

Local Government of the Future Subcommittee Advisory Commission on Intergovernmental Relations

Tuesday, August 23, 2022

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.

The agenda is available at:

<https://egov.ct.gov/PMC/Agenda/Download/13604>

The meeting recording is available at:

https://portal.ct.gov/-/media/ACIR/Meetings/2022/2022-08-23_ACIR_Audio.mp3

ACIR Members present: John Filchak, Jim O'Leary, Francis Pickering, Troy Raccuia, Brendan Sharkey

Other participants: Meghan Portfolio, Richard Porth, Anna Shugrue, Margaret Wirtenberg

ACIR staff: Bruce Wittchen

1. Call to order

Commission chair Sharkey called the meeting to order at 10:39.

2. Review of [7/26/2022 LGF notes](#) and [draft 8/5/2022 ACIR minutes](#), if helpful for discussion

There were no comments

3. Local Government of the Future (LGF) Initiative

- Maximizing federal funds through COGs and RESCs
- Assessing effectiveness of certain local reporting requirements to the state
- Property Tax Restructuring

Commission chair Sharkey said the three listed projects are based on the recommendations of members. He noted WestCOG's work on the federal funding question and Commission member Pickering said some documents will be available soon. There was a discussion of whether those should go to this subcommittee first and Commission member Pickering said he will do that.

Commission chair Sharkey described the second project and mentioned that he had discussed it with Bruce Wittchen. One option would be to compile a compendium of municipal reporting requirements but that would be unwieldy to take on. He said they concluded that the ACIR should take on 1-2 specific reporting requirements that people believe are especially worthy of study. The group would gather feedback from the local level, go to the relevant agencies to learn what value the reporting has to them, if there is any.

Commission member Filchak recommended engaging the [CT Assoc. of Assessing Officers](#) and [CT Town Clerks Assoc.](#) He pointed out that assessors in our smaller towns might work only one day per week and lack capacity for some reporting requirements. Commission chair Sharkey said he reached out to CCM and COST following his discussion with Bruce but has not yet received a response. He agrees with broadening this effort by reaching out to those organizations. Commission member Filchak mentioned the regional assessment work group established by OPM a few years ago and said it included representatives of OPM, COGs, and towns from around the state. That group could be helpful.

Commission member Pickering said he agrees with the approach recommended by Commission member Filchak but there are opportunities to do more with the data the state receives, for instance, to analyze equity. Assessments could be compared with sales prices; the state could look at the average tax for the average home in each municipality. We might benefit from more data with such analyses. Commission chair Sharkey agreed. This is not just about reducing the submission of data; what other data could help?

Commission member Filchak suggested asking town clerks and assessors what they think should be added and there was further discussion of the regional assessment work group. Commission chair Sharkey asked if there could be an opportunity to work with them and Commission member Filchak said he will seek a joint meeting.

Commission member O'Leary asked if it would be helpful to ask 2-3 state agencies which reports submitted to them are unneeded. He noted the differences between focusing on 1-2 specific reports and looking more broadly and recommended that this effort start small but expand afterwards. Commission chair Sharkey said the effort would begin that way and pointed out the ACIR's limited capacity. Regarding the state agencies, they receive a lot of reports and how are they likely to respond if the ACIR asks which reports are not useful? It could be better to ask them to respond to a short list of reports that municipal officials do not believe to be useful. There was further discussion of the benefits of meeting with clerks and assessors.

There was a discussion of the difference between the ACIR's long-time focus on limiting state mandates and this project's focus on which local reporting is not needed. Commission member Filchak said it is not his field, but it appears to him that data the state collects from school districts are more valuable than other information collected by the state. He mentioned that when he had been Deputy Commissioner of Agriculture, he had seen the state veterinarian signing off on a stack of paper requests to enable CT animals to be shown at the Big E, with no time for any meaningful review.

Commission chair Sharkey said the ACIR would review reporting requirements on an ongoing basis and Commission member Filchak noted a potential connection to the [Task Force To Study Title 7 Of The General Statutes](#). Bruce Wittchen said an additional aspect of this that he and Commission chairman Sharkey had discussed was to consider the 1-2 initial reviews to be a pilot test of the concept that can be scaled up in the future and potentially handed off to others, so progress is not impeded by the limited capacity of ACIR staff. There was general agreement to proceed in that manner, including making connections with the assessors' and clerks' groups and with the Title 7 task force.

Moving on to the property tax restructuring topic, Commission chair Sharkey said he expects to meet with Dept. of Revenue Services (DRS) Commissioner Boughton next week to discuss possibilities. The intention is to remain beneath the radar during the election season while preparing for the 2023 legislative session. Commission member Pickering said an important point about this is the overall trend of property taxes increasing for 40 years; the property tax has an increasing footprint.

Rick Porth said this topic is important to people from all walks of life and he hopes for leadership from the top. Working with recommendations of studies already completed seems like a good approach. Commission member Filchak said he hopes the focus is on true reform, considering horizontal and vertical equity and the need-capacity gap and cost-capacity gaps. He noted that legislated prompted by the Federal Reserve Bank of Boston's (FRBB's) two 2015 reports didn't go anywhere [see [Measuring Municipal Fiscal Disparities in Connecticut](#) and [From Urban Core to Wealthy Towns: Nonschool Fiscal Disparities across Connecticut Municipalities](#)]. It is all in the subsequent [report by 1000 Friends of CT](#).

Rick Porth mentioned that Ron Thomas has scheduled a meeting with FRBB staff on 9/14. Commission member Filchak highlighted that the findings in the FRBB's 2015 reports were replicated in the 2019 report (updated 2021) [Distributing Non-Education State Aid to Municipalities through a Needs-Capacity Formula](#). Commission member Pickering pointed out that MA and NY succeeded with changes that have led to their property taxes diverging from CT's. He said they made it more difficult to raise taxes and he commented that reducing the rate of increase mitigates some equity concerns.

Commission member O’Leary said he hopes DRS Comm. Boughton can suggest potential paths for this effort and how to proceed. He noted that proposed changes will be criticized and emphasized that the ACIR must anticipate how to deal with that. Commission member Filchak suggested preparing a memo of options for paying for the proposed reform: change does not without cost. Commission chair Sharkey agreed that change will be fraught and the price tag will matter. He pointed out that no matter who is elected Governor, it will be a fresh start for an administration in 2023. Any Governor has the most political capital then.

Commission member Pickering said the ACIR should consider small, medium, and large options; it should also consider options for the short, medium, and long term. Additionally, we should not let the perfect be the enemy of the good. Commission chair Sharkey said Gov. Lamont trusts the ACIR and Comm. Boughton. The ACIR will have an active part and he has made a number notes today to raise in his meeting with Comm. Boughton.

4. Future topics/research initiatives, if any

- Perspective Essay for [State and Local Government Review](#) – due 11/1 for 3/2023 issue

Bruce Wittchen reminded the group of the time frame for submitting the essay discussed in past meetings and added that he and former Commission member Lyle Wray started fleshing out an outline so others interested in contributing to the essay can join in. There was a question about the level of time required and Bruce Wittchen said the ACIR has been given an opportunity and it is not an obligation. Commission chair Sharkey said it should proceed if it is not diverting ACIR resources and Margaret Wirtenberg said the group should try to get its work out there.

Following up on the discussion of property tax reform, Commission member O’Leary said the ACIR has made a number of recommendations over the years that were not followed. We do not want this new effort to end the same way. A proposal for change will face criticisms and roadblocks and we must plan how to respond. Commission chair Sharkey said the ACIR has a partner in everything we do, mentioning the legislature’s [Planning & Development Committee](#)’s likely interest in the municipal reporting work and Comm. Boughton’s interest in property tax reform. We must be prepared with recommendations to achieve small, medium, and large goals.

5. Next meetings

Commission chair Sharkey read the dates of upcoming meetings:

9/9/2022	ACIR
9/27/2022	LGF Subcommittee

6. Adjourn

The meeting adjourned at 11:34.

Notes prepared by Bruce Wittchen, OPM