



Comments

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Planning and Development Committee Informational Forum
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Connecticut's small towns and cities support initiatives to *encourage* voluntary regional cooperation to provide programs and services to meet the needs of local residents in a more efficient, cost-effective manner. As Connecticut's small towns and cities struggle to do more with less, many communities are exploring new opportunities to share resources to meet these growing needs.

Regional Success Stories

Connecticut's Regional Councils of Government (COGs) have been instrumental in developing programs to assist towns in delivering services more cost effectively through shared services agreements and regional partnerships. These programs include a wide range of services and functions, including:

- Regional Dispatch Centers
- Regional Animal Control Facilities
- Consolidation of Back Office Functions, i.e. IT, human resources, accounting
- Regional Transfer Stations/Solid Waste Management
- Regional School Districts
- Regional Health Districts
- Group Purchasing of Goods and Services
- Shared Back Office Functions
- Regional online permitting, GIS mapping, and property revaluation.

Programs such as the Regional Performance Incentive Program and Intertown Capital Equipment (ICE) Sharing program have been successful in encouraging communities to utilize regional approaches to delivering services and purchasing equipment to stretch limited municipal dollars. The ICE program, for example, provided state support for the shared purchase of capital equipment, an initiative that allowed towns to share the cost of new/replacement equipment needed to perform critical town services, such as plowing, mowing and fire trucks, etc.

Several years ago, town leaders in Litchfield County implemented a program to share heavy equipment. Ten towns in the area benefit from this program, the Litchfield Hills Public Works Equipment Cooperative, which allows the towns to share major equipment for road maintenance. Two street sweepers and one catch basin cleaner were purchased through the program, which



was made possible by a \$700,000 grant the council received from the state's Regional Performance Incentive Program.

Unfortunately, funding for RPIP has been significantly reduced over the years and the ICE program has been eliminated. This is unfortunate because regional sharing programs that allow towns to reduce costs without undermining efficiency are certainly a win-win for the towns and taxpayers.

Regionalism is no Silver Bullet

COGs have been successful in fostering collaborate shared service programs because they work with member towns to identify needs and perform feasibility studies to determine how regional approaches will impact costs and service delivery. This approach recognizes that regional approaches don't always save money or ensure that services will be delivered more efficiently. According to a 2008 study by Dr. Steve Lanza, editor of *The Connecticut Economy*, "Municipal consolidation or other service-sharing plans offer no silver bullet for the problem of costly, local public services."

Too often, legislation promoting regionalism is proposed without fully analyzing whether regionalizing certain programs or services makes sense from an economic and/or service delivery standpoint. A prime example of this is the proposal from the state Department of Public Health to consolidate health districts. This was a top down approach to regionalism that failed because it would have consolidated health districts without regard for cost or for the impact on service delivery to residents. COST attended meetings along with representatives from towns, cities, health districts and health professionals and not one person in the room supported the consolidation proposal.

Unless it can be demonstrated through a thoughtful and comprehensive policy analysis that regional proposals will provide significant benefit or savings, the state should not push towns to rush headlong into such arrangements. Fortunately, COGs are actively working with member towns to determine when regionalism and shared service programs make sense and what it takes to get there.

Successful State/Local Partnerships

In promoting regionalization of services, policymakers should recognize the value of strong state/local partnerships in providing critical services to residents in a cost-effective, value added manner. For more than 60 years, the Resident State Trooper program has been a successful model of a strong state/local partnership that allows towns to share resources and provide critical public safety services to our communities. Not only does the program assist small towns in maintaining a public safety presence, resident state troopers are routinely dispatched from their



towns to respond to state police matters outside of their community. The program is a win-win for the state and our small towns and residents.

Unfortunately, towns have had to pay an increasing amount to continue to participate in the program and we are concerned that any additional increases in costs will make it too costly for municipalities to maintain their resident troopers. Towns have explored options to create stand-alone police departments or regional police departments, but these programs are much more costly than the resident trooper program. The towns of Roxbury and Bridgewater have entered into an arrangement to share a resident trooper, which has proven beneficial for both communities, which are very small.

Recommendation:

- 1) Continue to support the Resident State Trooper program as a strong state/local partnership; and
- 2) Expand the pilot program that authorizes towns to share resident state troopers.

Consolidation of Non-Educational Expenditures/Functions

In addition to regional and shared service models, towns have been exploring opportunities to consolidate non-educational expenditures and functions within their communities. For example, the Town of Canton recently entered into an agreement with its Board of Education to share a Finance Director. Other towns have consolidated back office functions under the state's Nutmeg Network, consolidated maintenance, Human Resource, and other functions. COST supports efforts to assist towns and boards of education in consolidating non-educational expenditures and functions.

Recommendations:

- 1) Strengthen the existing statute to permit a town's appropriating authority to initiate the consolidation of non-educational services, such as the shared maintenance of buildings, grounds, equipment, and IT between schools and towns and the purchase of health, property casualty and workers' compensation insurance; and
- 2) Require boards of education to consult with towns before purchasing new payroll, and payable software systems to determine whether such purchases can be shared or purchased on a regional basis.

Regional School Districts

It is also important to review the state's existing laws governing regional programs to ensure that they are structured in a way that will assist towns in achieving savings while ensuring the continued delivery of quality services. For example, the state has long authorized the creation of



regional school districts to deliver educational services to students. Towns participating in regional school districts, however, are concerned about increasing costs associated with the districts.

COST recently established a working group to develop recommendations to assist towns participating in regional school districts in managing educational expenditures. Town officials in regional school districts often do not have any meaningful role in developing and managing education budgets. Recently, for example, many towns faced significant cuts in education funding due to reductions in ECS funding and deficit holdbacks. Unfortunately, in many cases, towns were forced to issue supplemental tax bills and/or reduce expenditures for roads, public safety, and other critical services because regional school districts were not required to adjust budgets approved at referendum to reflect the cuts in education funding.

Recommendations:

- 1) Require, rather than allow, regional school districts to establish finance boards consisting of representatives from member towns to provide input on local budget issues; and
- 2) Allow the use of a five-year rolling average in determining the Average Daily Membership, the amount each town within a region is required to pay per student, in schools for purposes of calculating member town allocations;
- 3) Reduce student transportation costs by in local and regional school districts by clarifying the student transportation requirement to allow districts to develop a transportation plan based on the number of students utilizing school bus transportation

Barriers to Regionalism

COGs have worked with towns to successfully identify and support municipal opportunities to regionalize services and improve efficiencies and, as mentioned, there are a number of success stories. However, consolidating services can be difficult and towns often require assistance in 1) undertaking feasibility studies to determine whether consolidation is cost-effective; 2) addressing liability issues that may arise due to sharing arrangements; 3) negotiating contracts for shared services; and 4) addressing collective bargaining/union issues that may undermine savings associated with regional efforts.

Recommendations:

- 1) Ensure that there is a mechanism to address collective bargaining issues that undermine regional consolidation efforts or shared services agreements, including providing that consolidation/regionalization efforts are not a mandatory subject of collective bargaining;
- 2) Provide adequate funding to COGS to ensure that they are positioned to assist towns in consolidating/regionalizing services and functions; and



- 3) Assist municipalities in facilitating the regional consolidation of services to achieve savings by addressing statutory and other barriers to consolidation.

COST stands ready to work with lawmakers to develop and support common sense proposals that facilitate the ability of municipalities to 1) regionalize certain programs and functions in ways that make sense for the communities involved and for our property taxpayers; 2) maintain strong state/local partnership approaches to the delivery of services, such as the Resident Trooper program; 3) support the consolidation of non-educational expenditures and functions to improve municipal efficiencies; 4) enhance the management of regional school districts; and 5) address barriers to regionalization, including collective bargaining agreements and statutory requirements.