

# Local Government of the Future Subcommittee Advisory Commission on Intergovernmental Relations

Tuesday, August 31, 2021

*Note: This document is ACIR staff notes written during this subcommittee meeting. It is a public document and has been provided to meeting participants for their review and revised in accordance with any comments received but is not approved minutes of the meeting.*

An audio recording is available at:

[https://portal.ct.gov/-/media/ACIR/Meetings/2021/2021-08-31\\_ACIR\\_LGF\\_Audio.mp3](https://portal.ct.gov/-/media/ACIR/Meetings/2021/2021-08-31_ACIR_LGF_Audio.mp3)

**Members present:** Debra Borrero (alt.), Maureen Brummett, Andy Cirioli (alt.), John Filchak, Betsy Gara, Sam Gold, Leah Grenier (alt.), Rick Hart, Martin Heft, Marcia Leclerc, James O’Leary, Francis Pickering, Rick Porth (alt.), Brendan Sharkey (Chair), David Steuber (alt.), Lyle Wray (Vice-Chair)

**Other participants:** Jennifer Berigan (alt.), Mike LeBlanc, Sheila McKay, Steve Mednick, Meghan Portfolio, Denise Raap, CJ Strand, Margaret Wirtenberg

**ACIR staff:** Bruce Wittchen

## 1. Call to order

Commission chair Sharkey called the meeting to order at 10:33 and noted that it’s Commission vice chair Wray’s last day as of the Capitol Region Council of Governments. Commission vice chair Wray said he will continue working on a contract basis through the end of the year and, with this group’s acceptance, will continue with the ACIR until then. Commission chair Sharkey acknowledge the importance of Commission vice chair Wray’s work in this field.

## 2. Review of [7/27/2021 meeting notes](#)

There were no comments.

## 3. Discussion of Local Government of the Future initiative

- a. Report on home rule as described in Sec. 3a of the subcommittee’s [7/27/2021 notes](#) and Sec. 4a of the ACIR’s [draft 8/6/2021 minutes](#)
  - [Defining Home Rule for a Digital, Mobile and Global Era](#), drafted by Steven Mednick

Commission chair Sharkey provided an overview of the ACIR’s intent for the home rule report and introduced Atty. Steve Mednick to walk the group through his work in defining home rule. Mr. Mednick began by acknowledging the work in this area by current and former directors of regional planning organizations and councils of governments (COGs), noting that some are members of the ACIR. He pointed out that the term *home rule* is misinterpreted, that it is a misnomer and referenced the description of Dillon’s Rule in [Defining Home Rule for a Digital, Mobile and Global Era](#), which he noted had become a longer document than he had expected.

Mr. Mednick described the Dillon’s Rule restriction that municipalities can exercise only the powers:

- Explicitly granted to them;
- Necessarily or fairly implied in or incident to the powers expressly granted; and,
- Essential to the declared objects and purposes of the corporation, not simply convenient, but indispensable

Mr. Mednick highlighted the use of *indispensable* and provided an overview of the history of the application of home rule in CT, as outlined in his document. He said the term *home rule* sounds like something that it is not and added that silence by the state is not authority for a municipality – a municipality must have specific authority to act. He noted that, in its day-to-day management, a municipality must construe what it can do and highlighted the significance of the [Municipal Employee Relations Act](#) (MERA) for municipal labor.

Mr. Mednick concluded by pointing out the questions posed at the end of his document:

Moving forward, the question for municipalities is how to reform Connecticut law, policy and/or practice to permit more flexibility or latitude in the operation of local government. How do we give our municipalities, alone or in a compact with others, the ability to reach out and come up with more flexible governing structures that break away from the conventions of the current legal construct?

Should policy-makers study other forms of “home rule” and seek constitutional reform? Just think of the panoply of unintended consequences of a constitutional convention. Or, should state and local officials take a long hard look at Title 7 in order to create a balance and a blueprint for a digital, mobile and global century?

Commission chair Sharkey asked Mr. Mednick to clarify the difference between towns governed by special acts and by charters. Mr. Mednick said no special act municipalities remain, but some retain certain special act provisions and he described some unique examples. Commission chair Sharkey noted that he works with an Old Lyme beach community created by special act and there was further discussion of the continuing role of special acts for some municipalities.

Commission member James O’Leary asked what governs municipalities lacking charters and Mr. Mednick said they follow [Title 7 of the statutes](#), but noted that he does not represent any. There was a discussion of how a charter can be less restrictive than Title 7, with Mr. Mednick providing the example that a town charter can provide an alternative to Title 7’s requirement for the number of members on a library board.

Commission chair Sharkey thanked Mr. Mednick for his work on this. He also described expectations for this effort, noting that he expects push-back when the ACIR submits the final report to the legislature. Mr. Mednick provided the example of a municipal term limit provision he found to not be authorized. A municipality cannot enforce something that is unenforceable. If they want a municipality to have that authority, they should put the burden on the legislature to grant it.

- Applications in municipal finance – municipal perspectives

Commission chair Sharkey introduced Mike LeBlanc, Director of Finance for the City of Waterbury and Mike described his roles with the city and with the [Government Finance Officers Assoc of CT](#) (GFOA). Commission chair Sharkey said the ACIR is interested in questions that might arise in raising revenue and asked about frustrations at the local level. Mr. LeBlanc said the mill rate is the primary concern at the local level. The majority of local revenue is generated by the property tax or received in state aid. Other sources, such as fees and fines, add up to a small proportion of the municipal revenue budget. There is the question of whether such revenues could be more significant with local ability to levy and he noted that Waterbury does have a miscellaneous fees and charges schedule that is adopted annually, but it is not a significant source of overall revenues.

Commission chair Sharkey asked if residents understand the limitations imposed by the state and Mr. LeBlanc said residents focus on the mill rate. He added that Waterbury's mill rate has been stable in recent years but is among the highest in the state. He also pointed out that reducing the burden on some leads to a greater burden on others and highlighted that, from the perspective of the city, an important question is how the burden is shifted between those inside or outside the city.

Commission chair Sharkey said revenue sharing is authorized now and asked if that is a model that can work. Mr. LeBlanc said that can work if they are not in competition with the neighboring municipality. He described a development on a parcel crossing his city's border and how they and the neighbor have a shared property tax revenue agreement regarding development there. Commission chair Sharkey mentioned the effort of Hartford Mayor Bronin, who seeks broader revenue sharing between the city and surrounding towns so they share benefits and burdens. He asked if that approach seems viable.

Mr. LeBlanc said that is viable, describing it from an accounting perspective. He noted that the state is supporting regionally shared services and said controlling the costs is paramount. Commission chair Sharkey mentioned the ACIR's recommended change to the [Regional Performance Incentive Program](#) (RPIP) that was enacted by [June Special Session PA 21-2](#) to encourage such efforts through the state's COGs and [regional education service centers](#) (RESC). Mr. LeBlanc noted that the intent is not to offload costs onto neighbors but to reduce the overall cost of a service.

Commission member O'Leary asked about alternative revenue opportunities, noting that revenue from a sales tax would be more significant in Waterbury than in Goshen. Mr. LeBlanc said he does not know of alternatives that could have a significant impact on the mill rate. Even the hotel tax does not make a material difference. Commission member O'Leary said he agrees that there is no fair local source: the state would have to share.

Commission member Leclerc described a scenario in which East Hartford and Hartford could share development in an enterprise zone in East Hartford and highlighted concerns regarding control and local burdens. Commission member Leclerc also expressed concerns with the inability to generate tax revenue on new developments due to the State's enterprise zone local property tax exemption program. Mr. LeBlanc noted that if the solution were easy the problem would have been solved long ago. Commission member Filchak asked if there are different advantages and disadvantages when comparing statutory and charter municipalities. And Mr. LeBlanc said his experience is with Waterbury's charter.

Commission member Filchak said four towns in his region share revenue generated by a technology park, but the agreement does not extend broadly enough. He compared it to arrangements regarding the casinos and said its necessary to look beyond the immediately impacted municipalities when considering impacts and payments. He added that when the state puts funds into a project it can leverage cooperation and analyze impacts but noted that neighboring municipalities often are unaware of such a project.

Commission chair Sharkey mentioned Amazon distribution centers and asked if the state can make the pitch to Amazon and enforce a fair distribution of property tax revenues. He asked if statutes allow that, for property tax revenue to be shared broadly. Mr. Mednick said that legislation might be necessary unless it is done by contract. He also described a concept explored by New Haven when he had been an alderman in which New Haven would seek businesses internationally with the benefits being shared regionally.

Commission member Filchak said there is a question of engagement because the impacts of a development can extend well beyond the host community. He said neighboring municipalities and other state agencies can be unaware of a project being pursued by a municipality and a

single state agency. This results in dumb growth and lost revenue opportunities while imposing additional traffic and students on neighboring towns.

Commission member Leclerc said the state limits the revenue East Hartford receives from the Rentschler property. Most workers take their paychecks to other towns, limiting East Hartford's tax revenues. She added that recent distribution center development in neighboring towns also brings increased traffic to East Hartford. It would be better with proper distribution of the benefits of such development.

### **3. Adjourn**

Commission chair Sharkey said Bruce Wittchen will distribute information regarding a [study group meeting to be held Friday](#) to begin work on the local meetings study assigned to the ACIR in Sec. 154 of [June Special Session PA 21-2](#). He said it will be a short organizational meeting including representatives of the [Freedom of Information Commission](#), the state's Chief Information Officer, and the [CT Assoc. of Municipal Attorneys](#). There was a discussion of whether a recording will be available afterwards for those unable to attend.

Commission member O'Leary asked about the long-term goals of the ACIR's Local Government of the Future (LGF) initiative discussed in this meeting. The group is making a serious effort, but he believes big issues such as property taxes and the cost of education should be at the forefront. Commission chair Sharkey said the home rule discussion addresses a slice of that: what are towns authorized or not authorized to do? He said the group is trying to stay in its lane and was prompted to take this on by the misperceptions highlighted by the zoning controversy. He said the group can help provide a basic understanding of home rule.

Commission member O'Leary said the LFG initiative seems to be limited to changes that are smaller than implied by its name. Commission chair Sharkey said he is open to discussing that further at the next meeting of the full ACIR.

Commission member Filchak asked Mr. Mednick about municipalities ability to create ordinances under statutes other than those in Title 7. Mr. Mednick said ordinances must be consistent with the applicable title, such as zoning ordinances being consistent with [Title 8](#). Commission chair Sharkey noted that zoning will be the topic of one of the upcoming home rule report meetings and read the dates of upcoming ACIR meetings.

The meeting was adjourned at 11:59.

*Notes prepared by Bruce Wittchen, OPM*