

Advisory Commission on Intergovernmental Relations

Friday, February 3, 2023

A recording is available at: https://portal.ct.gov/-/media/ACIR/Meetings/2023/2023-02-03_ACIR_Audio.m4a

Members present: John Elsesser, John Filchak (Vice Chair), Sam Gold, Martin Heft, Karl Kilduff, Keith Norton, James O'Leary, Francis Pickering, Troy Raccuia, Lon Seidman, Brendan Sharkey (Chair), Ron Thomas, Mike Walsh

Members not present: Kyle Abercrombie, Carl Amento, Luke Bronin, Maureen Brummett, Steve Cassano, Brian Greenleaf, Matt Hart, Laura Hoydick, Jeff Kitching, Harrison Nantz, Neil O'Leary,

Other participants: Rebecca Dahl, Christine Goupil, Rick Porth

Member vacancies: Nominated by COST: Municipal official: Town of <10,000 population

OPM staff: Bruce Wittchen

1. Call to order and overview of telemeeting procedures

Commission chair Sharkey called the meeting to order at 10:39 and explained remote meeting protocols.

2. Approval of the minutes of the [January 6, 2022](#) meeting

A motion was made and seconded to approve the draft minutes of the January 6 meeting. The motion passed unanimously.

3. Membership update, if any

Bruce Wittchen reminded the group that there is a vacancy for a representative of a town of 10,000 – 20,000, nominated by the Council of Small Towns (COST) and appointed by the Governor. He said COST has submitted a nomination. There also was a discussion of Steve Cassano's position. He remains the designee of the Senate President Pro Tempore unless someone is designated to replace him.

4. CT Local Government of the Future (LGF) initiative (see notes of [1/24/2023 meeting](#))

- [Property Tax Restructuring Report](#) and next steps

Commission chair Sharkey provided an overview of previous discussion of this topic and of the reception from the Governor. He highlighted that the Governor asked why CT is such an outlier regarding the municipal reliance on property taxes and obligation for funding special education. Commission chair Sharkey recommended the ACIR provide one-page summaries of those two issues, with references.

There was a discussion of potential next steps, including the possibility of requesting an informational hearing at the General Assembly. Commission chair Sharkey said he has contacted some legislative leaders and added that he has received media inquiries. He recommended that ACIR members raise this with their organizations.

There was further discussion of the information requested by the Governor and how to provide it. Commission vice chair Filchak one page would not be enough for the footnotes to document the

information sources and asked about providing the information in a bullet format or formatting the information as five reasons for tax reform. Commission chair Sharkey said this will not be in the Governor's budget but we must continue to engage. There was a discussion of avoiding the appearance that the provided information is opinion.

Commission vice-chair Filchak recommended presenting it as a 30,000-ft overview at a hearing of the [Finance Committee](#). He said the [School + State Finance Project](#) has done detailed calculations and the information cannot be presented in one page. He pointed out that the roles of counties and other differences from other states prevent simple comparisons. Commission chair Sharkey said the primary goal is to put this in front of a committee.

Commission member O'Leary recommended asking a CT-based researcher to provide the historic perspective behind the property tax disparities between CT and other states. He agreed about the significance of the special education issue and that it's time to address it. Commission chair Sharkey said the historic perspective is important, but the Governor is also interested in how other New England states do things differently. Commission chair Sharkey agreed academic support would be helpful.

Commission member O'Leary noted the Governor's attention to the revenue needed to support the ACIR's proposal and asked if the Dept. of Revenue Services can assist the ACIR in addressing that issue. Commission chair Sharkey said he had mentioned the uncollected revenue issue identified in the 1000 Friends of CT report: [Property Tax Reform in Connecticut: If Not Now, When](#). Commission member Hart said he sees little value in making a presentation at a hearing, as discussed earlier, and recommended the focus be on on-to-one meetings with leaders.

Commission member Seidman suggested the ACIR also consider who benefits from the current system. He said towns like to shift costs to the state until the point that control is lost. Can the cost be shifted without the loss of control? Additionally, in what areas are people willing to lose control? Commission vice chair Filchak mentioned the [University of Chicago Property Tax Project](#), which did a county-level breakout of home values and found that owners of lower value properties pay a disproportionately higher property tax rate. He pointed out the equity issue. He also said he disagrees with Commission member Hart's recommendation against the ACIR presenting its recommendations at a public hearing because the presentation can help leaders build momentum. Commission chair Sharkey agreed and said leaders can gauge if an issue has traction.

Commission member Elsesser said the ACIR is not proposing an increase in taxes; it is a shift. He highlighted that many people who could previously deduct property taxes from their federal tax no longer can, but the state has yet to adapt. He said we do not need more studies, noting that proposed changes in car taxes will likely increase taxes on houses. These issues are becoming a crisis. Commission member Thomas agreed that there have been enough studies and also with Commission member Elsesser's perspective regarding taxes being shifted. He added that he also agrees about the value of providing the ACIR's recommendations at a committee hearing.

Rick Porth mentioned CCM's [This report is Different](#) and noted that CT has the 41st smallest local spending and that it is 50th if excluding schools. The ACIR should frame this as a multi-year effort, focusing on education cost sharing and special education this session. We should build momentum for that but also push shared services, which is not expensive.

There was a discussion of [HB 5003](#), *An Act Concerning Education Funding In Connecticut*, which has a press conference and hearing today. Commission chair Sharkey said we endorse reforms proposed by others and collaborate. Commission vice chair Filchak said we should be aware of how components of HB 5003 fit with the ACIR's recommendations. Commission chair Sharkey recommended further advocacy with the legislature and administration, but mentioned that his availability is limited. He recommended that member talk with others about the report.

Commission member Filchak said Sen. Fonfara might be a key person to approach and also recommended sending the ACIR's recommendations to the [regional councils of governments](#) (COGs) and [regional educational service centers](#) (RESCs) for discussion with their members. Bruce Wittchen said the report has not been widely distributed yet and Commission member Filchak pointed out that the deadlines are approaching for raising bills. He recommended reaching out to Sen. Fonfara and seeing about having a bill raised for discussion. Commission member Hart said he has changed his mind from what he said earlier and agrees with presenting this at the committee level.

Commission member Filchak pointed out that the Finance Committee's response to the ACIR's work on 2020's report of the [Task Force to Promote Municipal Shared Services](#) was that it had not been not aggressive enough. He will share the U. of Chicago report he mentioned and noted that we might need to reform our approach to assessment.

- Possible new LGF Subcommittee topic: Engagement with RESC and COG directors/chairs re LGF initiative roles

Commission vice chair Filchak noted that the directors of COGs and RESCs have met only in his time at NECCOG. He added that we should look at possible collaborations and not just within geographic boundaries, using the [Regional Performance Incentive Program](#) (RPIP) for bigger things. Commission chair Sharkey asked if members of the RESC Alliance or CT-COG discuss this and there was a discussion of the significant difference between RESCs and COGs in their funding and staffing.

Commission chair Sharkey asked if this is a topic the ACIR wants to take on and Commission vice chair Filchak said the group can be the facilitator that brings them together. Commission chair Sharkey said COGs and RESCs could be used more efficiently and added that the ACIR could go beyond facilitating them and drive the discussion of ramping up their services. He noted that he is counsel for one of the RESCs, [ACES](#), and said there is not clear path for doing this. Commission member Seidman said the relationship between RESCs and boards of education is different than the relationship between COGs and municipal CEOs and mentioned that there are barriers to interdistrict work.

Commission chair Sharkey recommended this topic be on the LGF subcommittee agenda. Commission member O'Leary said it is a good idea but asked if there could be conflict between the COGs and RESCs because they answer to different local leaders. Commission chair Sharkey said one task of the subcommittee would be to find out. There was further discussion of the currently limited level of collaboration between COGs and RESCs and that RESCs might be able to answer some of these questions.

Commission member Filchak said RESCs have capacity that could assist smaller towns and mentioned the level of collaboration between town government and the board of education in Mansfield. COGs and RESCs could facilitate that.

5. Other Old Business

- Update: ACIR representation on [Task Force To Study Title 7 Of The General Statutes](#)

Bruce Wittchen said Sam Gold has been appointed to represent the ACIR. Martin Heft said the task force is being assembled now and highlighted that Sen. Duff must appoint someone to represent COGs. The task force might not be convened until after the session.

6. New business or any other municipal, regional, or state matters for ACIR consideration

- [Expected at March meeting: CAPSS Blueprint – 2023 status update](#)

Commission chair Sharkey mentioned that the ACIR has previously endorsed this initiative.

- Other

Commission vice chair Filchak mentioned that the General Assembly's Office of Legislative Research has issued [Report 2023-R-0007](#), *Methods of Merging and Consolidating Municipalities*. There was a discussion of whether the ACIR should review that and it was noted that the [MORE Commission](#) had discussed the topic.

Commission member Heft introduced Christine Goupil, who is a new employee at OPM, and outlined her assignments, highlighting that she will assist with the ACIR.

7. Additional public comments (if any)

There were no additional comments.

8. Upcoming meetings:

Commission chair read the upcoming meeting dates, pointing out the LGF meeting will be the 3rd Tuesday:

- Tuesday, February 21, 2023, 10:30 am Subcommittee (3rd Tuesday, not 4th)
- Friday, March 3, 2023, 10:30 am Full ACIR

9. Adjourn

The meeting adjourned at 11:59.

Minutes prepared by Bruce Wittchen, OPM