



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

November 30, 2017

Mr. Lyle Wray
Executive Director
Capitol Region Council of Governments
241 Main Street, 4th Floor
Hartford, CT 06106-5310

Dear Mr. Wray:

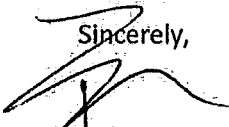
Thank you for coordinating with my staff to schedule time on the December 13, 2017 CROG Policy Board agenda for the Office of Policy and Management (OPM) to facilitate a discussion on the municipal fiscal disparities provisions of Section 7-148dd of the Connecticut General Statutes.

As I indicated in my November 13, 2017 letter to Governor Malloy, the City of Hartford is one of three municipalities in the state that triggered all four statutory criteria. These criteria presumably were intended to measure the relative fiscal disparities among the municipalities in each planning region.

While OPM must do its part to initiate this discussion in the affected regions, I understand that the impact on all municipalities from the current state budget situation makes the timing of this letter less than ideal. Nonetheless, I want to encourage your Chief Elected Officials to consider possible recommendations for addressing the fiscal disparities, as required by statute, and to notify me if OPM staff can be of assistance.

I hereby designate Dan Morley of my staff to act on my behalf at the next CROG Policy Board meeting, and request that you share this letter with your Chief Elected Officials.

Sincerely,


Benjamin Barnes
Secretary

Attachments: 1) CGS Sec. 7-148dd
2) November 13, 2017 letter from Secretary Barnes to Governor Malloy
3) Municipal Fiscal Disparities Results

Sec. 7-148dd. Municipal fiscal disparities. List. Recommendations to address problems of municipalities on list. (a) As used in this section:

- (1) "Secretary" means the Secretary of the Office of Policy and Management;
- (2) "Municipality" means any town, city or borough, consolidated town and city or consolidated town and borough;
- (3) "Population" for each municipality means the number of people according to the most recent estimate of the Department of Public Health;
- (4) "Adjusted equalized net grand list per capita" means the most recent adjusted equalized net grand list per capita determined for each municipality pursuant to section 10-261;
- (5) "Equalized mill rate" means the tax rate derived from the most recent available grand levy of a municipality divided by the equalized net grand list on which such levy is based as determined by the secretary in accordance with section 10-261a;
- (6) "Grand levy" means the mill rate of the municipality multiplied by the net taxable grand list of the municipality and includes the value of special service districts if such districts contain fifty per cent or more of the value of total taxable property within the municipality; and
- (7) "Region" means a planning region designated or redesignated by the secretary pursuant to section 16a-4a.

(b) On or before September 15, 2001, and annually thereafter, the secretary shall submit to the Governor a list of municipalities that have (1) an equalized mill rate that is fifty per cent more than the average equalized mill rate of the region in which the municipality is located; (2) an adjusted equalized net grand list per capita that is forty per cent less than the average adjusted equalized net grand list per capita of the region in which the municipality is located; (3) a median household income which is thirty per cent less than the average median household income of the region in which the municipality is located; and (4) a decrease in population in the year of the latest equalized mill rate from the average population of the previous five years.

(c) Within thirty days of submission of the list prepared pursuant to subsection (b) of this section, the Governor shall convene a meeting of the chief elected officials in each region in which a municipality identified on the list is located. If any such municipality does not have a chief elected official, a member of its legislative body shall be chosen by a majority vote of such body to represent the municipality at the meeting. The member of the legislative body chosen under this section shall be deemed to be the chief

elected official of such municipality for the purposes of the meeting. The Governor shall provide notice of such meeting to each chief elected official by certified mail, return receipt requested. Each chief elected official receiving a notice under this section shall participate in the process set forth in this section.

(d) On or before December thirty-first in the year of identification of a municipality under subsection (b) of this section, the chief elected officials shall submit to the Governor and the joint standing committee of the General Assembly having cognizance of matters relating to local government recommendations to address the problems of the municipality, including intertown collaboration and action. On or before December thirty-first in the second year after identification, the Secretary of the Office of Policy and Management, in consultation with the chief elected officials, shall prepare a specific implementation strategy that addresses the fiscal capacity of the municipality. Thereafter, the plan shall be revised annually until the municipality no longer meets the qualifying standards of subsection (b) of this section.

(e) The Secretary of the Office of Policy and Management, within available funds, shall provide necessary staff and resources to assist municipalities in preparing the recommendations and in implementing the strategy required under subsection (d) of this section.

(P.A. 01-158, S. 1, 2.)

History: P.A. 01-158 effective July 1, 2001.



**STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT**

November 13, 2017

Dannel P. Malloy
Governor
State of Connecticut
210 Capitol Avenue
Hartford, CT, 06106

Dear Governor Malloy:

Pursuant to the municipal fiscal disparities provisions of Connecticut General Statutes, Section 7-148dd, please find the attached list of municipalities for 2017 that have:

- (1) an equalized mill rate that is fifty per cent more than the average equalized mill rate of the region in which the municipality is located;
- (2) an adjusted equalized net grand list per capita that is forty per cent less than the average adjusted equalized net grand list per capita of the region in which the municipality is located;
- (3) a median household income which is thirty per cent less than the average median household income of the region in which the municipality is located; and
- (4) a decrease in population in the year of the latest equalized mill rate from the average population of the previous five years.

Acting on your behalf to address the requirements of subsection (c) of the statute, I have directed my staff to convene meetings with the three affected regional Councils of Government (COG) in which these municipalities are located. By December 31, 2017, the chief elected officials of said COGs are required to submit recommendations to address the problems of the municipality to your office and the joint standing committee of the General Assembly having cognizance of matters relating to local government. By December 31, 2018, the chief elected officials are to submit an implementation strategy that addresses the fiscal capacity of the listed municipalities to your office and the committee of cognizance.

Should your office have additional questions please direct them to Daniel Morley of my staff at 860-418-6343 or Daniel.Morley@ct.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Benjamin Barnes".

Benjamin Barnes
Secretary

Attachment

Municipality	Council of Government
Hartford	Capitol Region Council of Governments
Torrington	Northwest Hills Council of Governments
Waterbury	Naugatuck Valley Council of Governments

2017 Municipal Fiscal Disparities List

InterOffice Memo

To: Dan Morley, Assistant Division Director, CPIP
From: Bill Plummer, LGPM, Office of Finance
Date: September 27, 2017
Subject: Fiscal Disparities Results
Cc: Robert Dakers, Executive Finance Officer, Office of Finance

Enclosed is an excel spreadsheet of the calculations used to determine those municipalities that meet the fiscal disparities criteria provided under Section 7-148dd of the Connecticut General Statutes.

The criteria cited in the disparities legislation are: (1) an equalized mill rate (eqmr) that is 50% more than the average eqmr of the region in which the municipality is located; (2) an adjusted equalized net grand list per capita (aenglc) that is 40% less than the average aenglc of the region in which the municipality is located; (3) a median household income (mhi) which is 30% less than the average mhi of the region in which the municipality is located; and (4) a decrease in population in the year of the latest equalized mill rate from the average population of the previous five years.

The Median Household Income figures used for the disparities calculation are based upon the 2015 income data from the American Community Survey of the U.S. Census Bureau, which is the latest information available at this time from this source.

Please be aware that separate statistics for the regions themselves are not available; averages for the regions are therefore calculated based upon statistics for the municipalities that each region consists of.

Based on the criteria provided under Section 7-148dd, the City of Hartford (Capitol Region), the City of Waterbury (Naugatuck Valley Region) and the City of Torrington (Northwest Hills Region) met all four of the disparities criteria.

Enclosure (1).