

M.O.R.E.

Mandates Sub-Committee Meeting

MEETING MINUTES

Tuesday, November 12, 2013

10:00 A.M. IN LOB ROOM 2A

The meeting was called to order by Representative Nicastro at 10:16 A.M.

The following sub-committee members were present: Rep. Frank Nicastro, Rep. David Arconti, Betsy Gara, Kimberly Glassman, Bob Labanara, Leo Paul, David Roche, Art Ward, Sheila McKay, Ben Wenograd

Rep. Nicastro welcomed everyone and made opening remarks

Bob Labanara presented CCM's list of the top 11 mandates for the sub-committee to explore (see handout for full list). His presentation focused on the following mandates:

- Towns are still required to publish legal notices in a print newspaper and may not publish these notices in an online forum, such as the town website, instead. This mandate costs municipalities an estimated \$3 million per year. CCM does not mean to attack print newspapers, but this medium is no longer the best way to reach people.
- The thresholds that trigger prevailing wage rates need to be adjusted. CCM would like small projects like park shelters and garages to be able to go forward without triggering prevailing wage rates, since this cost sometimes prevents the work from being done. The triggering thresholds were last adjusted in 1991
- Binding arbitration can be improved if set timetables for negotiation are established.
- MERS contribution rates need to be adjusted so that employees are paying a higher percentage. CCM notes that these rates have not been changed since the 1940's or 50's.
- Towns should not be forced to store the possessions of evicted tenants. Currently, towns must keep these possessions for 2 weeks and may then auction them off to recover the town's storage costs. However, many of these possessions are not re-sellable and towns do not always fully

recover their storage costs. CCM recommends giving towns the option to decide not to store such possessions.

Betsy Gara presented COST's list of mandates for the sub-committee to explore, many of which mirrored CCM's recommendations (see handout for full list). She stated that, with state aid to municipalities largely flat funded and pension and health care costs continuing to rise, it is critical that mandates be addressed. Her presentation focused on the following mandates:

- COST has suggested in the past that the legislature approve all unfunded mandates by a two thirds majority, but this measure has never been adopted. COST is still interested in finding new methods to ensure that legislators have an informed dialogue before passing unfunded mandates, and recommends that the sub-committee form a working group on this issue.
- COST does not approve of the uniform chart of accounts, which, it says, is an example of why discussion is needed before mandates are passed. This legislation was passed at the end of the legislative session in a budget implementer, and COST questions whether the benefits outweigh the costs. There is an advisory committee that is moving forward with a mapping approach that will help towns on this issue, but it is still not certain that this will address all of the policy's problems. COST recommends that a hearing be held for mandates being considered by the legislature that would have a major fiscal impact.
- COST recommends that towns be allowed to publish legal notices online rather than in print newspapers, since some state agencies already do this. Full legal notice should be posted online (such as on a town website) and then a summary could be printed in a newspaper as a possible compromise.
- COST recommends increasing the employee contribution rate to MERS (municipal employment retirement system) by 3% (1% increase each year for three years).
- COST recommends that PILOT (payment in lieu of taxes) reimbursements be fully funded, helping towns with hospitals and colleges.
- COST supports efforts to adjust the triggering threshold for prevailing wage rates. COST also seeks clarification on whether or not towns may accept donated labor under the current prevailing wage system.
- COST does not favor the mandate requiring towns to store the possessions of evicted tenants, even though this is less of an issue in small towns than in large cities.

- COST seeks to exempt municipal health insurance policies from the insurance premium tax. The state does not have to pay this tax and the same courtesy should be extended to towns. Gov. Malloy may be considering this.
- COST recommends that more flexibility be given to towns with regard to the minimum budget requirement. COST would also like to examine other education-related mandates.
- Wastewater phosphorous limits impact towns with non-tidal rivers. COST recommends that all related projects receive a greater percentage of Clean Water funds.
- COST is administering a survey of its members to identify unnecessary regulations and reporting requirements. One example is an annual report that towns are required to make to the Connecticut Siting Council. Towns use information from the council's website to complete the report, so the report itself may be unnecessary.

Rep. Nicastro stated that he was proud that this committee was taking the time to discuss these issues. He opened the floor to questions for CCM, followed by questions for COST

David Roche stated his belief that, with regard to the prevailing wage issue, an individual person can volunteer to build a structure for a town, but a company cannot do so. He also asked for a list of CCM members, so he can reach out to his contacts in those towns.

Bob Labanara responded that 156 towns are CCM members and he believes they are listed on the CCM website. He continued that CCM has a deliberative process, incorporating a board and subcommittees, for determining their policy platform.

Kimberly Glassman asked if a unanimous vote by all of CCM's members was required in order for items to be placed on the group's legislative agenda. She also asked if the votes of larger cities were weighted more than those of smaller towns, since there are more small towns than large cities.

Bob Labanara answered that there was no formal vote, CCM decides on policy issues by consensus.

Leo Paul answered that a majority vote is all that is required for CCM to take action.

Kimberly Glassman asked if it would be more fair for cities to carry more weight than small towns in CCM votes.

Leo Paul responded that every town should get an equal vote.

Bob Labanara stated that the purpose of this sub-committee was not to debate internal CCM voting policy.

Kimberly Glassman objected to the use of the term “adjustment” in CCM’s handout with regard to prevailing wage. She stated that what is being discussed is not an adjustment but a weakening of the law. She further urged COST and CCM to take a look at information that was recently given to the labor committee (see Professor Dale Bellman Prevailing Wage Presentation) which shows that savings from prevailing wage changes may not materialize.

Rep. Nicastro asked if sub-committee members had any questions for COST.

Kimberly Glassman wanted to correct COST’s characterization of prevailing wages as union wages. She stated that federal Davis Bacon rates, as determined by a federal department of labor survey, are the basis for prevailing wage rates. She continued that all contractors are invited to participate in this survey and that the rate determination process is not a closed process.

Betsy Gara responded that the CT Department of Labor website states that union wages are the basis of the prevailing wage rate. She further stated that there are savings to be realized with respect to prevailing wage, although the amount of those savings is debatable. She also said that she does not want to get bogged down arguing about just this one issue if there are other mandates the sub-committee can make progress on.

David Roche stated that there may be some savings “on the other side of the fence” with regard to prevailing wage, and that the data presented during the recent labor committee meeting should be examined (see Professor Dale Bellman Prevailing Wage Presentation).

Bob Labanara recommended that the sub-committee create a small working group to debate this issue

Rep. Nicastro thanked CCM and COST for their presentations. He further stated that his goal for this sub-committee was for the group to create a list of recommendations that the general assembly could take action on during the coming session. He urged sub-committee members to examine what had been presented to them during this meeting and to take the time to debate these issues and create innovative solutions through the committee process.

Bob Labanara asked for clarification from leadership as to which sub-committee will take charge of reviewing education related mandates, the mandates sub-committee or the education sub-committee.

Rep. Nicastro was not certain but thought that these issues might be sent to the education sub-committee.

Art Ward brought up the issue of MBR (minimum budget requirements) for discussion.

Rep. Nicastro asked Art Ward if there had been a Bristol ordinance concerning the moving of tenant furniture.

Art Ward stated that he would check to see if Bristol had such an ordinance.

Ben Wenograd recommended that, if the sub-committee wanted to take this issue up in earnest, Rafie Podolsky should be asked to present to the group on the subject of evicted tenants getting their property back from towns. He also recommended that the sub-committee should focus on issues that better fit within its purview, such as eliminating archaic regulations and mandates that serve no useful purpose. He stated that spending a large amount of time on hot topics might be less productive.

Bob Labanara replied that he can accept some mandates and there are issues that this sub-committee may be able to address and make progress on. He mentioned that CCM has identified over 70 tax exemptions that do not make sense, using the fact that Yale is tax exempt as an example. He said that he is willing to work with the rest of the sub-committee to make progress on those kinds of issues.

Betsy Gara stated that COST will be surveying towns to identify archaic mandates, such as required annual reports to the Connecticut Siting Council. She said that these types of regulations and mandates tend to be low cost drivers, but she is happy to work with other members of the sub-committee to make progress on these issues.

Leo Paul echoed Art Ward's MBR concerns, stating that he was unsure what variables affected MBR and requesting clarification. He also would like to discuss the level of notice towns are required to provide when transferring property. He stated that the town must place a sign on the property, hold two board of selectman meetings, publish a notice in the newspaper, and then have a town meeting. His opinion is that the previous notice requirements were sufficient and he wants to ensure that this issue is addressed by the sub-committee.

Rep. Nicastro stated that he cannot speak for the Chair, but he does not see why the sub-committee cannot examine this.

Kimberly Glassman stated that her organization was also interested in reducing construction costs for towns and recommended that the sub-committee look at relevant Massachusetts laws for some possible ideas. She requested that a search be done to determine if there is a relevant OLR report on the subject.

Rep. Nicastro stated that it might be a good idea for the sub-committee to plan 2 meetings in December and 2 or 3 in January to ensure that this group can accomplish significant work before the start of the legislative session.

David Roche recognized Art Ward and thanked him for his service as Mayor of Bristol.

Rep. Nicastro adjourned the meeting at 11:12 pm on a motion made by David Roche and seconded by Ben Wenograd.

Submitted: David Desjardins