Employee wages and benefits

The Association believes that municipalities are best equipped to determine the wages and benefits of their employees.

Over the years, however, the state has mandated wages, benefits, pensions, and other unfunded costs that must be borne by the local taxpayers. In many cases, these mandated benefits far exceed those provided in private-sector employment.

PSATS opposes legislation that would allow the state to establish or liberalize benefit mandates without regard to their fiscal impact on municipalities.

Arbitration

The SR 323 Report on Unfunded Mandates found arbitration to be one of the most burdensome mandates for municipalities. PSATS supports the following reforms to relieve this mandate.

When collective bargaining negotiations go to arbitration, PSATS believes that both parties should equally bear the responsibility of paying all costs of the third, neutral arbitrator and all other expenses incurred by the board. These expenses are currently borne solely by the local government. The third arbitrator should be a resident of the same county in which the municipality is located.

The board of arbitration should be required to consider a municipality’s financial status, budget, ability to raise revenues, and the potential effect on its bond rating before making any arbitration award. Any award that would create a financial hardship for the municipality should be declared invalid, reduced, or modified by the court on appeal, and implementation of an award should be held in abeyance during the appeal process.

Further, an arbitration award should not be binding if it would:

■ cause a municipality to borrow funds or increase taxes above statutory limits;
■ cause a municipality to become distressed; or
■ cause a municipality to suffer a reduction in its established bond rating.

PSATS supports the creation of a Bipartisan Arbitrator Compliance Committee to review awards to verify that the arbitrators are acting in the best interest of all parties involved.

Pensions

PSATS believes that the General Assembly must address the problem of mandated municipal employee benefits to bring relief to distressed municipal pension plans. Such changes should include amending the Municipal Police Pension Law to give municipalities the option of providing a defined contribution pension plan for new officers in lieu of the current mandated defined benefit plan, as well as prohibiting further expansion of police pension offerings.
The Association believes that it is the responsibility of a particular union, and not a municipality, to raise its own funds and conduct its own membership drive.

Benefits. Municipalities need the tools to properly fund these benefits to ensure that our police employees receive the benefits they have earned.

PSATS opposes the establishment of a single, state pension system for municipal employees with mandatory participation. Such a program takes away the ability of local officials to make benefit decisions on behalf of their employees. PSATS also opposes any legislation that would permit full-time police officers to purchase pension credit for prior part-time or full-time police service that the officers provided to a different police department.

Health care
Legislation is needed to provide lower cost options for health care coverage. Federal authorization of the use of health reimbursement account funds to pay for individual premiums is a start.

Mandated union fees
The Association believes that no township employee should be forced to join a union or pay the equivalent of union dues if he or she chooses not to. The Association believes that it is the responsibility of a particular union, and not a municipality, to raise its own funds and conduct its own membership drive.

Occupational safety
The Association opposes any effort to enact a state Occupational Safety and Health Act that would mandate compliance by political subdivisions or require political subdivisions to come under the federal law.

PSATS supports an amendment to the Affordable Care Act to repeal the “Cadillac tax” on health care plans or exempt local governments altogether from the tax, which would make these plans unaffordable.