

CITY OF ANNAPOLIS FINANCIAL ADVISORY COMMISSION
c/o Frederick C. Sussman, Esq., Chair
P.O. Box 2289
Annapolis, Maryland 21404-2289
(410) 268-6600
fsussman@cbknlaw.com

June 1, 2012

BY E-MAIL AND HAND DELIVERY
Mayor and City Council of the City of Annapolis
160 Duke of Gloucester Street
Annapolis, Maryland 21401

Re: Annapolis 2012 Collective Bargaining Agreements

Dear Mayor Cohen and Members of the City Council:

I am writing to you on behalf of the City of Annapolis Financial Advisory Commission (“Commission”). Pursuant to our charge to “review collective bargaining agreements prior to execution” as set forth in Section 2.48.110 of the City Code, the Commission has reviewed a summary of the key provisions of tentative one-year agreements negotiated by the City with its 2 AFSCME unions and its Police and Firefighters unions. The Commission also received a briefing on these key provisions from the City’s Director of Human Resources and labor counsel.

The Commission believes that the key provisions of the four tentative agreements are a step in the right direction in addressing long-term issues associated with retiree health costs, funding of the retirement plan for Police and Firefighters, and addressing City benefits and other personnel cost issues. However, these agreements should be recognized only as a beginning for the City’s ongoing efforts at cost containment for benefits and other personnel expenses.

The Commission draws the Mayor and City Council’s attention to our April 17, 2012, letter for our recommendations regarding future collective bargaining activities, and our May 11, 2012, letter with recommendations regarding future OPEB funding and changes to the Police and Fire Retirement Plan. We understand that the City is in the process of establishing a task force to study the significant changes needed to the Police and Fire Retirement Plan to ensure that Police and Firefighter retirees can receive retirement benefits in the long-term in a way that will ensure the solvency of the retirement program and at a reasonable cost to the City. The Commission commends the formation of this task force as a necessary means to conduct a full evaluation of the severity of the retirement plan funding deficit and necessary and appropriate remedial measures.

Thank you for the opportunity to comment on the proposed collective bargaining agreements.

Sincerely,



Frederick E. Sussman, Chair

cc: Commission Members (By e-mail)
Michael Mallinoff, City Manager (By e-mail)
Bruce Miller, Finance Director (By e-mail)
Shirley S. Tripodi, Assistant Finance Director (By e-mail)
Hilary Raftovich, Boards and Commissions Coordinator (By e-Mail)
Jessica Cowles, Legislative and Policy Analyst (By e-mail)