



PLANNING AND DEVELOPMENT

February 27, 2018

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent 99% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

Encouraging Regional Cooperation for Greater Governmental Efficiency

CCM would like to thank the Planning and Development Committee for hosting this very important informational forum. We appreciate the opportunity to be a part of this conversation to begin to tackle the unsustainable policies of the past and to provide for common sense solutions to encourage municipal service sharing and regional efficiencies.

As we come together today, we can all agree that one approach to improving efficiency, containing costs and improving service quality is through inter-local collaboration and service sharing. Some required or desired services are difficult to deliver efficiently by a single municipality because the availability of the required technical expertise is limited. In other cases, the level of service demand may be low enough that either the quality of service provided is insufficient, or the necessary capital or labor costs to meet the demand result in excess capacity for a single jurisdiction. Good management of public resources may argue for improved efficiency or enhanced service quality through sharing of services with other public entities.

CCM released a report in 2017, ***"This Report is Different"*** that outlines a new path forward for towns and cities. CCM's State and Local Partnership Panel, which included 21 municipal leaders representing cities, suburban and rural communities, Republicans and Democrats offered recommendations that would enable towns and cities to save money, increase regional collaboration and diversify their revenue streams – including the opportunity to encourage service sharing. The report highlights a new way forward for the state and its relationship with its municipalities. It stresses the need to change the paradigm in order to help towns and cities become more self-reliant and to chart a sustainable path to future growth and prosperity.

Governments stand at a crossroads. For over a decade, local governments in the state benefited from a strong economy and stable revenues. This stability depended crucially on the local property tax and reliable and adequate state aid. The lack of diversity in revenue sources and uncertainty at the state level are now eroding the capacity of local governments to meet their obligations to the public. As a state with relatively high property taxes, the ability of local

governments to respond to these challenges by simply raising the property tax rates is extremely limited.

CCM respectfully offers the following suggestions to support municipal services sharing and regional efficiencies:

Some challenges frequently encountered when towns seek to pursue shared services are the limitations imposed by existing collective bargaining agreements. The following proposals provide municipalities greater opportunities to share services:

- Collective bargaining issues pertaining to regionalization of services shall not be mandatory subjects of collective bargaining.
 - a) CCM suggests the following amendment to CGS Section 7-478a(c), which addresses interlocal agreements: *“The decision to reassign or subcontract bargaining unit work as a consequence of interlocal sharing of such services shall not be subject to collective bargaining.”*
- In all future collective bargaining agreements, municipalities cannot bargaining away, or be required through arbitration to give up their right to assign employees to carry out their normal responsibilities in a new location or to provide services to a different municipality.
- Provide for when service sharing arrangements affect two or more collective bargaining units, the interests of all employees affected by the new arrangement will be represented by either a coalition of bargaining units or a new bargaining unit be created to represent all employees.
- Inter-local agreements or service sharing contracts override any relevant limitations in a participating municipality’s charter or ordinance.

In addition the proposals below provide municipality’s further relief from unfunded mandates, opportunities to share services and contain costs and generate revenue.

- Services in Lieu of Taxes (SILOTs) - Permit municipalities to charge a user fee on all non-profits, not just colleges and universities, who are exempt from the property tax. While they are non-profit entities, they still require municipal services such as police, fire, emergency management, public works, etc.
- Allow for interlocal agreements or service sharing contracts involving two or more municipalities to override any participating municipality’s relevant charter sections and ordinances. Charter restrictions and town ordinances have limited some towns’ abilities to pursue significant restructuring and cooperative agreements.
- Consolidate and/or share services for selected non-instructional education expenditure categories across school districts.

- Change state law to allow town governments to require consolidation and/or sharing of non-instructional services and resources between school districts and the municipality in which they are located.
- Require that municipal audits of the financial statements of each school district operating within the boundaries of a municipality (1) be as detailed as audits of other municipal departments, and (2) include a review and report of whether the board of education in the district is complying with all relevant state statutes, municipal ordinances and board of education policies. School districts already provide this document to the State Department of Education. We are only asking that it be made available to the public.

This proposal would seek to enhance oversight and transparency of board of education budgets. Increasing opportunities for local fiscal transparency not only protects the integrity of municipal budgets but it also provides local governments better tools to manage cash flow more efficiently.

- Restore funding for the Regional Performance Incentive Program and target that funding on initiatives identified as most effective in reducing costs, improving services or containing further cost increases. This much needed program is essential to encourage municipalities to participate in municipal shared services projects on a regional basis, with the goal of producing measurable economies of scale and lowering the costs and tax burden related to the provision of such services. In the limited time it was operational, it was a very successful program.

Currently, the opportunities for increased cooperation and service sharing across the state are hindered by both policies and practices. The proposals suggested above remove statutory barriers to significantly increase the level of service sharing in the state.

Communities must be given the flexibility to use alternative revenue sources to meet pressing financial needs and/or grant property tax relief. They need policy changes that would result in greater revenue flexibility at the local level and generally less reliance on state aid. Also, removing the impediments to sharing services and amending municipal labor laws will go a long way towards realizing our shared goal of strengthening municipalities to strengthen our state.



If you have any questions, please contact Joe Delong (jdelong@ccm-ct.org), Brian O'Connor (boconnor@ccm-ct.org), or Donna Hamzy, Advocacy Manager of CCM at dhamzy@ccm-ct.org or (203) 843-0705.

Examples where collective bargaining or contracts have impeded regional efforts to enable municipal governments from providing more efficient services and reduce costs:

- The Town of Portland attempted to share a Zoning Enforcement Officer (ZEO) with the City of Middletown, but because of the collective bargaining agreement (CBA) in Middletown they were unable to do so in a timely manner. Rather than waiting for the next CBA negotiation, Portland hired a part-time ZEO that they now share with their Council of Government.
- The Town of New Fairfield needed to fill its fire marshal position due to a retirement. They approached the City of Danbury to provide fire marshal services, but because of Danbury's collective bargaining unit, Danbury was unable to assign one of its six fire marshals to provide services in New Fairfield.
- The Town of Litchfield attempted to partner with the Town of Goshen to share an animal control officer. They were unable to do so because of the CBA. Upon the retirement of Litchfield's animal control officer, they eliminated the position and eventually came to an agreement with Goshen and the City of Torrington to share animal control services.

Formation of Coalition Bargaining Units

The City of Hartford explained that there are instances where there are tremendous difficulties sharing services even within a community or intra-municipality. The City attempted to share IT services between the city side and the board of education and it proved challenging to consolidate services in order to deliver them more efficiently.

This is why we also support a provision that states when a service sharing arrangement affects two or more bargaining units, operating under two or more contracts, that those bargaining units be represented in the future, for future negotiations, by a coalition or by the establishment of a new bargaining unit.

Due to the delays and obstacles when towns and cities attempt to share services, there are lost opportunities to achieve greater efficiencies and real cost savings. (Source: Planning & Development Committee public hearing testimony, 3/22/2017)

Examples of Current Service Sharing Among Municipalities

There are numerous examples of service sharing across local governments in Connecticut. Not all service sharing efforts have been successful at reducing costs or improving services, but the many efforts demonstrate that there is both a recognition that service sharing is viable and needed, and a demonstrated willingness on the part of local officials to consider, experiment, and implement service sharing arrangements.

Inter-local cooperation at the Council of Governments level is actively being promoted and achieved across the state. In 2015, the Connecticut Conference of Municipalities published *Innovative Ideas: Regional cooperation for a more viable Connecticut*. (CCM 2015) The report highlights current service sharing on a number of fronts. Examples include:

- Eight members of the River COG have joined to form the “Gateway Commission” to protect the environmental and scenic resources and enhance the economic potential of the Lower Connecticut River Valley.
- Municipal Services are being provided or facilitated by the Capitol Region Council of Governments (CRCOG), including
 - Purchasing Council
 - Natural Gas Consortium
 - Electricity Consortium
- The CRCOG is also promoting a Connecticut e-Government Initiative that includes
 - Regional Online Permitting
 - Fiber Infrastructure
 - General IT Services
 - CRCOG Data Center

Other regional examples include CRCOG’s Geographic Information System which serves 38 towns, regional election monitoring, and regional solid waste management. In the Naugatuck Valley COG, the Naugatuck Valley Regional Brownfields Partnership has expanded to include 27 cities and towns in west central Connecticut.

Initiatives also span multiple regions in efforts such as the Nutmeg Service Cloud which is a cloud server and high speed broadband service used by 97 municipalities, public safety entities, schools, and libraries in the state.

At the municipal level, the CCM report lists cooperative arrangements in energy, health insurance, economic development, public safety, environmental preservation, equipment sharing, property revaluation, senior and youth services, public health, and regional trails.

On a more informal level, the River COG has successfully facilitated the Regional Land Trust Exchange, an association of thirteen land trusts in the region and the town of Salem. This informal organization provides shared services for member conservation commissions, the town and particularly their land trusts.

There are also numerous examples of service sharing among Connecticut's school districts. The Connecticut Association of School Business Officials (CASB) released a white paper in 2015 describing many current efforts to share services with towns and across school districts. The report also notes both challenges and additional opportunities for further increasing sharing. (CASB 2015)