Valley Council of Governments
Serving the Communities of Ansonia, Derby, Seymour & Shelton
12 MAIN STREET
RAILROAD STATION
DERBY, CONNECTICUT 06418
Tel: (203) 735-8688
Fax: (203) 735-8680
Website: www.valleycog.org

Testimony of the **Valley Council of Governments**
to the **Planning & Development Committee**

March 2, 2011

Madam Chair, Mr. Chairman & Members of the Committee,

My name is Rick Dunne and I am the Executive Director of the Valley Council of Governments (VCOG). We are located in the Lower Naugatuck Valley and represent the interests of the 85,000 Connecticut residents who are governed by the Chief-Elected Officials our four member municipalities. On behalf of their constituents, these Mayors and First Selectmen direct a wide range of activities including Transportation Planning and Design, Transit Operation, Brownfields Redevelopment and regional e-government services.

Today I am before you to testify to our strong support for:
S.B. 495, "An Act Concerning the Provision of Services by Regional Councils of Governments"

We are impressed and encouraged by the abundance of proposed bills that would allow and incent regional approaches to solving the state's fiscal difficulties and her attendant operational shortfalls. We are delighted that Governor Malloy has endorsed the regional approach as evidenced by his proposed budget that recommends additional incentives for regions to consolidate into larger, more efficient entities.

It is our strong belief that in order to save money, improve efficiency, expedite project delivery and create a favorable climate for business growth Connecticut must empower municipal CEOs to deliver services better than the way we're doing it now. That is why the state must adopt the Council of Governments structure as its regional partner in service delivery.

We also wish to lend our support to significant elements of a number of other bills being heard today, including: **H.B. 5928, "An Act Authorizing Regional Assets Investments"; S.B. 496 "An Act Concerning a Municipal Tax Revenue Sharing System; H.B. 6100, "An Act Concerning Regional Property Tax Revenue Sharing"; H.B. 5782, "An Act Concerning the Hotel Tax;** and while we are supportive of the concept underlying **H.B. 5332, "An Act Requiring Municipalities That Regionalize To Provide Property Tax Relief"**, we would recommend amendment of that proposal to extend its benefits to all municipal taxpayers. In the case of these last five bills, we differ from the proposed language in the detailed context and recommend amending all of them to reflect consistent language that adheres to the following principles:

- *Regional Taxation & Consolidation Must Be Voluntary* – Municipalities will join together and regions will consolidate as the benefit to taxpayers becomes evident. Re-ordering of regions must be locally-driven.
- *Provide Dependable Revenue for Regional Service Delivery & Administration-* Connecticut must implement revenue-sharing policies in order to provide revenue

sources at the regional level, to be shared among towns and governed by CEO-led COGs in order to conduct direct program activities.

- *Councils Of Governments Should Be The Only Regional Formation Eligible To Receive Shared Revenue-* If state revenue-sharing is focused regionally, those funds must be under the mandatory direct control of chief-elected officials, a structure that is unique to COGs under Connecticut's RPO statute.

These fundamental principles will empower municipal CEOs to create solutions that are responsive to the needs of the taxpayers who elect them. The covenant between elected COG boards and their constituents is the best insurance the state has in trusting that its revenue is expended efficiently and effectively by regions.

This approach also provides other benefits. Rather than creating another layer of government, the Council of Governments structure provides for the direct administration of regions and their activities by municipal CEOs, thereby bringing the state and town closer together, albeit as part of a group. Streamlining communication and administration will provide the opportunity to reduce the size of state government.

Of significant concern is H.B. 5782's plan to return a portion of the hotel tax to the host town and the extension of this concept to the Governor's proposed incremental sales tax increase. Such revenue streams will only serve to create another set of municipal "winners" and "losers" who, much like the case with the property tax, will set off in another "race to the sprawl" in their ever-growing quest for development for the sake of taxes. Creation of this mechanism will mimic all the negative aspects of our property tax system, leading to more of the unnecessary horizontal development that has cost the state so much of its character and quality of life.

Encouraging additional methods of taxation based upon how much growth a town can suffer ultimately makes "losers" of all taxpayers as we carry the back-loaded cost of maintaining and replacing infrastructure that supports sprawl, perversely leading to tax increases to deal with this unnecessary infrastructure. We advocate incorporating the incremental hotel tax into this committee's Raised Bill 6414, which returns its proposed sales tax increment to COGs, providing benefit equally to all municipalities.

These bills signify that the state recognizes that Connecticut's COGs largely function today not merely as "planning groups" but as implementing agencies for municipalities, conducting comprehensive joint activities and efficiently operating to the benefit of both their member municipalities and the state. They should be authorized to do more. Nationwide, COGs have a proven record of delivering services much less expensively than either state bureaucracies or towns on an individual basis. The control that they give to municipal CEOs in devising regional solutions to shared needs is unmatched. To gain best value for all taxpayers we must expand Councils of Governments' role in providing this function.

This is the moment to declare that Connecticut will foster growth by directing that state funding and investments will occur primarily at the regional level under the direct control of electorally-accountable municipal CEOs. Thank you.

For More Information, Please Contact: Rick Dunne, VCOG Executive Director, 203-735-8688
rdunne@valleycog.org