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2012 -- H7323

ARTICLE 28

RELATING TO CENTRAL FALLS

SECTION 1. In providing a one-time lump-sum appropriation to the City of Central Falls for the benefit of municipal retirees who sustained significant pension reductions, the State hereby restricts the use of said funds by Public Law otherwise referred to as “the Appropriation Legislation.” The restrictions shall conform with the provisions in that certain Settlement Agreement entered into by and among the Receiver for the City of Central Falls, the State of Rhode Island Department of Revenue, Central Falls Police Retirees Association, Inc., Central Falls Firefighter Retirees Association, Inc., and each and every one of the individuals who signed the Settlement Agreement, including the Central Falls Police or Firefighter retirees, or each of their surviving spouses or beneficiaries. This Settlement Agreement, approved by the Federal Bankruptcy Court in the matter of In Re: City of Central Falls, Rhode Island Chapter 9, Case No. 11-13105-FJB on January 9, 2012, provides in relevant part as follows:

4.1. The Appropriation Legislation shall provide that the proceeds of the above-referenced one-time lump sum payment be immediately deposited by the City into a restricted federally backed or federally insured interest-bearing account under the name of the City and denominated the “Participating Retirees’ Restricted 5-Year Account.” Within thirty (30) days after receipt of the appropriation from the State, for fiscal year ending 2012, the City (jointly with either the Receiver or an administrative and finance officer appointed by the Director for the City) shall withdraw from the Participating Retirees’ Restricted 5-Year Account exactly the funds needed to and shall thereupon promptly pay and distribute to Participating Retirees the so-called “Appropriation Payments” set forth on APPENDIX B. Thereafter, during the months of July in fiscal years ending 2013, 2014, 2015, and 2016, the City (jointly with either the Receiver or an administrative and finance officer appointed by the Director for the City) shall withdraw from the Participating Retirees’ Restricted 5-Year Account exactly the funds needed to and shall thereupon promptly pay and distribute to Participating Retirees the so-called “Appropriation Payments” set forth on APPENDIX B.

Any and all withdrawals, transfers and payments from the Participating Retirees’

1 Restricted 5-Year Account shall require the signature of two (2) persons, one of whom shall be
2 either the Receiver or an administrative and finance officer of the City after the Receiver's duties
3 are completed. Within thirty (30) days of the end of fiscal year ending 2016, the City shall
4 withdraw the balance of the funds in the Participating Retirees' Restricted 5-Year Account (*i.e.*
5 the accumulated interest and any remaining sums) and shall pay and distribute those funds to each
6 Participating Retiree based on the percentage assigned to each Participating Retiree in
7 APPENDIX B under the column entitled "Assigned Percentage," (such Assigned Percentage
8 being the percentage portion that each individual Participating Retiree's "Step 3" amount is to the
9 total of all Step 3 amounts for all Participating Retirees) including as the same may be adjusted
10 for any Participating Retiree added or deleted after the Contract Date. After all of the funds in the
11 Participating Retirees' Restricted 5-Year Account have been appropriately distributed, the City
12 shall promptly close the Participating Retirees' Restricted 5-Year Account. The Appropriation
13 Legislation shall provide that the Appropriation Payments shall be used solely for the purposes
14 and subject to the restrictions set forth in this Agreement and in the Plan, and shall provide for
15 and impose personal liability (among other penalties) on the part of any person who utilizes the
16 funds in the Participating Retirees' Restricted 5-Year Account for any purpose other than as set
17 forth in this Agreement and the Plan.

18 4.2. The Appropriation Legislation and/or a City ordinance shall further provide that the
19 Participating Retirees' Restricted 5-Year Account shall remain under the control of the City
20 jointly with either the Receiver or an administrative and finance officer appointed by the Director
21 for the City, and that it shall be segregated from and shall not be controlled or managed by any
22 third party managing the single Central Falls Pension Plan, whether administered by the City or if
23 transitioned into the state-administered Municipal Employee Retirement System ("MERS").
24 Further, the Appropriation Payments shall be paid to Participating Retirees jointly by the City and
25 the Receiver or an administrative and finance officer appointed by the Director for the City, and
26 not by any third-party pension fund manager. Such Appropriation Payments shall cease after the
27 distribution at the end of fiscal year ending 2016 as provided for in Section 4.1 has been
28 completed.

29 The Appropriation Payments shall not be included in the calculation of the base pension
30 benefits of Participating Retirees for purposes of determining a Participating Retiree's COLA.
31 However, a spouse or statutory beneficiary under R.I. Gen. Laws § 45-21.3-1 shall be entitled to
32 67.5% of a deceased Participating Retiree's Appropriation Payment.

33 4.3. The City, as overseen by the Receiver or an administrative and finance officer, as the
34 case may be, shall maintain appropriate account information and records relating to all receipts

1 into, maintenance of, and distributions from the Participating Retirees' Restricted 5-Year
2 Account, and shall allow at all reasonable times for the full inspection of and copying and sharing
3 of information about such account and any and all Appropriation Payments by and with any
4 Participating Retiree.

5 4.4. Any money distributed to a Participating Retiree from the Participating Retirees'
6 Restricted 5-Year Account and not claimed by a Participating Retiree after the City has exercised
7 good faith attempts over a six (6) month period to deliver it to the best last known address of such
8 Participating Retiree shall not escheat under state law, but shall be deposited in the "Participating
9 Retirees Wyatt Payments Account" as defined in Section 5.2, which shall thereafter be distributed
10 based on the Assigned Percentage to the remaining Participating Retirees at the time of the next
11 distribution in accordance with the assigned percentage set forth on APPENDIX B.

12 SECTION 2. Section 28-9.1-6 of the General Laws in Chapter 28-9.1 entitled
13 "Firefighters' Arbitration" is hereby amended to read as follows:

14 **28-9.1-6. Obligation to bargain.** -- It shall be the obligation of the city or town, acting
15 through its corporate authorities, to meet and confer in good faith with the representative or
16 representatives of the bargaining agent within ten (10) days after receipt of written notice from
17 the bargaining agent of the request for a meeting for collective bargaining purposes. This
18 obligation shall include the duty to cause any agreement resulting from the negotiations to be
19 reduced to a written contract, provided that no contract shall exceed the term of one year, unless a
20 longer period is agreed upon in writing by the corporate authorities and the bargaining agents, but
21 in no event shall the contract exceed the term of three (3) years unless a receiver has been
22 appointed for a municipality pursuant to Chapter 45-9, in which case the contract shall not exceed
23 the term of five (5) years. An unfair labor practice charge may be complained of by either the
24 employer's representative or the bargaining agent to the state labor relations board which shall
25 deal with the complaint in the manner provided in chapter 7 of this title.

26 SECTION 3. Section 28-9.2-6 of the General Laws in Chapter 28-9.2 entitled "Municipal
27 Police Arbitration" is hereby amended to read as follows:

28 **28-9.2-6. Obligation to bargain.** -- It shall be the obligation of the city or town, acting
29 through its corporate authorities, to meet and confer in good faith with the designated
30 representative or representatives of the bargaining agent, including any legal counsel selected by
31 the bargaining agent, within ten (10) days after receipt of written notice from the bargaining agent
32 of the request for a meeting for collective bargaining purposes. This obligation includes the duty
33 to cause any agreement resulting from the negotiations to be reduced to a written contract,
34 provided that no contract shall exceed the term of one year, unless a longer period is agreed upon

1 in writing by the corporate authorities and the bargaining agent, but in no event shall the contract
2 exceed the term of three (3) years [unless a receiver has been appointed for a municipality](#)
3 [pursuant to chapter 45-9, in which case the contract shall not exceed the term of five \(5\) years](#). An
4 unfair labor charge may be complained of by either the employer's representative or the
5 bargaining agent to the state labor relations board which shall deal with the complaint in the
6 manner provided in chapter 7 of this title.

7 SECTION 4. Section 28-9.3-4 of the General Laws in Chapter 28-9.3 entitled "Certified
8 School Teachers' Arbitration" is hereby amended to read as follows:

9 **28-9.3-4. Obligation to bargain.** -- It shall be the obligation of the school committee to
10 meet and confer in good faith with the representative or representatives of the negotiating or
11 bargaining agent within ten (10) days after receipt of written notice from the agent of the request
12 for a meeting for negotiating or collective bargaining purposes. This obligation includes the duty
13 to cause any agreement resulting from negotiations or bargaining to be reduced to a written
14 contract; provided, that no contract shall exceed the term of three (3) years [unless a receiver has](#)
15 [been appointed for a municipality pursuant to chapter 45-9, in which case the contract shall not](#)
16 [exceed the term of five \(5\) years](#). An unfair labor practice charge may be complained of by either
17 the bargaining agent or the school committee to the state labor relations board which shall deal
18 with the complaint in the manner provided in chapter 7 of this title.

19 SECTION 5. Section 28-9.4-5 of the General Laws in Chapter 28-9.4 entitled "Municipal
20 Employees' Arbitration" is hereby amended to read as follows:

21 **28-9.4-5. Obligation to bargain.** -- It shall be the obligation of the municipal employer
22 to meet and confer in good faith with the representative or representatives of the negotiating or
23 bargaining agent within ten (10) days after receipt of written notice from the agent of the request
24 for a meeting for negotiating or collective bargaining purposes. This obligation includes the duty
25 to cause any agreement resulting from negotiation or bargaining to be reduced to a written
26 contract; provided, that no contract shall exceed the term of three (3) years [unless a receiver has](#)
27 [been appointed for a municipality pursuant to chapter 45-9, in which case the contract shall not](#)
28 [exceed the term of five \(5\) years](#). Failure to negotiate or bargain in good faith may be complained
29 of by either the negotiating or bargaining agent or the municipal employer to the state labor
30 relations board, which shall deal with the complaint in the manner provided in chapter 7 of this
31 title. An unfair labor practice charge may be complained of by either the bargaining agent or
32 employer's representative to the state labor relations board, which shall deal with the complaint in
33 the manner provided in chapter 7 of this title.

34 SECTION 6. Under R.I. Gen. Laws §45-9-1 et seq. a municipality subject to the

1 jurisdiction of a fiscal overseer, budget commission or receiver, is responsible for payment of
2 expenses and costs incurred carrying out the responsibilities of the fiscal overseer, budget
3 commission and/or receiver. During fiscal 2011, the State incurred and paid on behalf of the City
4 of Central Falls expenses totaling \$ 1,174,205.32. On or about September 15, 2011, the State
5 billed the City of Central Falls for said \$1,174,205.32. Expenses for which the City of Central
6 Falls is responsible under the above-referenced law continue to be incurred and paid for by the
7 State on behalf of the city. The State intends to bill the City of Central Falls for those expenses.
8 Recognizing that the City of Central Falls does not currently have the financial ability to
9 reimburse the State in full for said expenses and may need additional time to reimburse the State
10 for expenses reflected in future bills rendered by the State for such expenses, the City of Central
11 Falls shall have up to June 30, 2021 to reimburse the State for all such expenses paid by the State
12 and billed to the city.

13 SECTION 7. This article shall be effective upon passage.

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