its' powers to gut labor agreements that have been in place for years, won with concessions at the bargaining table.
- Most of the provisions removed have no fiscal impact on the budget and are punitive.