

MINUTES OF THE 1/17/18 MEETING OF THE  
SOUTHEASTERN CONNECTICUT COUNCIL OF GOVERNMENTS  
SCCOG OFFICE, NORWICH, CT

PRESENT: Council Representatives: Art Shilosky, Colchester; Mark Nickerson, East Lyme; Todd Babbitt, Griswold; Keith Hedrick, City of Groton; Fred Allyn, Ledyard; Tom Sparkman, Lisbon; Ron McDaniel, Montville; Michael Passero, New London; Bob Congdon, Preston; Kevin Lyden, Salem; Cathy Osten, Sprague; Jeff Callahan, Borough of Stonington; Rob Simmons, Town of Stonington. Council Alternates: John Salomone, Norwich; Jim Rivers, Windham. Tribal Liaison: Robert Hayward, Mashantucket Pequot Tribal Nation; Chuck Bunnel, Mohegan Tribe. Military Liaison: Captain Paul Whitescarver, Adam Wright, US Naval SUBASE. Staff: James Butler, Amanda Kennedy, Kate Rattan, Sam Alexander, Liz Crutcher, Wendy Leclair, Richard Serra, Carly Myers, Cierra Patrick (intern). Other: Commissioner James Redeker, Grayson Wright, CTDOT; Catherine Young, CT Airport Authority; Mike Carroll, Al Fritzsche, Ginger Morse, SEAT; Jarod Puzynski, Patricia Johnson, Amalgamated Transit Union; other Transit Union representatives; Tony Sheridan, Eastern CT Chamber of Commerce; Nancy Cowser, Melanie Wilson, seCTer; Ayanti Grant, Congressman Courtney's office; Emily Thomas, Senator Murphy's office; Brian Long, Town of Waterford; Tammy Daugherty, Sybil Tetteh, unknown consultant, City of New London; Lian Obrey, Groton Town Council; State Senator Paul Formica; Jen Granger, UCFS; Tom Kasprzak, Eversource; Joe Stefko, Steve, Hamner, CGR; two reporters.

1. Call to Order: The Chairman called the meeting to order at 8:00 a.m.
2. Roll Call: A quorum was present.
3. Pledge of Allegiance: The Chairman led those present in the Pledge of Allegiance.
4. Act on Minutes 12/20/17:

MOTION: To approve the minutes of 12/20/17 (Osten, Sparkman). So voted unanimously.

5. Treasurer's Report:

MOTION: To approve the January Treasurer's Report (Rivers, Osten). So voted unanimously.

6. Public Comment:

None.

7. Communications:

The Executive Director stated that these were in the agenda packet.

## 8. Committee and Liaison Reports

### A. Executive Committee

#### 1. Resolution No. 18-1, Endorsement of CTDOT Targets for Safety Performance Measures

The Executive Director explained this item referring to a memo in the agenda packet written by SCCOG Senior Planner Kate Rattan. He said the Executive Committee recommended adoption of the resolution.

MOTION: To adopt Resolution No. 18-1, Endorsement of CTDOT Targets for Safety Performance Measures (McDaniel, Sparkman). So voted unanimously.

#### 2. SCCOG Appointment to EWIB CEO Council

The Executive Director explained that the SCCOG needed to replace former Franklin First Selectman Richard Matters on the EWIB CEO Council. SCCOG's other two members on this council are Tom Sparkman and Ron McDaniel. He said that Mr. Rivers had informed the Executive Committee that Windham Mayor Funderburk might be interested in serving, and the Executive Committee is recommending Mr. Funderburk for this position. Mr. Rivers stated that Mr. Funderburk would be happy to serve on the EWIB CEO Council.

MOTION: To appoint Victor Funderburk to the EWIB CEO Council (Rivers, Osten). So voted unanimously.

#### 3. FY 2018 TIP/STIP Amendments

The Chairman stated these would be taken up under New Business.

## 9. Executive Director's Report

The Executive Director introduced new SCCOG staff member Carly Myers and intern Cierra Patrick. He then asked retiring SCCOG Senior Planner Richard Serra to the front of the room. The Chairman then read a Resolution thanking Mr. Serra for his 31 years of service to the region. The Executive Director presented Mr. Serra with a mantel clock. Members of the SCCOG gave Mr. Serra a standing ovation.

10. Old Business

None.

11. New Business

A. FY 2018 TIP/STIP Amendment

- NHPP-BRX, 0094-0256, I-95 NB, New London, NHS – Rehab Bridge 03819 – NB Gold Star (Phase 1), AC ENTRY, CON, 2018, \$0.
- NHPP-BRX, 0094-0256, I-95 NB, New London, NHS – Rehab Bridge 03819 – NB Gold Star (Phase 1), AC CONVERSION, CON, FYI, \$103,000.

MOTION: To approve the FY 2018 TIP/STIP Amendment (McDaniel, Sparkman). So voted unanimously.

12. Presentation: Joe Stefko, Steve Hamner, CGR, re: SCCOG Shared Services Opportunity Study

Mr. Stefko and Mr. Hamner, consultants to the SCCOG, made a presentation on the SCCOG Shared Services Opportunity Study. Discussion ensued. A copy of the Power Point is attached to these minutes.

MOTION: To form a SCCOG Shared Services Opportunity Study Implementation Committee (Simmons, Lyden). So voted unanimously.

13. Joint Meeting with SEAT/Presentation by CTDOT Commissioner James Redeker

Commissioner Redeker addressed the SCCOG and SEAT Boards concerning the State's Special Transportation Fund. Discussion took place. A copy of the Power Point is attached to these minutes.

14. Next Meeting: The next meeting is scheduled for February 21.

15. Adjournment:

MOTION: To adjourn the meeting at 11:05 a.m. a.m. (Allyn, Sparkman). So voted unanimously.

Respectfully Submitted,

Mark Nickerson, Secretary



Promising Solutions

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# **SCCOG Board Meeting** **Shared Services Opportunity Study Final Report**

**January 17, 2018**

# Project Background

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- **assessment of shared service opportunities among CCOG municipalities**
- **funded by Regional Performance Incentive Program grant from State OPM**
- **key objectives**

Examine current examples of shared services in region

Identify and evaluate potential impact of new shared service opps

Provide a “process template” that can be transferrable to other regions and municipalities in Connecticut

# SCOG's Shared Services Ecosystem

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- opportunities build on a reasonably strong foundation
- there is a mosaic of existing collaborations that demonstrates a long-standing *and* ongoing willingness
- GR identified 33 existing shared arrangements spanning 15 service areas
- every SCCOG member is party to at least one

# SCOG's Shared Services Ecosystem

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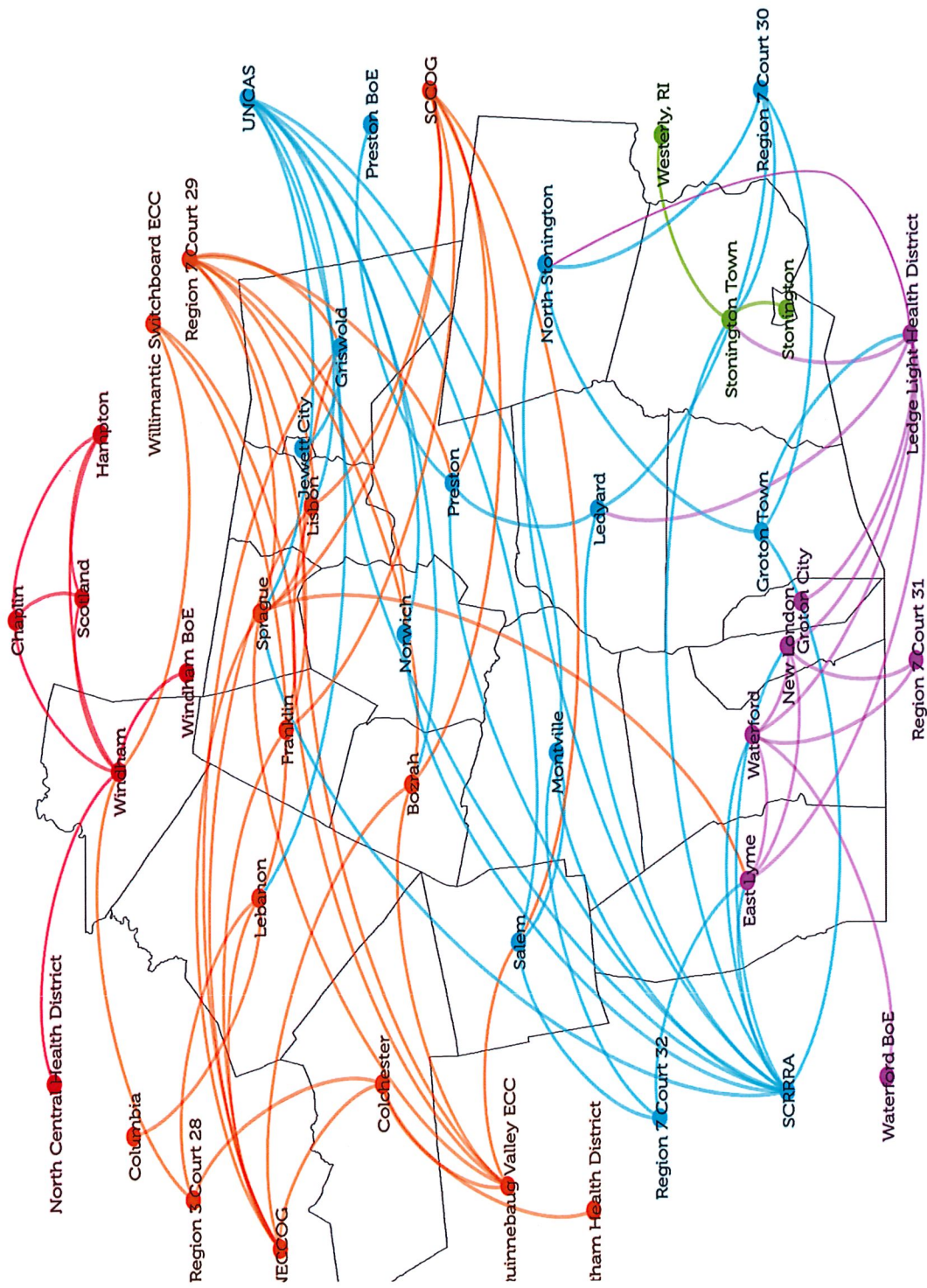
• **he region is characterized by five “sharing communities” that can serve as a foundation for expanding existing sharing *or* introducing new shared networks**

They involve common partners

They are geographically concentrated (i.e. neighbors tend to share with neighbors)

They differ in size and the extent (i.e. density) of their connections

They often rely on non-municipal / third party service providers as “connective tissue” on specific services, such as health







**OBJECTIVES**

**Engage stakeholders to build information baseline**

- Services delivered
- Methods used
- Staffing levels
- Resource (\$) allocation
- Service similarities / diffs
- Existing shared services

**Document shared service partners, duration, estimated \$ value and basis**

- FYE 2017 budgets
- Service/organizational data
- Audited financial statements

**Interviews with chief elected officials and select regional service providers**

**Identify most promising shared service opportunities**

- Assess potential for impact
  - Cost Savings
  - Service Enhancement
  - Improved Sustainability

**Document implementation key considerations**

- FYE 2017 and 2018 budgets
- Data questionnaire

**Focus groups with service directors and managers**

- +
- Interviews with select regional service providers**

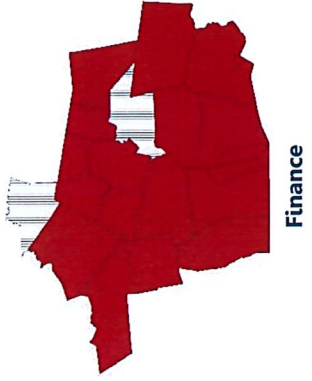
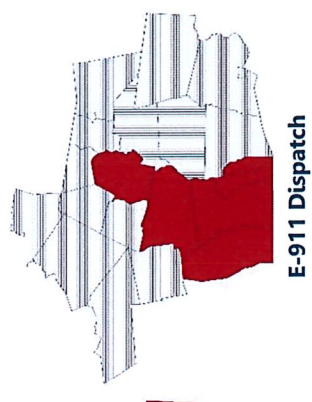
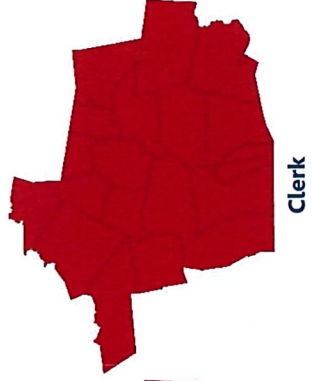
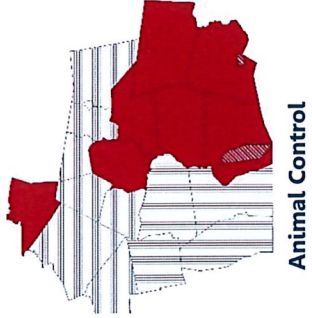


**DATA/INFO SOURCES**

# Municipal Services in SCCOG

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- Local governments deliver services using a variety of different methods
- Some services are widely shared (e.g. animal control, emergency dispatch), while others are rarely so (clerk, finance)



# Municipal Services in SCCOG

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- Some services are quite similar across local governments (e.g. tax assessment)
- Other services show wide variation across local governments, reflecting differences in community size, and area, density, workforce size, population needs / wants / expectations, technological sophistication, etc.

# Format of Report

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- **Project overview**

- **Representation of baseline review**

Existing conditions data on services delivered, method, cost, staffing, current shared service frameworks, etc.

- **Representation of options review**

Discussion of primary opportunities to share services, and consideration of their potential impact(s) and key implementation considerations

## Ky Context

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- Reasonably strong foundation of existing collaboration
- Some shared svcs have been in place for decades; others are more recent
- Some involve 2 governments working together; others span more than a dozen and transcend COG boundaries
- Some are municipality-to-municipality; others involve non-municipal third party service providers (e.g. health districts, COG, NECCOG)
- Some have high financial values; others involve minimal change of \$

## Two recommendations are the same

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- Some low hanging fruit, some more challenging
- Some have potential \$ benefits that can be quantified; others cannot be quantified at the present time
- Some offer no direct financial benefit but rather opportunities to improve inter-municipal connections, service levels and / or service sustainability
- Some are municipality-specific (e.g. health); others are system-wide opportunities (e.g. tax assessment, public works)

# Summary of Opps & Recommendations

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- **GR examined each opportunity through three lenses**
  - – **Potential cost savings**  
(e.g. cost reduction, economy of scale)
  - – **Potential service enhancement**  
(e.g. shift from part-time to full-time, deeper staff capacity)
  - – **Potential improvement in service sustainability**  
(e.g. address long-term succession challenges)

# Cps & Recommendations

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- **Health**

Shift remaining local health departments into regional districts



- **Animal Control**

Add small / mid-sized communities to regional animal control service via NECCOG



- **Planning**

Increase number of municipalities contracting with SCCOG for planning services





# Cps & Recommendations

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- **ax Assessment**

Share assessment operations to achieve combined account portfolios of 10,000 or more



Jointly bid revaluation services for municipalities on common schedules



- **ublic Works**

Convene public works directors on regular basis to share best practices, opportunities

Expand group purchasing of services and expand to joint specifications / purchase of capital equipment



# Cps & Recommendations

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- **Public Works (continued)**

Investigate technology to improve the efficiency of public works operations



Explore selling / swapping unique services across SCCOG municipalities



Share seldom-used or specialty equipment across public works agencies



- **erecreation**

Pursue shared marketing through use of a common website for scheduling and registration



# Cps & Recommendations

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- **recreation (continued)**

Develop a regional recreation strategic plan that evaluates overlaps / gaps, combines offerings



Share equipment purchasing, technology programs and training opportunities



Increase collaboration with schools, human service programs and youth bureaus



Explore formation of municipal / metropolitan district to administer recreation functions



# Cps & Recommendations

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- **Administrative Services**

Establish “user groups” of officials in four key disciplines (finance, purchase, HR, IT)

- **Finance**

Evaluate alignment of municipal-BOE financial software; jointly license / migrate to common system



Consider feasibility of migrating to a single ERP system across SCCOG municipalities



Consider jointly procuring a common document management system



# Cps & Recommendations

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- **urchasing**

Small and mid-sized governments should consider jointly pooling the purchasing function



All SCCOG members should join the Capitol Region Purchasing Council



- **uman Resources**

Share common municipal-BOE human resource functions; pursue integrated HR offices



Small and mid-sized governments should outsource HR services where possible; jointly bid



# Cps & Recommendations

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- **Information Technology**

Joint bidding and procurement through the CRPC IT Services Cooperative



# Implementation Pathways

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- **Subject to specific opportunity, but all are feasible**

**Some leverage pre-existing service contracts**  
(e.g. health districts)

**Some only require a modest annual fee**  
(e.g. joint purchasing through CRPC or IT Service Cooperative)

**Some may require new inter-municipal agreements**  
(e.g. tax assessment, public works shared services / equipment)

**Some require action only within (rather than across) communities**  
(e.g. municipal-BOE human resources and financial system licensing)

**Some are more complex**  
(e.g. municipal recreation district, regional ERP system)

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## Concluding Thoughts

- **We found the region is characterized by four elements that support expanded cooperation**

A shared services record that is at least on par with peer regions

A reasonable level of trust among officials, particular elected leaders, that can serve as a powerful catalyst for expanded collaboration

A openness to consider (and willingness to pursue) new shared services

The broader fiscal environment (e.g. state budget challenges) – a large majority of elected officials acknowledged that the delivery of services has gotten more difficult in the past 5-10 years and fiscal uncertainty represents a challenge to the *status quo*





# **Special Transportation Fund (STF)**

## **Department of Transportation**

## **Operating and Capital Budget Impacts**

# Outline

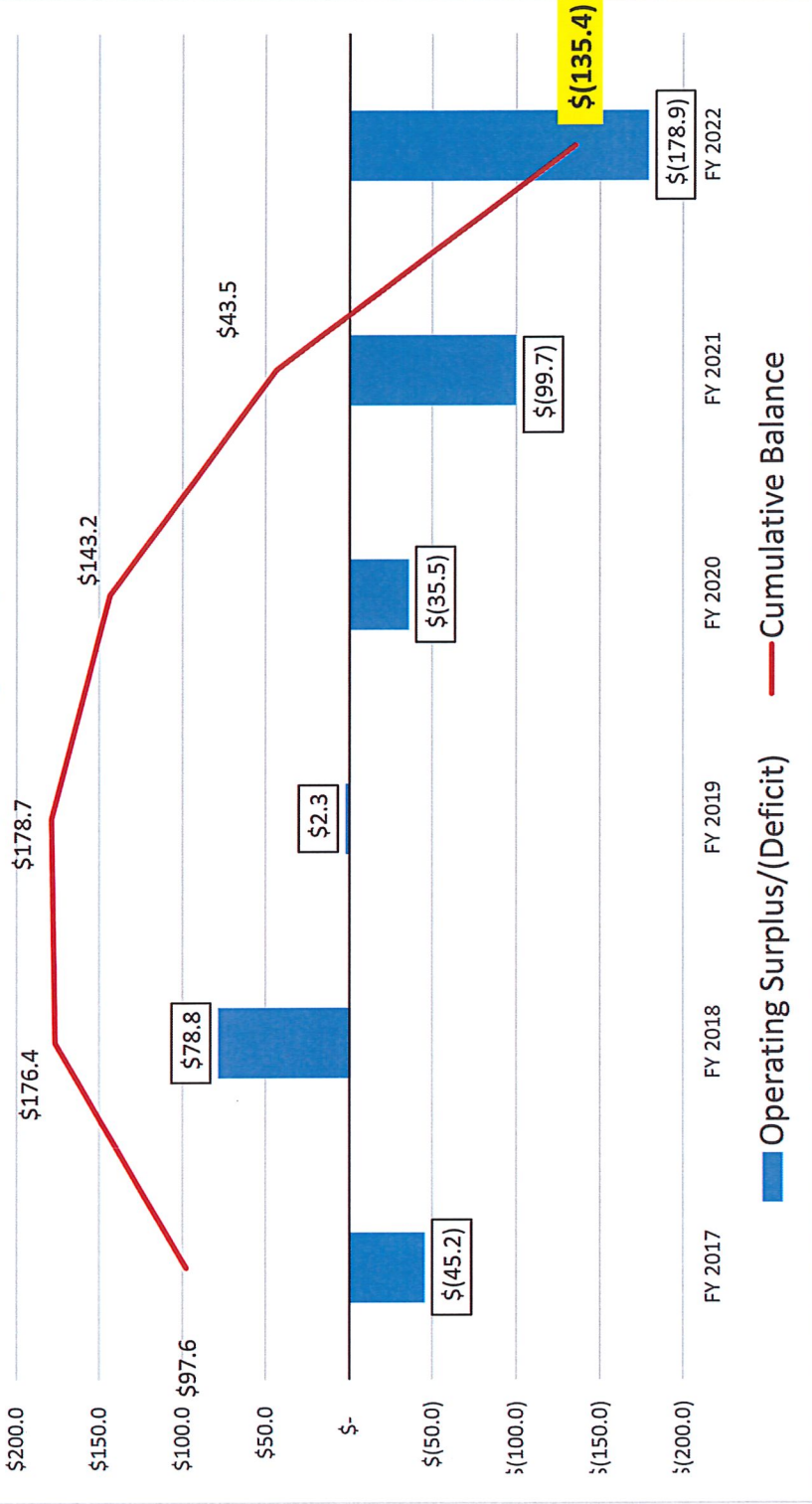


- TF condition – February to present
- Reasons for STF shortfall
- Short and long term problem
- Operating budget impacts
- Capital program impacts
- TF after budget actions

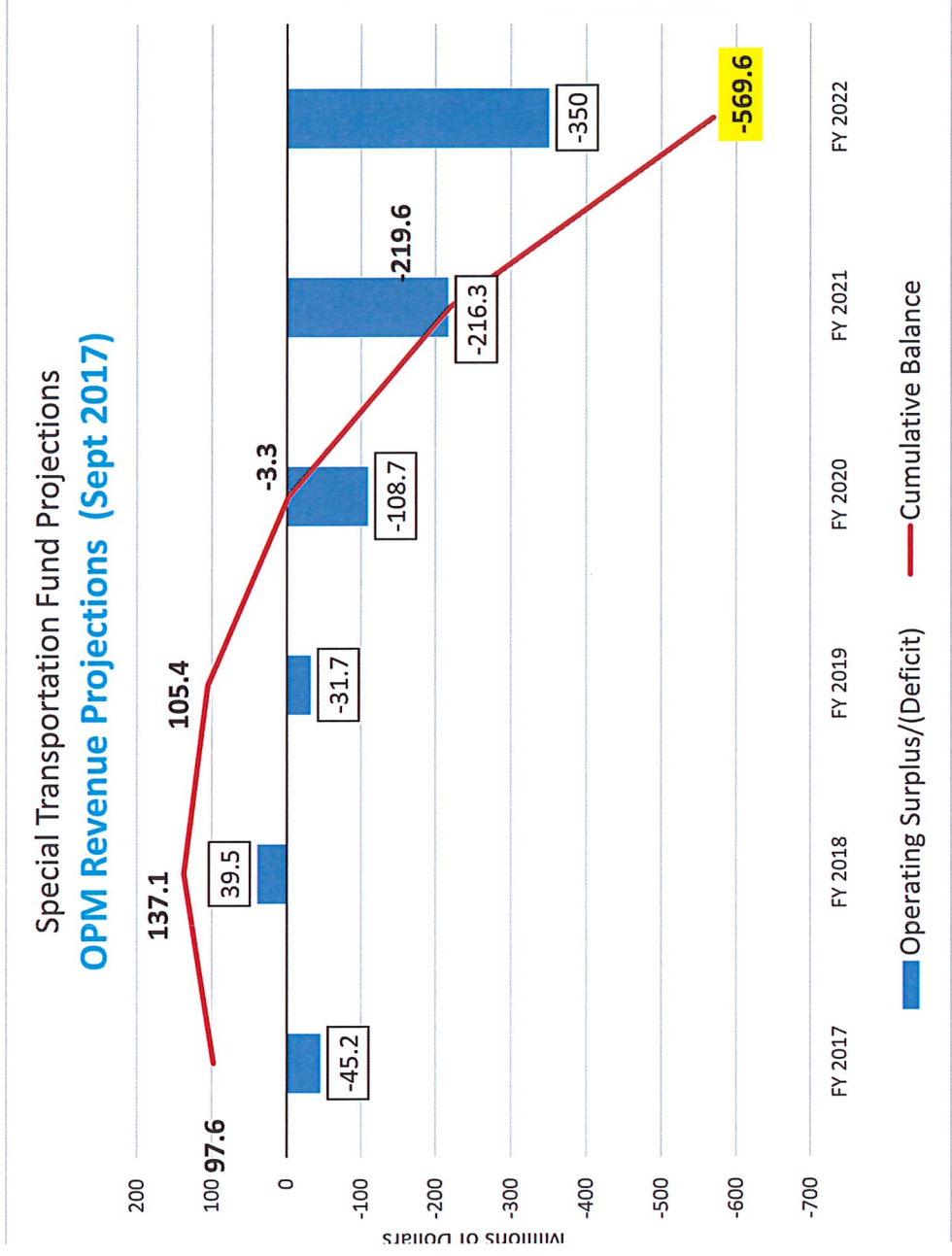
# STF Forecast - February



Special Transportation Fund Projections  
 FY18-19 Three Year Outyear Budget Report - Feb 2017



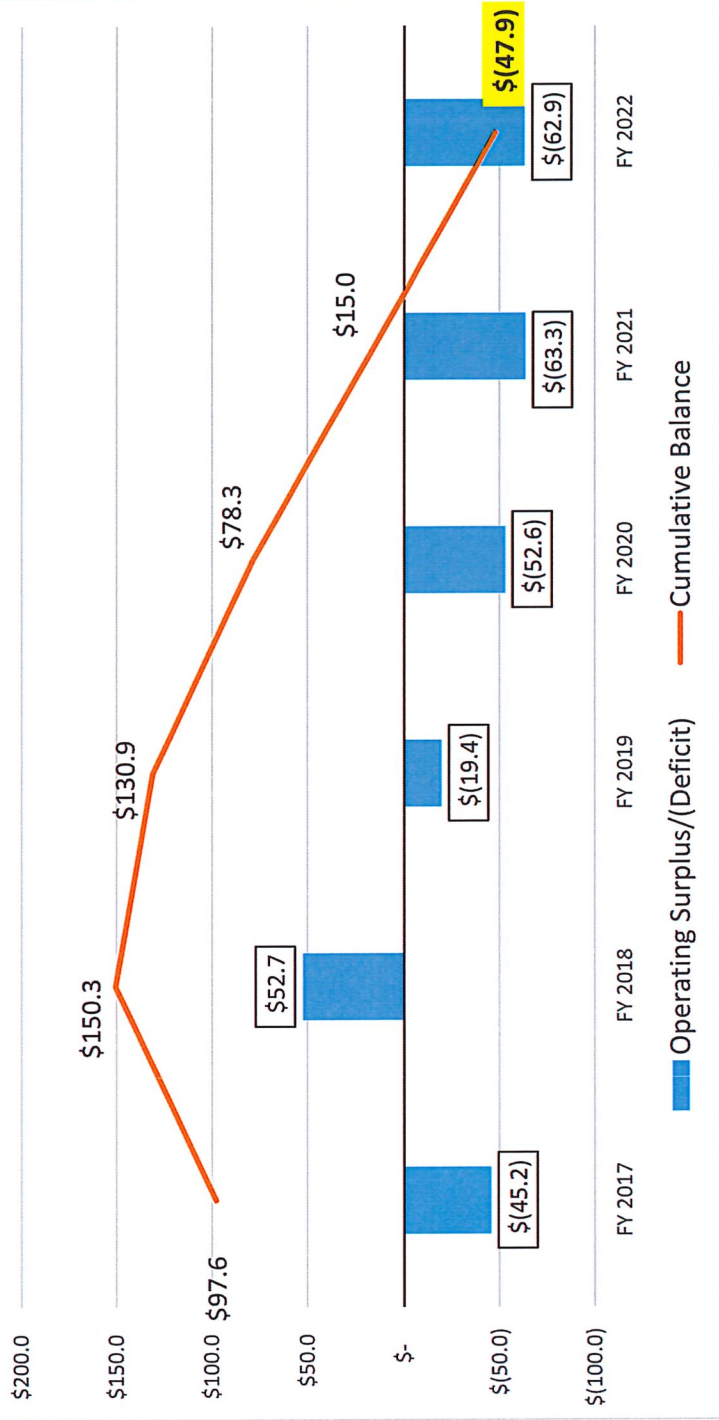
# STF Forecast - September



# STF Forecast - October

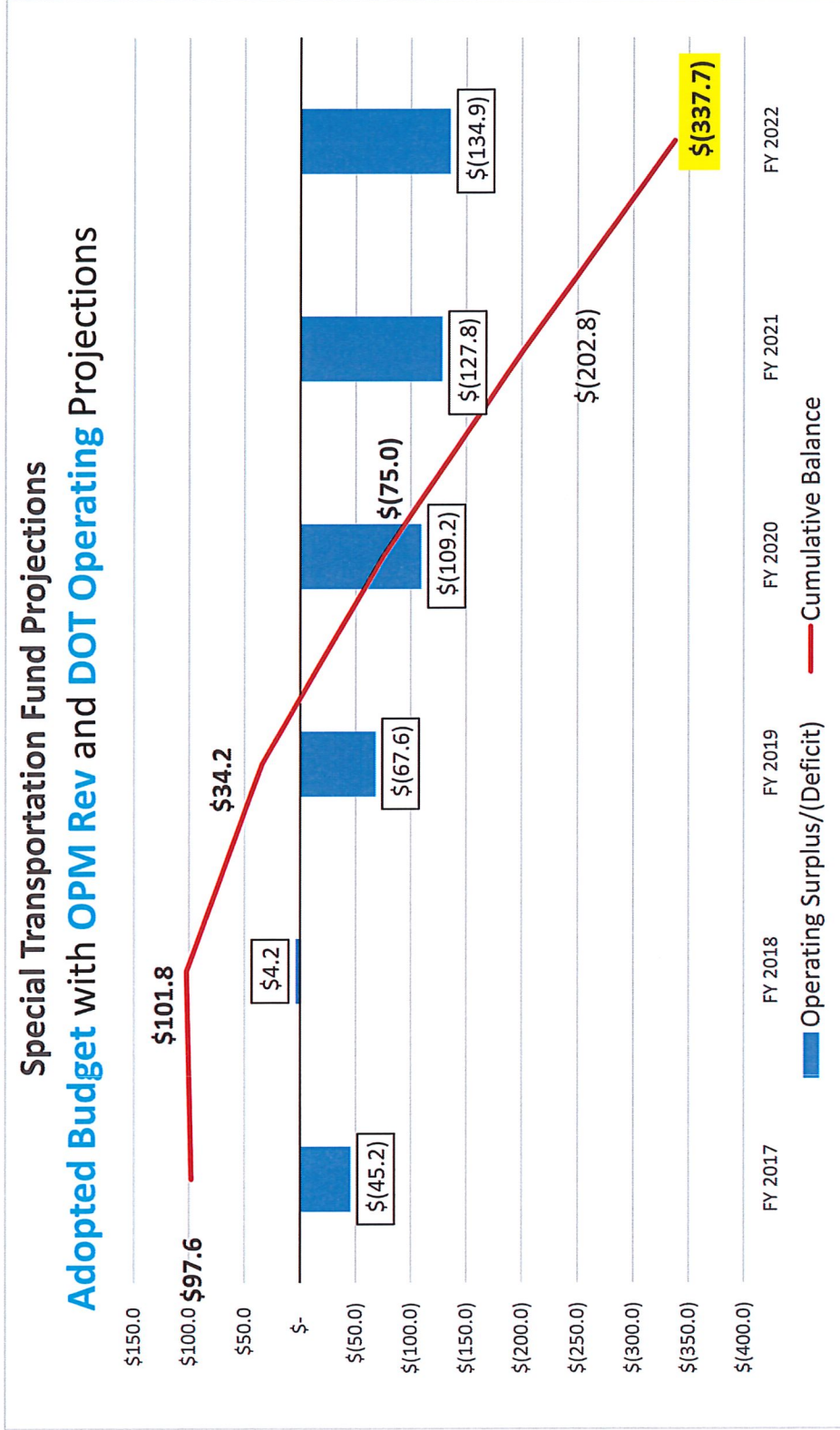


Special Transportation Fund Projections  
**Adopted Budget with LATEST OPM Revenue Projections**  
**(OCT 2017)**



# STF Forecast -- November

## DOT Expenses forecast through June 2017



Major contributor to STF Total Expenditure Increases is Debt Service although DOT and Other Agency operating expenses are also growing



### STF TOTAL EXPENSES (in millions)



# Growth in STF Expenditures FY15 – FY22



Description	Projected Growth (millions)	%
Exing Debt Service	\$341,032,944	74%
D(Operating/Fringes	\$240,349,414	31%
Otr Agencies Operating	\$18,404,018	23%
LeGo CT Debt Service	\$139,944,933	n/a



# BUDGET GROWTH FY1997 – FY2017



	FY1997	FY2017	%
Operating Budget	\$288M	\$620M	215%
Capital Budget	\$150M	\$900M	600%

# Problem Statement



- **Srt Term: Inability to sell bonds**

STF Bond proceeds are fully expended

Additional Bond proceeds are required to meet existing capital project expenses – **up to \$1B capital payment obligations in FY18**

Current year and cumulative STF deficits prevent bond sales – Cumulative projected deficit over \$300M through 2022 so immediate operating and capital reductions are required

- **Lger Term: Existing Revenue Levels insufficient to support STF**

Rising Debt Service associated with past debt is eroding available STF revenue.

Decreasing Revenue Estimates combined with Increasing Operating Costs making the problem worse

Revenue to Debt Service coverage ratios headed lower, risking Bond Rating **Operating and Capital Reductions alone cannot solve the long term problem**

# DO3 Budget Impacts without New Revenue



Implement a series of operating budget cuts beginning in FY19

Significantly reduce capital program beginning in the upcoming construction season

# Operating Budget Actions



## Administrative Impacts

Reduction in DOT Staffing – currently 423 vacancies (14%)

## Way and Bridge Impacts

Reduction in PAYGO road and bridge paving and maintenance work  
Completely close Rest Areas  
Reduced maintenance staff will impact service levels for snow events and routine maintenance

## Impacts

Eliminate Non-ADA local bus service subsidies  
15% Bus Fare Increase FY 2019  
Transit District 15% Subsidy Cut FY 2019  
Transit District 50% Subsidy cut FY 2021  
Additional CMAQ subsidy for CTfastrak  
5% Bus service reduction in FY 2021

# Operating Budget Actions



## | Impacts

10% Rail Fare Increase FY 2019

5% Rail Fare Increase FY 2021

5% Rail Fare Increase FY 2022

Metro-North Non-Service Expense Reductions FY 2019

No Weekend and Some Off-Peak Service Reductions - Danbury, Waterbury and New  
Canaan Rail Lines FY 2019

50% Reduction in Shoreline East Service FY 2019

## Capital Program Principles



- Fund ongoing (already awarded) **construction** projects
- Ensure **match of all federal funds**
- Fund ongoing **phase-funded** federal projects, to avoid payback obligations
- Award new projects **ONLY** if funded with federal funds or essential for safety/state of good repair
- **Eliminate approximately \$2.0 billion of \$2.8 billion of**
- **Let's Go CT! Ramp Up** authorizations
- Fund **core DOT** projects and programs,
  - **Eliminate local/municipal funding**
    - Reduced – Federalized LOTCIP
    - No local bridge projects
    - No STF funded Town Aid Road starting FY18

# Capital Projects Going Forward



## Highway and Bridge

- **Bridge Repairs @ \$25m/yr**
- **Pavement; VIP @ \$54m/yr plus Preservation @ \$25m/yr**
- **Gold Star NB Bridge(Phase 1) @ \$104m**
- **East Haddam Swing Bridge @\$ 38m (in lieu of \$55m rehab project)**
- **Charter Oak Repairs @ \$10m (in lieu of larger Charter Oak Bridge Interchange project) Note: If Federal INFRA Grant is awarded, full project will be funded**
- **Waterbury Bridges (I-84 & CT 8) @ \$180m**
- **\$10.4m/year for Equipment Procurements for the Highway and Bridge Maintenance fleet**

# Capital Projects Going Forward



## Highway and Bridge

- **LOTICIP: 100% State Funded in 2018, revised to STP-Urban in 2019-22 at 80/20**
- Local Bridge included only for projects with a fully executed agreement
- **Town Aid Road Payments to Municipalities – only the portion out of GO Bonds – Starting in FY18.**
- Facility funds for Roof Repairs
- Environmental Compliance Funds for Tank Replacements and other Mandated Activities
- Funds for PE/RW/Mods, Safety Program, Guiderail, Illumination, some Signing



# Capital Projects Going Forward



## Public Transportation

- All Projects associated with the Walk Bridge Program
- Hartford Line Construction (New Haven to Hartford)
- Locomotive Overhauls
- 60 M8 rail cars for New Haven Line to address ridership growth
- 16 New Coaches for Hartford Line to replace leased equipment
- SAGA Bridge Repairs
- New Haven Line Signal System Replacement
- New Haven Line Network Infrastructure
- New Haven Rail Yard Projects
- Waterbury Branch Signalization

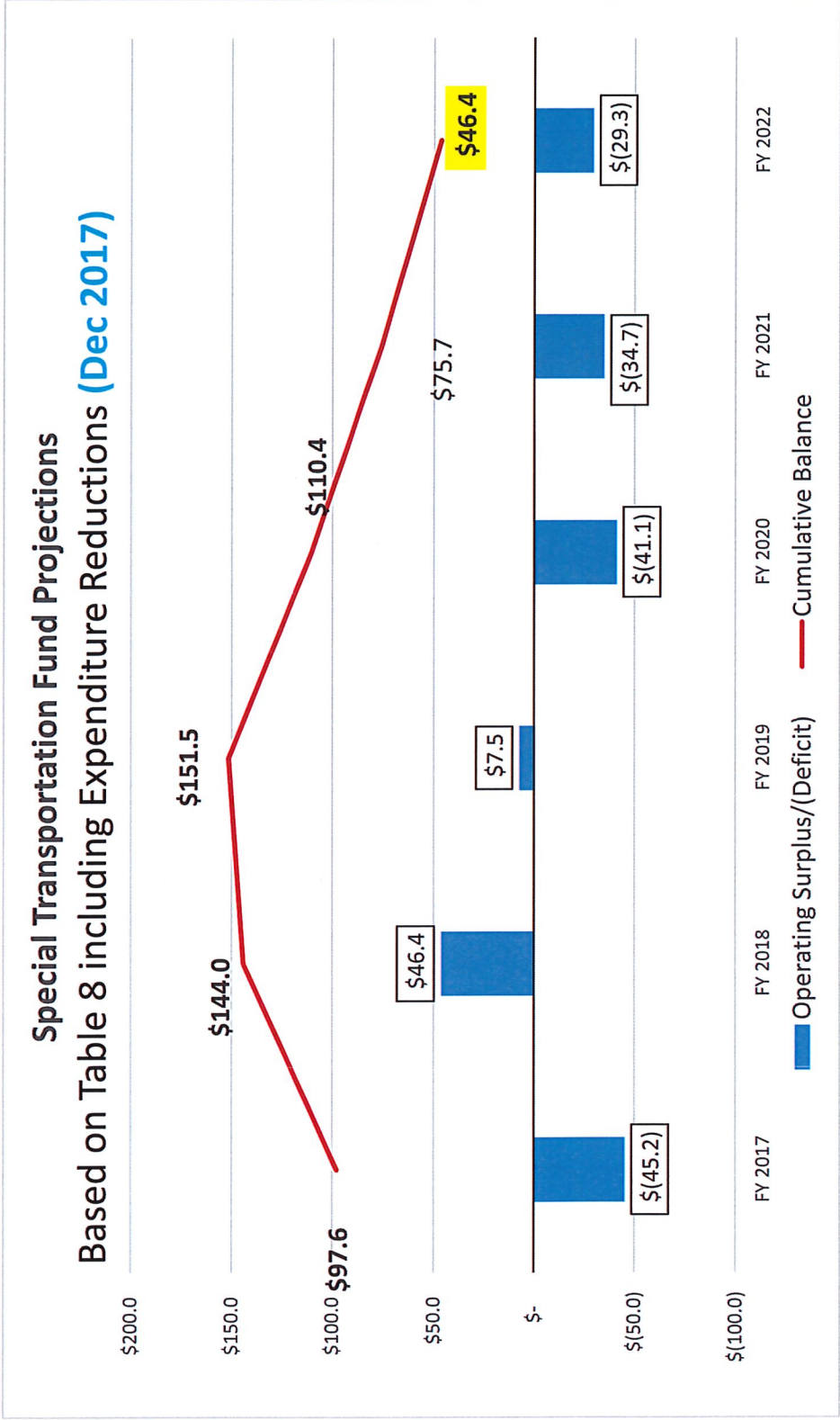
# Capi Projects Under Review for Suspension or Deferral



## Generally

- 100% state funded projects will be reviewed for suspension or deferral (unless required to maintain base state of good repair) – this includes many **Let's Go CT Ramp Up projects**, FIF-Road and FIF-Bridge projects, as well as many 100% state funded Public Trans projects.
- Limit Design work and Rights-of-way acquisitions for 100% state funded Construction projects – this will likely mean stopping existing Consultant Design agreements. Some additional expenses will be necessary to bring design to logical stopping point.
- **5 Year Impact: \$4.3 Billion of Engineering, Construction and Public Transportation projects would not be done.**
- **Impact to date: \$100M of construction projects will not be done this year**

# STF Forecast – December 2017





# REVENUE

# CT Gas Tax History

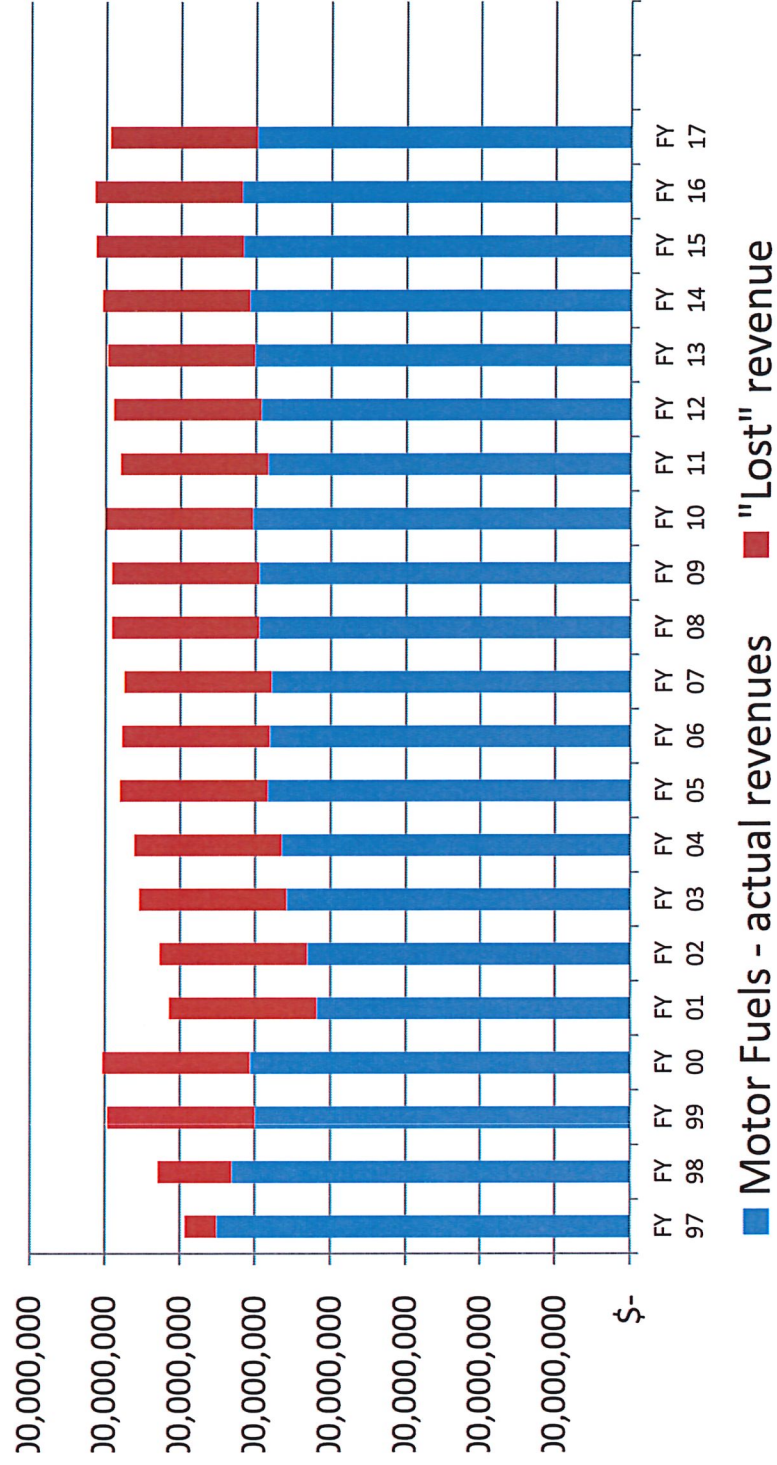


- Gas tax reduced from 39 cents to 25 cents starting in 1997
- 10 years with no increases
- If gas tax was indexed to inflation, current gas tax would be 39 cents today

# CT Gas Tax History



**STF – Lost Motor Fuel Tax Revenue from gas tax cut \$3.6 Billion  
(in red)**



# Gas Tax/Tolls - Regional Comparison



## State Motor Fuel Tax

- **Connecticut: 25 cents**
- Massachusetts: 24 cents
- New Jersey: 37.1 cents
- Rhode Island: 34 cents
- New York: 24.2 cents

## Tolls

- **NO**
- YES
- YES
- YES
- YES

# Gs Tax vs. Rail and Bus Fares



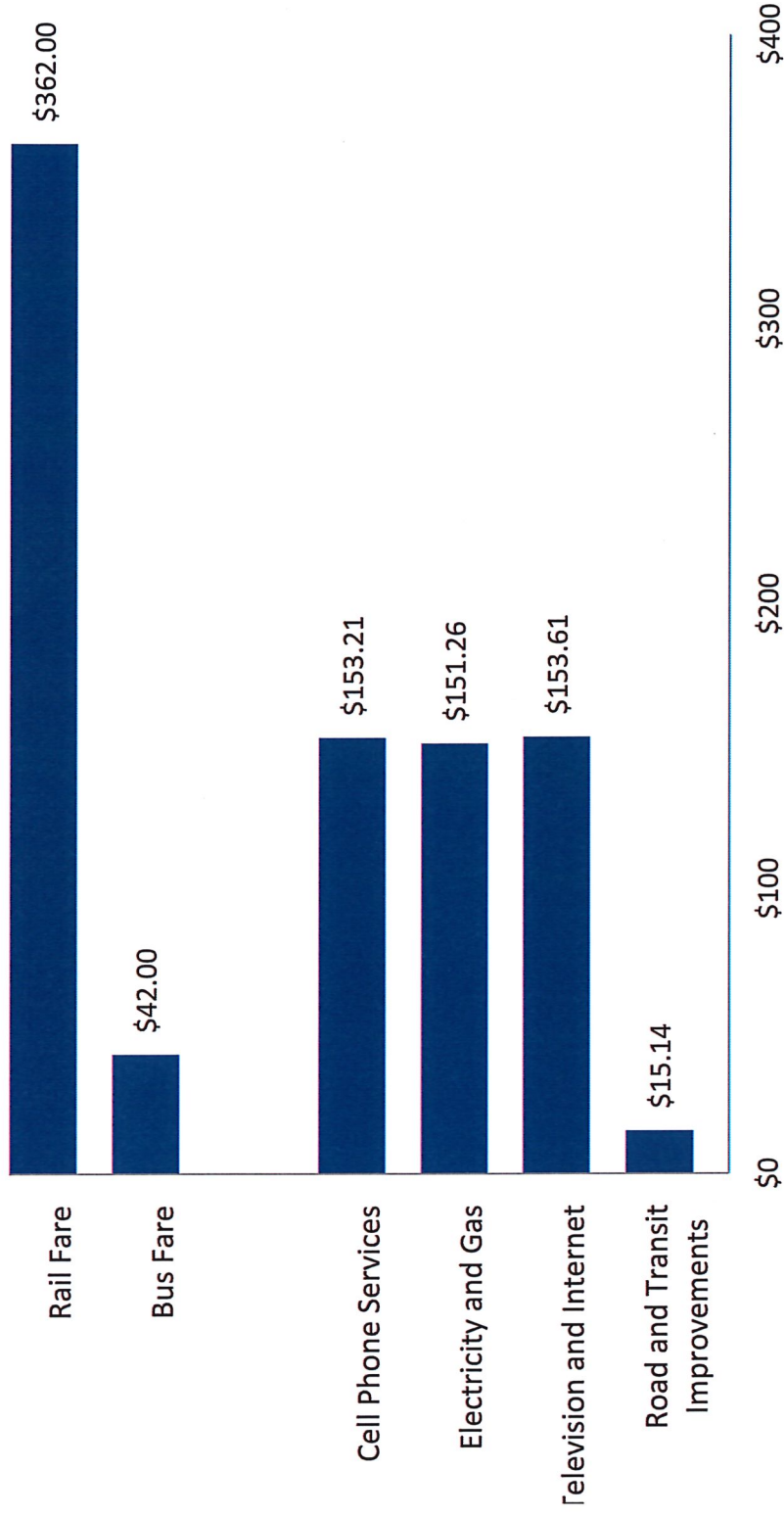
Calendar Year	Rail		Bus		Motor Fuels	
	Fare increase	Index	Fare increase	Index	Tax Increase/ (Decrease)	Tax Index
2000		100.000		100.000		\$0.25 100.000
2001		100.000		100.000		\$0.25 100.000
2002		100.000		100.000		\$0.25 100.000
2003	15.00%	115.000		100.000		\$0.25 100.000
2004		115.000	10.00%	110.000		\$0.25 100.000
2005	5.50%	121.325	13.64%	125.000		\$0.25 100.000
2006		121.325		125.000		\$0.25 100.000
2007		121.325		125.000		\$0.25 100.000
2008		121.325		125.000		\$0.25 100.000
2009		121.325		125.000		\$0.25 100.000
2010		121.325		125.000		\$0.25 100.000
2011		121.325		125.000		\$0.25 100.000
2012	5.25% *	127.695	4.00%	130.000		\$0.25 100.000
2013	5.00% *	134.079		130.000		\$0.25 100.000
2014	5.00% *	140.783	15.38%	150.000		\$0.25 100.000
2015	1.00% *	142.191		150.000		\$0.25 100.000
2016	6.00% *	150.723	16.67%	175.000		\$0.25 100.000
2017	1.00% *	152.230		175.000		\$0.25 100.000
2018	1.00% *	153.752		175.000		\$0.25 100.000
2018	20.00%	184.502	13.80%	199.150		\$0.25 100.000
<b>15- 2018 Change</b>	<b>53.8%</b>		<b>75.0%</b>			<b>0.0%</b>
<b>15- 2020 Change</b>	<b>84.5%</b>		<b>99.2%</b>			<b>0.0%</b>



# Conecticut Household Expenditures



Average Monthly Expenses



# Sales Tax Dedication



- 015 Legislative session
  - Oil Companies Tax directed to Special Transportation Fund
  - Sales tax dedication (estimated)
    - FY2016    0.3%    \$109.0M
    - FY2017    0.4%    \$194.5M
    - FY2018    0.5%    \$340.1M
  - Actual revenues less than forecast

# New Car Sales Tax



- Included in Biennial Budget starting in 2021
  - 2021 \$66.9
  - 2022 \$145.6
  - 2023 \$220.5
  - 2024 \$300.0

# TOLLS?



- No authorization for DOT regarding tolls.
- Estimates done for Finance Panel for statewide interstate and major limited access highways (Routes 2, 3, 8, 9)
- Implementation 4-5 years after authorization
  - o proceed.
- Revenue could yield \$750 million/year



**THE END**