

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

Tuesday, April 25, 2023

*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/17148>

The meeting recording is available at:

[https://portal.ct.gov/-/media/ACIR/Meetings/2023/2023-04-25\\_ACIR\\_LGF\\_Audio.m4a](https://portal.ct.gov/-/media/ACIR/Meetings/2023/2023-04-25_ACIR_LGF_Audio.m4a)

**ACIR Members present:** John Filchak, Matt Hart, Karl Kilduff, Jim O’Leary, Francis Pickering, Brendan Sharkey, Mike Walsh

**Other participants:**

**ACIR/OPM staff:** Rebecca Dahl, Christine Goupil, Bruce Wittchen

## 1. Call to order

Commission chair Sharkey called the meeting to order at 10:33.

## 2. Review of [draft 3/28/2023 LGF notes](#) and [draft 4/14/2023 ACIR minutes](#), if helpful

There were no comments or questions about the notes.

## 3. Local Government of the Future (LGF) Initiative

- Framework for discussion of alternatives for satisfying IIJA local match

Commission chair Sharkey said this discussion should be especially relevant for ACIR members who are COG directors. Commission vice chair Filchak pointed out the scale of federal funds potentially available but said the 20% local match can be a heavy lift. He has heard that MA is funding that match for grants sought there and said CT is leaving dollars and jobs on the table by not doing that here

Commission member Hart mentioned a recent [CT Bipartisan Infrastructure Law Team](#) (CT BILT) webinar and said the federal [Safe Streets for All](#) grant program would seem most feasible for towns, but the state is not helping municipalities meet the local matching fund requirement. He added that the extent to which towns pass up such funding will be indicative and questioned whether state [Local Transportation Capital Improvement Program](#) (LOTICIP) could be used in that manner.

Commission vice chair Filchak pointed out how little time remains in this legislative session and said an approach depending on legislative action could delay a solution to the end of next year’s session. Commission member Hart said this is only the second year of a five-year program, so three years will remain. Commission chair said he will circulate an invitation to a special meeting to on Friday to discuss this further.

Commission vice chair Filchak said that if the administration does not support an additional appropriation to assist in meeting the local match, another option would be legislation authorizing

other state funding provided to municipalities to be used in that manner, with a sunset date to stop the practice at the end of this federal program. There was further discussion of that and Commission member Hart recommended learning what funding municipalities are applying for and what funding they are passing up. He also recommended inviting CT BILT to Friday's special meeting. Commission member Filchak noted that the minimum award for some of the federal grants is too large of a project for some towns to consider. Commission chair Sharkey asked Commission member Hart to invite CT BILT to attend the special meeting.

- Update on Property Tax Restructuring (see [Property Tax Restructuring Report](#))

Commission chair Sharkey said the committee chairs he has contacted agree with scheduling the informational hearing discussed in recent meetings of the ACIR and he noted the connection to various ongoing legislative efforts. The ACIR's focus is on the property tax as being the problem while the legislature is focused on other issues, but they are related. We need to connect those to the property tax issue. He mentioned the [State + School Finance Project](#)'s work in this area and said the date for that hearing is yet to be determined.

- Recap of LGF Objectives

Commission vice chair Filchak said it would be beneficial to re-articulate the goals of the LGF initiative and noted that the new Planning & Development Committee leadership have not met with the ACIR. Commission chair Sharkey asked if that should be an agenda item for the ACIR and Commission member Hart recommended surveying ACIR members before that meeting to prompt the discussion. There was a discussion of the ACIR's recent work dating back to the [1/2020 report of the Task Force to Promote Municipal Shared Services](#) and [2022 Property Tax Restructuring Report](#) and Commission chair Sharkey said this initiative was created during COVID, a moment prompting reinvention that has led to now. It may be time to recalibrate.

There was a discussion of the survey recommended by Commission member Hart and Commission vice chair Filchak offered to work on that. This can help the ACIR be more productive. Commission member O'Leary said people he has spoken with about the ACIR's property tax restructuring recommendations asked him what would replace it. We are leaving half of the work on the table. What replaces it? We will be fortunate if we make any progress in the next two years.

Commission chair Sharkey said we are the only ones talking about this. There was greater interest six months ago. We need to say where replacement dollars would come from, what can be saved through efficiencies, etc. He suggested explaining that path and Commission member O'Leary recommended developing a step-by-step process, noting the obstacles. Commission chair Sharkey added that the ACIR needs further bandwidth for its work and there was a discussion of collaborating with others having that.

Commission vice chair Filchak agreed that the ACIR had not identified how to pay for restructuring and mentioned that the income tax, property tax, and sales tax are the major revenue sources, adding that the estimated amount of uncollected state taxes would not fill the gap by itself. He asked if there is political will for change and pointed out that the ACIR can only list options.

Commission member O'Leary suggested a 5 to 10-year plan to get to an annual \$1 billion of reduced property taxes. Commission vice chair Filchak disagreed, saying we need a full disruption like happened when enacting the income tax, not change across multiple budget cycles. He also mentioned the potential savings through regional and shared service opportunities, noting how long it has been since the most recent formation of a regional school district.

Commission chair Sharkey said the ACIR is positioned to lead this discussion. He mentioned the meeting of COG and Regional Educational Service Center (RESC) directors several years ago that Commission vice chair Filchak has described previously. He added that people have forgotten the

significance of the property tax and Commission vice chair Filchak noted that the property tax is a significant factor behind the ongoing housing discussion.

#### 4. Future topics/initiatives, if any

- [Governance Study Committee Report](#) – Town of Chester (2/9/2023)

Commission chair Sharkey asked about interest in the report from Chester and Commission vice chair Filchak said it is remarkable work and recommended asking them to give a presentation on it to the ACIR, also describing their process. Commission chair Sharkey said the group has also discussed inviting Tom Condon to talk with the ACIR about his recent article in the CT Mirror: [Does CT need 169 municipalities? Some say merging makes sense](#). He suggested combining that with the Chester discussion because they are the same conversation.

Commission vice chair Filchak mentioned that the Condon article discusses three towns in his region. There was a discussion of scheduling that for the ACIR's June meeting and it was suggested that Sam Gold invite people from Chester, which is in his region. Commission member Hart said their has never been more interest in effective town management but we have lost the pipeline of people who would fill that role, noting that there are fewer assistant town managers now. Commission chair Sharkey said that is an LGF issue and noted the need for portable benefits.

- Engage with RESC and COG directors/chairs re LGF initiative

Commission vice chair Filchak said the COG and RESC groups will help organize this but the date is not known yet. They are enthusiastic about it and he hopes it can be an ongoing forum.

#### 5. Next meetings

Commission chair Sharkey outlined assignments arising from this meeting. He will send a calendar invitation for Friday's meeting and people can forward it to others. Christine Goupil will contact people from Chester about a presentation. Commission chair Sharkey said he will provide a legislative update and also mentioned the previously recommended survey of ACIR members in advance of the next meeting. Commission vice chair Filchak noted the need to increase the understanding of the LGF initiative. Commission member O'Leary mentioned previous discussions of ACIR bylaws and meeting attendance issues. Commission chair Sharkey noted that the ACIR cannot compel members to attend meetings and Commission vice chair Filchak added that the group has been told it is not currently authorized to have bylaws.

4/28/2023	IIJA Subcommittee meeting
5/5/2023	ACIR
5/23/2023	LGF Subcommittee

#### 6. Adjourn

The meeting adjourned at 12:02

*Notes prepared by Bruce Wittchen, OPM*