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April 7, 2016

Dear Members of the Assembly Judiciary Committee:

RE: Support of "Compromise" Atlantic City Economic Recovery Act (A-3614)

Thank you Chairman for the opportunity to speak with you this morning on one of the most important issues effecting not only Atlantic City and the Southern New Jersey region, but the basic democratic rights of workers and residents. We thank Speaker Prieto for his leadership on this bill and we are here today to ask you and your colleagues to support a recovery plan for Atlantic City that is a win-win for the residents of the city, the taxpayers of the state and the workers employed by the City.

The bill before you today forces hard choices on the part of all parties involved. Simply stated - it mandates that Atlantic City clean up its fiscal house or face severe consequences. The bill establishes benchmarks to force progress on a variety of budgetary matters, and then over the course of 12-24 months, measures that progress. If not in compliance, then privatization is placed on the table, and the bill allows for the modification or termination of collective bargaining agreements.

This bill makes progress because it is now Atlantic City specific, and these "takeover" powers cannot be implemented in other cities across our state. It also has a brief grace period for the PILOT provisions and other revenue sources to take effect throwing a lifeline to the struggling city. It supports internationally recognized human rights in the workplace and core principles of democratic governance, including the right to organize and the right to collective bargaining. These principles are crucial to the economic success of our workers and their communities.

The bill is not perfect, far from it, but in any compromise, all sides must make sacrifices.

Attached is the letter sent to all Members of the General Assembly yesterday by the New Jersey State AFL-CIO. That letter summarizes the enormous amount of givebacks various public sector unions have already made in order to do their part in rescuing Atlantic City.

In closing, let's save Atlantic City the responsible way, by giving local and state elected officials, along with residents and workers of the city the ability to be masters of their destiny. Allow them to work together to meet these benchmarks, or face the severe consequences associated with missing them. Let's be partners in the future of this great city.

Sincerely,

Charles Wowkanech
President

Laurel Brennan
Secretary-Treasurer

CW:LB:jd
OPEIU:153
Attachment (1)



April 6, 2016

Dear Member of the New Jersey State Assembly:

AC Power Grab Reaches Well Beyond Struggling Resort City

Demonizing unions, dismantling collective bargaining rights, stripping away the voice of local elected officials and disenfranchising voters is no “solution” to Atlantic City’s fiscal crisis. But, that’s just what the Atlantic City takeover legislation aims to do.

The bill being touted as the answer to Atlantic City’s prayers would hand Gov. Christie an unprecedented and frightening amount of power over not just Atlantic City’s finances, but over numerous other cities to which the bill could be applied.

The legislation in its current form would give Gov. Christie carte blanche to dismantle previously negotiated contracts, eliminate civil service, end the right to organize and grant the state immunity against unfair labor practices. Are you prepared to hand the governor that kind of power?

The residents of Atlantic City are also in Christie’s crosshairs. The governor wants the power to take away the rights of city citizens to vote in binding referendums – effectively disenfranchising them. Further, he’s demanded the ability to repeal or amend any local law with no topical limitation or review by any local elected official. That provision alone would abolish democracy not only in Atlantic City, but in our state.

He also wants the Legislature to empower him with the right to abrogate any and all contracts the city has *with anyone* – any vendor, any individual or company – again with no standards or review to ensure the actions taken are necessary, ethical and in the best interests of the citizens of Atlantic City.

He does hold sacred one group, though – Wall Street bondholders. They are held completely harmless and asked to sacrifice nothing.

Perhaps most alarming of all: This is NOT an Atlantic City-specific bill. The takeover powers in the current bill can be applied to other cities. The trigger mechanisms that allow the governor to seize power in certain local governments also allow the same officials to determine the trigger calculations. These rules make it easy to trigger a “manufactured municipal fiscal crises” by withholding state aid then use the loss of revenue as the excuse to effectively seize control of a local government.

Though the governor likes to demonize public-sector unions, we urge you not to look beyond his politically motivated distortions and consider the following facts:

- Since 2009, the Fire Department has shrunk from 272 fire fighter positions to 147. Officer positions have been reduced by 32%. Salaries have been reduced 46%, saving \$11.9 million. Terminal leave, sick leave payments and education incentives have all been eliminated for new hires and capped for current employees.
- Police have negotiated similar cutbacks. Just under \$10 million in salary reductions have occurred, including a 25% reduction in manpower and a decrease in supervisory staff. By working with the Mayor, police have allowed Atlantic City to realize a reduction of more than 20% in the cost of the police department.
- Municipal workers have seen reductions from 184 workers in 2010 to 132 today, and have had a wage freeze since 2011.

Atlantic City's police, fire and public-sector unions have made every sacrifice asked of them during this unprecedented financial crisis brought about by the consolidation of the casino industry and the accompanying multi-billion-dollar revenue losses.

We ask you to analyze this legislation carefully, and urge you to reject the governor's political power grab, reject his dismantling of unions and reject his attempt to disenfranchise the voters of Atlantic City. There is a better way forward and we would like to work with you and Legislative Leadership on a compromise that achieves our common interest of restoring Atlantic City.

In Solidarity,



Charles Wowkanech
President



Laurel Brennan
Secretary-Treasurer