

**STATE OF RHODE ISLAND
PROVIDENCE, S.C.**

SUPERIOR COURT

TOWN OF BARRINGTON, TOWN OF
BRISTOL, TOWN OF BURRILLVILLE,
CITY OF CENTRAL FALLS, TOWN OF
CHARLESTOWN, CITY OF CRANSTON,
TOWN OF EAST GREENWICH, TOWN OF
LINCOLN, TOWN OF LITTLE COMPTON,
TOWN OF NORTH KINGSTOWN, TOWN
OF NORTH PROVIDENCE, TOWN OF
NORTH SMITHFIELD, CITY OF
PAWTUCKET, CITY OF PROVIDENCE,
TOWN OF SMITHFIELD, and CITY OF
WOONSOCKET,

Plaintiffs,

v.

STATE OF RHODE ISLAND, GINA M.
RAIMONDO, in her official capacity as
Governor of the State of Rhode Island,
NICHOLAS A. MATTIELLO, in his official
capacity as Speaker of the Rhode Island
House of Representatives, and DOMINICK J.
RUGGERIO, in his official capacity as
President of the Rhode Island Senate,

Defendants.

Civil Action No.

COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

Plaintiffs, Town of Barrington, Town of Bristol, Town of Burrillville, City of Central Falls, Town of Charlestown, City of Cranston, Town of East Greenwich, Town of Lincoln, Town of Little Compton, Town of North Kingstown, Town of North Providence, Town of North Smithfield, City of Pawtucket, City of Providence, Town of Smithfield, and City of Woonsocket (collectively, the "Plaintiffs"), by and through their undersigned counsel, hereby challenge the lifetime contracts law which effectively "ties the hands of our municipal leaders – and ultimately

binds our taxpayers – to contracts that would never end. Never-ending contracts limit municipal leaders’ ability to promote efficient and cost-effective government and will lead to higher costs to taxpayers, as they would make it more difficult for municipal leaders to deal with changing economic circumstances, rising costs or large deficits, and employees would have no incentive to renegotiate a contract if they expected significant concessions on wages, health care or working conditions. The likely result would be higher property taxes.” To protect taxpayers and to preserve their right to home rule, Plaintiffs file this Complaint for Declaratory and Injunctive Relief against Defendants: the State of Rhode Island, Governor of the State of Rhode Island Gina M. Raimondo, Speaker of the Rhode Island House of Representatives Nicholas A. Mattiello, and President of the Rhode Island Senate Dominick J. Ruggiero (collectively, the “Defendants”).

In support of this Complaint, Plaintiffs respectfully state as follows:

NATURE OF ACTION

1. This is a civil action for declaratory and injunctive relief to enjoin the unconstitutional and otherwise unlawful enforcement of Public Law 2019, chapters 15 and 16 (the “Lifetime Contracts Law”), which amended R.I. Gen. Laws §§ 28-9.3-12 and 28-9.4-13, as the chapters violate the Contract Clause and the Home Rule Provision of the Rhode Island Constitution.

JURISDICTION AND VENUE

2. This Court has jurisdiction to adjudicate this dispute pursuant to R.I. Gen. Laws §§ 8-2-13, 8-2-14 and 9-30-1 *et seq.* and Rules 57 and 65 of the Rhode Island Superior Court Rules of Civil Procedure.

3. Venue is proper before this Court pursuant to R.I. Gen. Laws § 9-4-3.

PARTIES

4. Plaintiff Town of Barrington is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

5. Plaintiff Town of Bristol is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

6. Plaintiff Town of Burrillville is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

7. Plaintiff City of Central Falls is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

8. Plaintiff Town of Charlestown is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

9. Plaintiff City of Cranston is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

10. Plaintiff Town of East Greenwich is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

11. Plaintiff Town of Lincoln is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

12. Plaintiff Town of Little Compton is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

13. Plaintiff Town of North Kingstown is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

14. Plaintiff Town of North Providence is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

15. Plaintiff Town of North Smithfield is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

16. Plaintiff City of Pawtucket is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

17. Plaintiff City of Providence is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

18. Plaintiff Town of Smithfield is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

19. Plaintiff City of Woonsocket is a municipal corporation organized and existing under Article XIII of the Rhode Island Constitution.

20. Defendant State of Rhode Island is a State of the United States.

21. Defendant Gina M. Raimondo ("Governor Raimondo" or the "Governor") is the Governor of the State of Rhode Island and is sued in her official capacity as Governor of the State of Rhode Island.

22. Defendant Nicholas A. Mattiello ("Speaker Mattiello") is the Speaker of the Rhode Island House of Representatives and is sued in his official capacity as Speaker of the House.

23. Defendant Dominick J. Ruggerio ("Senate President Ruggerio") is the President of the Rhode Island Senate and is sued in his official capacity as Senate President.

24. Together, the Rhode Island House of Representatives (the "House" or "House of Representatives") and the Rhode Island Senate (the "Senate") comprise the Rhode Island General Assembly, the legislative body of the State of Rhode Island.

BACKGROUND FACTS

Labor Costs for Rhode Island Municipalities

25. Across the State of Rhode Island, based on Fiscal Year 2018 data, wages and benefits constitute 64.8% of municipal budgets and 73.9% of education budgets.

26. In Barrington, wages and benefits constitute 56.8% of the municipal budget and 83.1% of the education budget.

27. In Bristol, wages and benefits constitute 64.5% of the municipal budget and 72.5% of the education budget.

28. In Burrillville, wages and benefits constitute 50.2% of the municipal budget and 78.6% of the education budget.

29. In Central Falls, wages and benefits constitute 52.6% of the municipal budget and the State of the Rhode Island is responsible for the education budget.

30. In Charlestown, wages and benefits constitute 62% of the municipal budget and 70.4% of the education budget.

31. In Cranston, wages and benefits constitute 73.6% of the municipal budget and 82.8% of the education budget.

32. In East Greenwich, wages and benefits constitute 55.9% of the municipal budget and 78.2% of the education budget.

33. In Lincoln, wages and benefits constitute 63.1% of the municipal budget and 75.3% of the education budget.

34. In Little Compton, wages and benefits constitute 59.8% of the municipal budget and 63.4% of the education budget.

35. In North Kingstown, wages and benefits constitute 63.3% of the municipal budget and 57.3% of the education budget.

36. In North Providence, wages and benefits constitute 69.6% of the municipal budget and 70.5% of the education budget.

37. In North Smithfield, wages and benefits constitute 38.7% of the municipal budget and 78% of the education budget.

38. In Pawtucket, wages and benefits constitute 75.4% of the municipal budget and 74.9% of the education budget.

39. In Providence, wages and benefits constitute 66.2% of the municipal budget and 72.1% of the education budget.

40. In Smithfield, wages and benefits constitute 64.9% of the municipal budget and 80.2% of the education budget.

41. In Woonsocket, wages and benefits constitute 58.9% of the municipal budget and 72.7% of the education budget.

42. According to the State of Rhode Island's five-year budget, employee health care costs are projected to rise between 4.1% and 5.1% annually over the next 5 years. By contrast, the tax cap, which limits the annual increase of a municipality's tax levy, is 4%.

43. The 2019 State of Rhode Island Public Finance Management Board Debt Affordability study that found that Rhode Island cities and towns have \$2.43 billion in Other Post-Employment Benefits ("OPEB") liabilities. OPEB benefits are contractual in nature.

Plaintiff's Existing Collective Bargaining Agreements

44. Plaintiffs have existing collective bargaining agreements with different teachers and municipal employees' unions currently set to expire between 2020 and 2022.

45. Barrington's current collective bargaining agreement with teachers is scheduled to expire in August 2022. Barrington's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2022.

46. Bristol's current collective bargaining agreement with teachers is scheduled to expire in August 2020. Bristol's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2020.

47. Burrillville's current collective bargaining agreement with teachers is scheduled to expire in August 2020. Burrillville's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2020.

48. Central Falls' current collective bargaining agreement with teachers is scheduled to expire in August 2021. Central Falls' current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2021.

49. Charlestown's current collective bargaining agreement with teachers is scheduled to expire in August 2021. Charlestown's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2021.

50. Cranston's current collective bargaining agreement with teachers is scheduled to expire in August 2020. Cranston's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2021.

51. East Greenwich's current collective bargaining agreement with teachers expired on August 31, 2019. East Greenwich's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2022.

52. Lincoln's current collective bargaining agreement with teachers is scheduled to expire in August 2020. Lincoln's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2020.

53. Little Compton's current collective bargaining agreement with teachers is scheduled to expire in August 2020. Little Compton's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2021.

54. North Kingstown's current collective bargaining agreement with teachers is scheduled to expire in August 2022. North Kingstown's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2021.

55. North Providence's current collective bargaining agreement with teachers is scheduled to expire in August 2022. North Providence's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2022.

56. North Smithfield's current collective bargaining agreement with teachers is scheduled to expire in August 2021. North Smithfield's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2020.

57. Pawtucket's current collective bargaining agreement with teachers is scheduled to expire in August 2020. Pawtucket's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2020.

58. Providence's current collective bargaining agreement with teachers is scheduled to expire in August 2020. Providence's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2022.

59. Smithfield's current collective bargaining agreement with teachers is scheduled to expire in August 2020. Smithfield's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2020.

60. Woonsocket's current collective bargaining agreement with teachers is scheduled to expire in August 2021. Woonsocket's current collective bargaining agreement with municipal workers is scheduled to expire on June 30, 2020.

East Providence School Committee Case

61. The history behind the Lifetime Contracts Law dates back to 2009 when the East Providence School Committee attempted to unilaterally change the terms of its teachers' employment after its collective bargaining agreement with East Providence teachers' union had expired and statutory interest arbitration for a renewal was unsuccessful. *See E. Providence Sch. Comm. v. E. Providence Educ. Ass'n*, No. PB/09-1421, 2010 R.I. Super. LEXIS 52, at *3 (Super. Ct. Mar. 15, 2010).

62. At the time they took unilateral action, the East Providence School Committee was facing a budget deficit. Under R.I. Gen. Laws 16-2-9(d), 16-2-18, and 16-2-21(b)-(c), school committees are prohibited from having a budget deficit.

63. In response to the East Providence School Committee's action, the East Providence's Teachers' Union filed an Unfair Labor Practice Charge with the State Labor Relations Board.

64. The East Providence School Committee filed a lawsuit in Superior Court seeking declaratory relief (the "Lawsuit") in response to the East Providence Teachers' Union's Unfair Labor Practice Charge.

65. In the Lawsuit, the Superior Court ultimately rejected the Union's argument that the school committee was under a statutory duty to continue to adhere to the terms and conditions of the expired collective bargaining agreement until a successor agreement was achieved.

66. In the Lawsuit, the Superior Court reasoned that the collective bargaining agreement expired prior to the implementation of the disputed salary and benefit changes and, therefore, the agreement was no longer binding and that the School Committee did not abrogate any existing agreement.

The Lifetime Contracts Law and its Legislative History

67. Since the Superior Court's decision in the Lawsuit, municipal labor unions have made it a priority to reverse the decision through legislation. Over the last decade, municipal labor unions have lobbied for numerous bills in the Rhode Island House of Representatives and Senate which sought to automatically extend the terms of the unions' existing collective bargaining agreements with municipalities. All these bills faced strong opposition from municipalities and different sectors of society. Not one was enacted until 2017.

68. In 2009, House Bills Nos. 5588/5589 (Contract continuation for municipal employees), 5762/713 (Contract continuation for teachers), and 5763 (Contract continuation for firefighters) were proposed. House Bills Nos. 5588, 5589, 5762/713 and 5763 did not pass.

69. In 2010, Senate Bill No. 2603 (Contract continuation for teachers) was proposed. Senate Bill No. 2603 did not pass.

70. In 2011, House Bills Nos. 5700/5817 (Contract continuation for municipal employees), 5816 (Contract continuation for firefighters), 6066 (Contract continuation for police), 5943 (Contract continuation for teachers), and 6146 (Contract continuation for municipal employees) were proposed. House Bills Nos. 5700/5817, 5816, 6066 and 5943 did not pass.

71. In 2012, House Bills Nos. 7618 (Contract continuation for firefighters), 7619 (Contract continuation for police), 7620 (Contract continuation for municipal employees), and 7250 (Contract continuation for teachers) were proposed. House Bills Nos. 7618, 7619, 7620 and 7250 did not pass.

72. In 2013, House Bill No. 5699 (Contract continuation for police, fire, teachers and municipal employees) was proposed. House Bill No. 5699 did not pass.

73. In 2014, House Bill No. 7465 (Contract continuation for municipal employees and teachers) was proposed. House Bill No. 7465 did not pass.

74. In 2015, House Bill No. 5475 (Contract continuation for municipal employees and teacher) was proposed. House Bill No. 5475 did not pass.

75. In 2016, House Bills Nos. 7565 (Contract continuation for police and firefighters), and 7466 (Contract continuation for municipal employees and teachers) were proposed. House Bills Nos. 7565 and 7466 did not pass.

2017 Passage of Lifetime Contracts Legislation and Governor's Veto

76. In 2017, Representatives Camille F.J. Vella-Wilkinson, Moira J. Walsh, and Robert B. Jacquard proposed House Bill No. 5593A (the "2017 Bill" attached hereto as Exhibit

1). Senate Majority Leader Michael J. McCaffrey proposed Senate Bill No. 0285A (attached hereto as Exhibit 2) as the Senate version of the 2017 Bill.

77. The 2017 Bill required that the contractual provisions contained in an otherwise expired collective bargaining agreement with certified school teachers and municipal employees would continue until a successor agreement has been reached between the parties. To that end, the 2017 Bill amended R.I. Gen. Laws §§ 28-9.3 and 28-9.4 by adding the following section:

All contractual provisions contained in a collective bargaining agreement, entered into pursuant to the provisions of this chapter, shall continue until such time as a successor agreement has been reached between the parties, excluding contractual provisions that limit layoffs[.]

78. The 2017 Bill was met with fierce opposition from municipalities. Nonetheless, it was put to a vote only days before the expected end of the legislative session. The bill ultimately passed in the House of Representatives with 60 votes in favor, 12 votes against, and 3 abstentions. The 2017 Bill was then transmitted to the Senate, where it passed with 23 votes in favor, 7 votes against, 6 abstentions, and 1 recusal.

79. Governor Raimondo, however, vetoed the 2017 Bill on July 19, 2017.

80. In her veto message, the Governor wrote that the 2017 Bill “tie[d] the hands of our municipal leaders – and ultimately binds our taxpayers – to contracts that would never end” and “hurt the public’s position in contract negotiations and place[d] taxpayers at risk of being forever locked into contractual provisions they can no longer afford.” (A copy of Governor Raimondo’s 2017 Veto Message is attached hereto as Exhibit 3).

81. The Governor explained in her veto message that “[n]ever-ending contracts limit municipal leaders’ ability to promote efficient and cost-effective government and will lead to higher costs to taxpayers. . . . The likely result would be higher property taxes.”

82. The Governor's veto message echoed the strenuous objections by cities and towns.

2017 Law Allowing Extension of Firefighter Contract Terms By Agreement of Parties

83. In 2017, the General Assembly enacted and Governor Raimondo signed into law Public Law 2017 ch. 17-33 (the "2017 Firefighter Amendment"), which amended R. I. Gen. Laws §§ 28-9.1-17 governing collective bargaining agreements with firefighters.

84. The 2017 Firefighter Amendment allows municipalities and firefighters to agree to continue contractual provisions after the expiration of the collective bargaining agreement.

85. The 2017 Firefighter Amendment does not mandate that contractual provisions in expired collective bargaining agreements with firefighters continue indefinitely.

Continued Pursuit of Lifetime Contracts

86. Governor Raimondo's veto of the 2017 Bill did not stop the unions' legislative agenda. In 2018, House Bills Nos. 7663 (Contract continuation for firefighters), 7634 (Contract continuation for police); and 7198 (Contract continuation for municipal employees and teachers) were proposed. House Bills Nos. 7663, 7634 and 7198 did not pass.

87. In 2019, House Bills Nos. 5143 (Contract continuation for firefighters) and 5144 (Contract continuation for police) were proposed.

88. Later in 2019, the unions had their second legislative victory. Representatives Camille F.J. Vella-Wilkinson, William W. O'Brien, Patricia A. Serpa, Michael Morin, and Christopher T. Millea proposed House Bill No. 5437A (attached hereto as Exhibit 4), which again provided that all terms and conditions in school teachers and municipal employees'

collective bargaining agreements shall remain in effect after expiration while the parties are engaged in negotiations until a successor agreement is reached.

89. Less than two weeks later, Senate Majority Leader Michael J. McCaffrey and Senators Valarie H. Lawson, Maryellen Goodwin, Erin Lynch Prata, and Bridget Valverde proposed Senate Bill No. 0512A (attached hereto as Exhibit 5) as the Senate version of House Bill No. 5437A.

90. The text of House Bill No. 5437A/Senate Bill No. 0512A is functionally identical to the 2017 Bill vetoed by Governor Raimondo. House Bill No. 5437A/Senate Bill No. 0512A amended R. I. Gen. Laws §§ 28-9.3.12 and 28-9.4.13 as follows:

While the parties are engaged in negotiations and/or utilizing the dispute resolution process as required [by law], all terms and conditions in the collective bargaining agreement shall remain in effect. . . . Should either party reject the non-binding matters in the decision of the arbitrators, the binding matters shall be implemented. Following the conclusion of the dispute resolution process as required [by law], should the parties still be unable to reach agreement, all contractual provisions related to wages and benefits contained in the collective bargaining agreement, except for any contractual provisions that limit layoffs, shall continue as agreed to in the expired collective bargaining agreement until such time as a successor agreement has been reached between the parties.

91. The House of Representatives, including Speaker Mattiello, passed House Bill No. 5437A on April 23, 2019 with 54 votes in favor, eight votes against, and six abstentions.

92. On May 09, 2019, the Senate including Senate President Ruggerio, passed House Bill No. 5437A with 24 votes in favor, 8 votes against, 4 abstentions, and 2 recusals.

93. The Senate, including Senate President Ruggerio, passed Senate Bill No. 0512A on May 1, 2019 with 28 votes in favor, 8 votes against, and 2 recusals.

94. On May 09, 2019, the House of Representatives, including Speaker Mattiello, passed Senate Bill No. 0512A with 59 votes in favor, 9 against, and 7 abstentions.

95. Similar to all previously related bills, the Lifetime Contracts Law faced strong opposition from municipal leaders. On April 15, 2019, the Providence Journal published an editorial entitled “The Evergreen Nightmare” which concluded:

‘evergreen’ contracts for teachers and other municipal unions, which would allow contract provisions to outlast a contract, weaken[] the negotiating power of local communities. . . . Once again, House members ignored the pleas of local officials, who are already dealing with enormous financial burdens while hitting homeowners with some of the nation’s highest property taxes.

<https://www.providencejournal.com/opinion/20190415/editorial-evergreen-nightmare>

96. On April 29, 2019, before the passage of the Lifetime Contracts Law, the Providence Journal reported: “As Rhode Island’s mayors warn that labor-backed bills moving through the General Assembly could blow up their budgets, Gov. Gina Raimondo Monday said they need to ‘do their jobs’ and ‘sit at the bargaining table and look for concessions’ from public employee unions.” <https://www.providencejournal.com/news/20190429/raimondo-urges-mayors-to-do-their-jobs-bargain-with-public-employee-unions> (the “Providence Journal Article”).

97. In the Providence Journal Article, Governor Raimondo is quoted as saying: “The mayors have to do their job too. You can’t give away the store at the bargaining table and then come to the State House and fix all my problems.” In addition, the Providence Journal Article states: “But asked whether taking away the mayors’ leverage to force concessions could be costly, Raimondo said mayors should work harder, like she does, to protect taxpayers.”

98. Municipalities strongly opposed the Lifetime Contracts Law. The expiration date of collective bargaining agreements is an important component of contract negotiations as it motivates the parties to come together and resolve their issues prior to the close of the contract. If, for some reason, the parties do not complete negotiations prior to the contract expiration, they

may mutually agree to continue the provisions of the existing contract. The Lifetime Contracts Law is an unreasonable and unnecessary one-size-fits-all approach to problems which are better left to the municipalities.

99. By forcefully extending its terms, the Lifetime Contracts Law also puts cities and towns at considerable disadvantage vis-à-vis teachers' and municipal employees' unions. The Lifetime Contracts Law provides that at the end of a lengthy and costly mediation and arbitration process, if the parties cannot reach agreement, all contractual provisions related to wages and benefits continue. In other words, a municipality would be forced to honor all previous contract terms for possibly a year or longer, spend taxpayer dollars on legal fees for mediation and arbitration, and still lack leverage at the end of the process to gain concessions on wages and benefits.

100. With personnel costs the largest component of local budgets, perpetual contracts will lead either to property tax increases or disruptive service cuts.

101. Spending on health care, pension and retiree health benefits is a major and growing component of personnel costs in nearly all municipalities. Rising health care costs and increasing pension and retiree health care contributions will mean higher personnel spending even if wages are flat. If employees do not come to the table to increase cost-sharing or reduce benefits, the taxpayer will bear most of that growing burden during the contract continuation period.

102. Despite the fact that the Lifetime Contracts Law makes it more difficult for mayors and town managers/administrators to obtain concessions from labor unions and to protect taxpayers, and in a complete reversal from a veto of a similar bill only two years before,

Governor Raimondo signed House Bill No. 5437A/Senate Bill No. 0512A into law on May 14, 2019.

Moody's Takes Note of Lifetime Contracts Law

103. On June 4, 2019, Moody's Investors Service, a credit rating agency, published a special report about the Lifetime Contracts Law, where it expressed concerns that the act "has potential to limit expenditure management flexibility" and "provide collective bargaining units with advantages in negotiations." (A copy of Moody's Investors Service June 4, 2019 special report (the "Moody's Special Report") is attached hereto as Exhibit 6.) The Moody's Special Report signals to creditors that the Lifetime Contracts Law will negatively impact the credit of the affected municipalities. The result is that cities and towns will face additional difficulties and incur additional costs to secure funding for key local projects.

Other States and Contract Continuation Laws

104. Neighboring states have been careful not to impose on municipalities the mandate of the continuation of contracts. As Governor Raimondo noted in her veto message of the 2017 Bill: "Few states have enacted similar laws."

105. For example, in 2010 the Massachusetts Supreme Judicial Court ruled that the public sector collective bargaining law (MGL Chapter 150E) did not authorize evergreen provisions in collective bargaining agreements, and that contracts would end after 3 years. The following year, the Massachusetts Legislature passed legislation that provided: "the employer and the exclusive representative through negotiation may agree to include a provision in a collective bargaining agreement stating that the agreement's terms shall remain in full force and

effect beyond the 3 years until a successor agreement is voluntarily negotiated by the parties.”
Fiscal 2011 Supplemental Budget Bill (House 3695). Thus, Massachusetts law is similar to the
2017 Firefighter Amendment which allows the parties to agree to continue their contract.

106. In Connecticut, the Legislature has imposed continuing contracts but only on
labor contracts with state employee labor unions and not on municipalities. More specifically,
Ct. Gen. Stat. § 5-278a provides:

Sec. 5-278a. Certain provisions of collective bargaining agreement to remain in effect. In the event an agreement expires before a new agreement has been approved by the employee organization, the employer representative and the legislature, the provisions of the expired agreement concerning (1) salary, excluding annual increments, (2) differentials, (3) overtime, (4) longevity, and (5) allowances for uniforms, which were implemented pursuant to approval by the legislature in accordance with section 5-278 shall remain in effect until such time as a new agreement is reached and approved in accordance with section 5-278. Nothing in this section shall affect the rights and duties of the employer and any exclusive employee representative designated to negotiate such new agreement under sections 5-271 to 5-280, inclusive, during the period of time after such agreement expires including the right to negotiate the extension of the expired agreement or any provision thereof not otherwise extended by this section. Notwithstanding any provision of a statute to the contrary, in the event an agreement expires before a new agreement has been approved by the employee organization, the employer representative and the legislature, the employer representative and the exclusive employee representative designated to negotiate such new agreement shall negotiate and agree upon payment of an exclusive payroll deduction of employee organization regular dues, fees and assessments and, upon reaching such agreement, such payment shall be made to such exclusive employee representative.

107. In New York, the Triborough Amendment prohibited an employer from
unilaterally altering “terms and conditions of employment” while negotiating a successor
agreement. With respect to the New York bill, the Governor of Rhode Island noted in her 2017
veto message:

[New York’s] experience with this law provides an important lesson. In 2012, a time of
significant financial distress in that state and elsewhere, 41 of 67 labor contracts surveyed
by the New York Association of Counties had expired but were not renegotiated. In
many cases, labor unions had strategically decided that they were better off stalling
negotiations, given the difficult financial circumstances. Labor had little incentive to

come to the bargaining table and negotiate in earnest, and as such municipalities were forced to find cuts elsewhere and raise taxes.

108. A study published by the Empire Center for Public Policy in 2018 shows how local teachers spend most of their careers moving up salary steps – and, occasionally, across salary lanes – even if their union contract had expired, because the Triborough Amendment guaranteed those increases. As a result, a school district’s salary costs rise even when union negotiations have reached an impasse and there is no new contract. (A copy of Empire Center for Public Policy report is attached hereto as Exhibit 7.)

COUNT I
CONTRACT CLAUSE VIOLATION

109. Plaintiffs hereby incorporate by reference, as if fully set forth herein, the allegations contained in the preceding paragraphs.

110. The 2019 Lifetime Contracts Law violates the Rhode Island Constitution’s Contract Clause, which prevents the State from enacting laws “impairing the obligation of contracts.” R.I. Constitution Art. I, § 12.

111. Plaintiffs have existing collective bargaining agreements with different teachers and municipal employees’ unions, duly adopted by the parties.

112. The Lifetime Contracts Law substantially impairs the collective bargaining agreements between Plaintiffs and teachers and municipal employees’ unions by forcefully extending its terms, indefinitely.

113. The Lifetime Contracts Law is not reasonable or necessary. As the 2017 amendment to R. I. Gen. Laws §§ 28-9.1-17 governing firefighters collective bargaining agreements demonstrates, voluntary and mutually accepted contract extensions is a better alternative for labor relations and negotiation outcomes.

114. The Lifetime Contracts Act does not promote a significant and legitimate public purpose. As Governor Raimondo's veto message to the effectively identical 2017 Bill makes clear, there is no doubt that the Lifetime Contracts Law harms municipalities and, ultimately, their citizens.

COUNT II
HOME RULE PROVISION VIOLATION

115. Plaintiffs hereby incorporate by reference, as if fully set forth herein, the allegations contained in the preceding paragraphs.

116. The Lifetime Contracts Law violates the Home Rule Provision of the Rhode Island Constitution, which provides "[t]he general assembly shall have the power to act in relation to the property, affairs and government of any city or town by general laws which shall apply alike to all cities and towns, but which shall not affect the form of government of any city or town." R.I. Constitution Art. XIII, § 4.

117. The Lifetime Contracts Law involves purely local concerns.

118. Uniform regulation regarding automatic extension of collective bargaining agreements throughout the state is not necessary or desirable.

119. The object of the Lifetime Contracts Law is not within the historical domain of the state. Local taxpayers and municipalities which are affected by the Lifetime Contracts Law will suffer its most significant effects.

120. The Lifetime Contracts Law does not apply equally to all cities or towns because it impacts each municipality differently.

121. The Lifetime Contracts Law affects the form of government of Plaintiffs because it forcefully extends the collective bargaining agreements terms potentially rendering local ordinances ineffective and heavily impacting Plaintiffs' municipal and school budgets.

RELIEF REQUESTED

WHEREFORE, Plaintiffs respectfully request that this Court:

- A. Issue declaratory judgment pursuant R.I. Gen. Laws § 9-30-1 *et seq.* declaring that Public Law 2019, chapters 15 and 16 violates the Contract Clause and Home Rule Provision of the Rhode Island Constitution;
- B. Enter a preliminary and permanent injunction against the Defendants, and their officers, agents, and employees, prohibiting the enforcement Public Law 2019, chapters 15 and 16 against Plaintiffs;
- C. Awarding Plaintiffs attorneys' fees and costs; and
- D. Ordering such other and further relief as the Court deems just and proper.

DATED: November 12, 2019

Respectfully submitted,

TOWN OF BARRINGTON, TOWN OF BRISTOL, TOWN OF BURRILLVILLE, CITY OF CENTRAL FALLS, TOWN OF CHARLESTOWN, CITY OF CRANSTON, TOWN OF EAST GREENWICH, TOWN OF LINCOLN, TOWN OF LITTLE COMPTON, TOWN OF NORTH KINGSTOWN, TOWN OF NORTH PROVIDENCE, TOWN OF NORTH SMITHFIELD, CITY OF PAWTUCKET, CITY OF PROVIDENCE, TOWN OF SMITHFIELD, AND CITY OF WOONSOCKET,

By their attorneys,

/s/ Angel Taveras

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