

Bond Case Briefs

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EMPLOYEE BENEFITS - RHODE ISLAND

Hebert v. City of Woonsocket by and through Baldelli-Hunt

Supreme Court of Rhode Island - July 2, 2019 - A.3d - 2019 WL 2751844 - 2019 Employee Benefits Cas. 245, 133

Retired city police officers brought action against city for injunctive and declaratory relief, seeking to preclude city from changing terms of officers' retiree health insurance.

The Superior Court granted preliminary injunction to officers and entered final judgment in favor of officers. City appealed.

The Supreme Court held that:

- Court would treat preliminary injunction as permanent injunction given existence of final judgment;
- Provision in collective bargaining agreements between city and police officers, granting officers the right to immutable lifetime health care benefits at no cost, was proprietary in nature, as could support finding that agreements were not void for extending past the unexpired terms of members of city council;
- Agreements lasted no longer than was necessary to accomplish contract goals, as could support finding that agreements could validly bind successors to city council members; but
- Provision of Fiscal Stability Act (FSA) granting certain "broad and encompassing" powers to budget commissions to secure financial stability of a city did not limit city budget commission's authority to adopt resolutions requiring retired police officers to contribute to their health care expenses; and
- Trial court placed incorrect burden of proof on city by requiring that city prove that circumstances were so dire that city was on verge of bankruptcy and that there was need for appointment of receiver, in order to prevail on officers' claim that city violated state constitution's contracts clause by altering health care benefits.