

Poleski Hoping For Municipal Retirement Reforms Next Month

Gongwer

Monday, November 21, 2016

As speculation swirls about changes to municipal employee retirement benefits possibly emerging in lame duck, Rep. Earl Poleski said Monday he thinks it is the responsibility of the current members of the Legislature to get at least a piece of the problem solved during the nine session days remaining this term.

Sources speaking on background were confident that some sort of municipal finance reform would be introduced and discussed during lame duck. Gongwer News Service first reported in September that the administration of Governor Rick Snyder was putting a heavy emphasis on the issue (See Gongwer Michigan Report, September 16, 2016). At the time, several of those interviewed said it was far more likely to be a 2017 initiative than a lame-duck effort due to the complexity of the issue, but now there's a serious look at some action in lame duck.

Mr. Poleski (R-Jackson) said in the nine session days left, he did not expect anything wide-ranging and ultra-comprehensive to get accomplished, and instead said he is focused on retiree health care and changing how local governments fund that health care.

Chris Hackbarth with the Michigan Municipal League said the group is waiting to see what comes up during lame duck. He said he has heard different things from both chambers and Governor Rick Snyder's office.

However, he said MML is interested in having a conversation about municipal finance and would like to have a seat at the table. When asked if a proper conversation could happen during lame duck, he said: "That is a very short window of time."

Governor Rick Snyder's director of strategic policy, John Walsh, convened an informal workgroup about a year ago to examine municipal unfunded liabilities, but it hasn't met since March. Snyder spokesperson Anna Heaton said Mr. Walsh is waiting to see what comes from the Legislature, and the group has not met this fall.

Mr. Poleski said bills have been sent to the Legislative Service Bureau but he has not seen them.

On retiree health care benefits, he said most local governments do not prefund them, leading to large unfunded liabilities. He said he would at least like to see that unfunded liability stop growing in the state.

"If you are going to manage the cost, it has to involve when people retire and how much we spend when they retire. That has to change, that model has to change," he said.

Mr. Poleski said the current members of the Legislature, particularly the House, are knowledgeable on the issue and many will be leaving at the end of the term, and that is why at something should happened during lame duck.

And he said he thinks it would still be "healthy" to see bills go through the committee process so people and groups have more of a chance to comment publically.

"If you don't get it done now then it is going to be three months before the new Legislature gets itself on track and thinking about it," he said. "And it is just three more months of continuing growing liabilities."

However, House Minority Floor Leader Sam Singh (D-East Lansing), who will serve as minority leader next term, said on Michigan Public Television's "Off the Record" last week that House Democrats would not compromise on municipal finance reform if it is rushed through during lame duck.

"We will talk to anyone about any issue. But if you are coming after senior citizens and you are coming after their hard work, their benefits and their pensions, we will not work with you during these nine days," he said. "This is lame duck. This is not when to take a big look at 30-something bills on a very short period of time. If you want to have a thoughtful conversation, we will have a thoughtful conversation."