

Annual Report on the Regional Performance Incentive Program March 2011

The Regional Performance Incentive (RPI) Program, administered by the Office of Policy and Management (OPM), was established under the provisions of Section 8 of Public Act 07-239, "An Act Concerning Responsible Growth" (CGS Sec.4-124s). Funding was provided through FY 07 budget surplus funds in the amount of \$8,600,000 for FY 08, and no additional funding has been provided since then. Therefore, this report will address the progress and status of the original twenty-four projects that were awarded funding in FY 08.

The goal of the RPI Program is to encourage municipalities to participate in regional projects with neighboring municipalities in order to produce measurable "economies of scale" that will benefit the municipalities, providing desired or required services and lowering the costs and tax burden related to the provision of those services.

Under the provisions of the Act, all of the fifteen (15) Regional Planning Organizations (RPOs): i.e. Regional Councils of Government, Regional Councils of Elected Officials, Regional Planning Agencies, or any combination thereof, were encouraged to submit proposals for regional provision of service(s) to the OPM no later than December 1, 2007. Such proposals were to be for the joint provision of a service or services currently provided by municipalities, but not currently provided on a regional basis.

The proposal had to:

- describe at least one service currently provided by a municipality(-ies) within the region but not on a regional basis,
- describe how the service will be delivered regionally and by what entity, and how the population would be served,
- describe the amount and how the service will achieve "economies of scale" and the amount and manner in which each municipality will reduce its mill rate,
- include a "cost benefit analysis" for the provision of such service by the municipality and by the RPO,
- set out a plan of implementation,
- estimate savings to be realized by each municipality, and
- include any other information requested by the OPM.

The Office of Policy and Management reviewed proposals and awarded grants to those RPOs that OPM determined to have met the program requirements. The Act required the secretary to "give priority to proposals presented by regional councils of government which include participation of at least fifty per cent of the member municipalities of such council."

However, Section 11 of Public Act 08-182 modified this and other requirements of Public Act 07-239 to broaden project eligibility and to provide greater administrative flexibility in the event that additional funds are appropriated for the RPI Program in the future.

The proposals were evaluated on the basis of municipal participation, value of the service/savings provided, and whether there was the benefit of “leveraging other public and private investments.” The proposals were diverse, but there were certain areas of interest that many of the member municipalities shared. Technical assistance was generally a high priority, as was public safety and maintenance of infrastructure.

Funding in the total amount of \$8,600,000 was awarded for:

Eight (8) projects to provide/improve Information Technology and/or GIS-related services totaling \$2,304,095;

Five (5) projects to provide/improve municipal administrative services totaling \$599,878;

Six (6) proposals to provide/improve public safety or human services totaling \$4,082,727; and

Five (5) proposals to provide public works-related services totaling \$1,613,300.

Regional Planning Organizations were allowed to invest funds that were not immediately expended in interest bearing accounts, with the interest earned to be expended to further the RPI projects. The Capitol Region Council of Governments recently requested and was granted permission to increase the budgets of some projects, as a result of accrued interest.

Pursuant to Section 8(d) of Public Act 07-239, OPM must submit a report describing the amount of each grant and the potential of each grant for leveraging other public and private investments on February 1, 2008 and on March 1 annually thereafter, to the Governor and the Finance, Revenue and Bonding Committee. Such reports are to include an estimate of property tax reductions achieved by means of the program.

As of March 2011, thirteen (13) projects of the twenty-four (24) projects have been completed. They are:

- **Enhancement of CRCOG Regional GIS, Capitol Region COG (CRCOG), \$52,086**
- **Farmington Valley Trail Maintenance/Equipment Sharing, CRCOG, \$216,300**
- **Regional Emergency Operations Center, CRCOG, \$515,000**
- **Municipal Training Academy, Council of Governments of the Central Naugatuck Valley, \$145,878**
- **Regional Trail Maintenance and Operations, Greater Bridgeport Regional Planning Agency, \$112,000**
- **Northwestern CT Regional Planning Cooperative, Northwestern CT COG and Litchfield Hills Council of Elected Officials, \$125,000**
- **Public Works Equipment Cooperative, Litchfield Hills CEO/NW CT COG, \$700,000**
- **Regional Economic Development Web Portal, South Central Regional COG, \$101,500**
- **Solid Waste Disposal Study, South Central Regional COG, \$32,762**
- **GIS Data Update and Webpage Development, Valley COG, \$112,375**
- **Regional Trail Maintenance, Windham Region COG, \$185,00**
- **Regional Economic Development Staff, Windham Region COG, \$104,000**
- **GIS Website and Cadastral Data Center, Windham Region COG, \$124,000**

The status of CRCOG's proposed Regional Animal Control Facility project is uncertain at this time due to the withdrawal of the Connecticut Humane Society which was to manage the construction and operation of the facility. In 2010 an architectural study including site evaluation, development of a preliminary design and budget was conducted, and a potential partnership with a private non-profit rescue organization that may provide a viable alternative to construction is currently being explored.

Also, the Document Management Project proposed by Northeast Connecticut COG (NECCOG) could not be implemented within the available funding. However, there was great support for the Regional GIS Project; funding for both projects has been combined to further the Regional GIS Project which will allow the COG to perform the first regional revaluation in Connecticut at significant savings to participating towns.

The following table provides specifics relating to the proposals that were granted Regional Performance Incentive funding for FY 2008, some of which have been completed and others continue to progress toward completion.

Regional Performance Incentive (RPI) Project Savings* Report of 3/01/11

RPO(s)	Proposal Title	Award	Cost comparison	Tax Savings	Method of Calculation
CRCOG Capitol Region COG	Enhancement of CRCOG Regional Web GIS COMPLETE	Orig: \$25,000 +Interest 27,086 Final \$52,086	Solo: 6 X 52,086 = 312,516 Regional: <u>52,086</u> Total Savings 260,430 Savings Per Town 43,405	Not provided; Potential mill rate reduction provided: .01 to .053	Divided the amount of the grant (increased from original of \$25,000 to \$52,085 through the use of interest income on grant funds) by the number of towns and got the proportional cost, deducted the proportional (regional) cost from the total cost and calculated the budget value of the amount saved and then calculated the mill rate needed to produce that amount of tax revenue.
CRCOG Capitol Region COG	Farmington Trail Maintenance/Equipm ent Sharing COMPLETE	\$216,300	Solo: 8 X 110,000 880,000 Regional: <u>216,300</u> Total Savings 663,700 Savings Per Town 89,963	Not provided; Potential mill rate reduction provided: .03 to .19	Cost of the machinery to be acquired was calculated, then the mill rate needed to generate the cost was calculated for each town: the mill rate needed to generate \$93,600* for each town should they have to purchase the equipment individually. *Original project cost estimated to be slightly higher. \$11,018 balance used for "seed money" to establish a capital equipment replacement fund.
CRCOG Capitol Region COG	GIS Flight and Mapping Data: Spring 2008 Color Digital Orthophotography	\$357,000	Solo: 22 X \$3,060/sq.mi.= 1,705,338. Regional: <u>357,000</u> Total Savings 1,348,338 Savings Per Town varies from \$32,000 to \$128,000	Not provided; Potential mill rate reduction provided: .012 to .14	Estimated cost of \$3,060 per square mile to provide individual municipalities the service that the vendor was willing to provide for \$600 per square mile if it got the contract to conduct the flight and provide the data for the whole region. Savings were estimated for each town based on their percentage of the area of the whole region, the value of a mill was determined and the savings calculated as a mill rate reduction.
CRCOG Capitol Region COG	Regional Traffic Team/Accident Investigation Unit	Orig: \$353,290 +Interest 20,535 Final \$373,825	Solo(21x73,500) 1,543,500 Regional: <u>373,825</u> Total Savings 1,169,675 Savings Per Town 55,699	Not provided; Potential mill rate reduction provided: .0162 to .0696	Cost of the training and equipment to be acquired was calculated, then multiplied by the number of towns participating (21), less the cost of the project, the savings would be the difference (\$373,825 divided by 21 participating towns= \$55,699 in savings per community. Mill rates will have to be re-calculated because of the passage of time and changes to cost and participation (increase of 2).
CRCOG Capitol Region COG	Digital Health Departments	\$355,476	Solo: 1,159,995 Regional: <u>355,476</u> Total Savings 804,519 Savings Per Town varies from \$25,791 to \$154,750	Not provided; Potential mill rate reduction provided: .0095 to .0527	Cost of the software, programming and hardware if acquired individually was calculated, cost as regional project apportioned to towns by size was developed and subtracted from individual project costs then the mill rate needed to generate the cost was calculated for each town: the mill rate needed to generate difference between individual project and regional project for each town should they have to purchase the equipment, individually, was then calculated.
CRCOG Capitol Region COG	Regional Emergency Operations Coordination Center COMPLETE	\$515,000	Solo: 2,432,000 Regional: <u>500,000</u> Total Savings 1,932,000 Savings Per Town varies from \$73,273 to 137,273	Not provided; Potential mill rate reduction provided: .024 to .185	Cost of design, construction and equipping an EOC for small- and medium-sized communities was estimated; towns were classified by size and potential costs estimated for a per town cost estimate; then actual cost for the regional center was developed. It was determined what mill rate would be needed to produce that amount of tax revenue, which represents the value of the savings.
CRCOG Capitol Region COG	Regional Animal Control Facility	\$515,000	Solo: 3,085,000 Regional: <u>500,000</u> Total Savings 2,585,000 Savings Per Town varies from \$350,000 to \$825,000	Not provided; Potential mill rate reduction provided: .17 to .25	Cost of construction of four different animal control facilities was estimated as were the potential impound fees for each municipality. Huge savings can be realized by the towns avoiding the cost of debt service on the facilities alone; they also avoid staffing, facility maintenance and grounds maintenance costs. An architectural study, estimated cost of construction and preliminary budget of regional facility were developed; now exploring partnering with a new private non-profit organization.
CRCOG Capitol Region COG	IT Application Sharing and Development	Orig: \$515,000 +Interest 25,000 Final \$540,000	Solo 2,071,056 Regional: <u>540,000</u> Total Savings 1,531,056 Savings Per Town \$69,593	Not provided; Potential mill rate reduction provided: .0078 to .0853	Calculation of savings is based on a needs assessment conducted prior to submission of the project proposal, based on software programs towns are currently considering developing or purchasing, and is very speculative. It is also based on a solo cost estimate of over \$2 million; the grant is in the amount of \$515,000 supplemented by additional \$25,000 of interest. Estimated solo costs less grant, divided by 22 participating towns yields estimated savings of \$ 69,593 per town.

CRCOG Capitol Region COG	Regional Police Training Facility	\$1,051,101	Cost to lease and equip similar space for 21 towns: 8,610,000 Cost to Create Regional Facility: <u>1,020,486</u> Savings: <u>7,585,514</u> Savings per town \$361,405	Not provided; Potential mill rate reduction provided: .0824 to .4604	This facility will provide a centralized facility for classroom and practical training, K-9 training, firearms training and tactical (SWAT) training. The cost of comparable commercial space as well as equipment and use of existing firearms range was estimated to be \$8,610,000 for towns to provide for their own training; cost of a regional facility(excluding donated land), and equipment was estimated, less the cost of the project, and the difference was divided equally among the towns to determine savings.
CRCOG Capitol Region COG	Regional Law Enforcement Data Sharing	\$1,292,860	Solo Cost: 4,320,000 Regional Proj. Cost: <u>1,292,860</u> Savings: 3,027,140 Savings per town range from \$37,500 to \$300,000	Not provided; Potential mill rate reduction provided: .0344 to .1586	A pilot program supported with federal and state funds, to provide for an interactive regional Law Enforcement data system, for Bridgeport, Hartford and New Britain, allows for additional communities to join the regional system at very modest cost. Savings are relative to the size of the community served and range from \$37,500 to \$300,000. A 2010 change in primary vendor is providing program enhancements while meeting and exceeding original goals within original budget.
CCRPA Central CT RPA	Central CT Regional Transfer Station	\$400,000	The projected annual savings for the City of New Britain are \$150,00 and Town of Berlin \$30,000; net revenue generation from operation of the facility is estimated at \$2.2 million for the City of New Britain	Fees from marketing to new municipal or private customers, is expected to result in a tax reduction of one mil for New Britain.	A new municipal solid waste transfer station will be constructed on the New Britain/Berlin boundary line. It will provide the current municipal waste hauler to deliver municipal waste to the new transfer station thereby resulting in significant reduction of disposal trips, carbon emissions, noise pollution and traffic congestion. The secondary goal of the facility is to attract other waste streams such as wood waste, bulky waste, construction and demolition debris, and organics from other municipalities/businesses for volume reduction and transfer.
COGCVN COG of the Central Naugatuck Valley	Municipal Training Academy COMPLETE	\$145,878	Solo Training Costs: \$510,294 Regional " " <u>160,119</u> Savings: <u>350,175</u>	Not provided; Potential mill rate reduction provided: .01 to .07	A needs assessment was conducted among participating municipalities; and subject priorities determined. Costs to provide training by individual towns was estimated, cost of conducting the regional training academy was calculated by course and participation and costs were estimated based on population.
GBRPA Greater Bridgeport RPA	Regional Trail Maintenance and Operations Program COMPLETE	\$112,000	Total project cost was \$112,000; municipal savings were estimated at \$90,000.	Not provided	Savings per municipality were estimated at: Bridgeport 24,600 Monroe 35,400 Trumbull 30,000
LHCEO/NWCTCOG** Northwestern CT COG and Litchfield Hills CEO	Litchfield Hills Public Works Equipment Cooperative COMPLETE	\$700,000	Annual savings conservatively estimated at \$17,475 among all towns. See Explanation	Not provided	CEO estimated annual savings conservatively at \$17,475 among all the towns, because the towns would rent equipment or contract out the work rather than purchase the equipment outright, so the regional purchase was seen as an offset of those annual expenses. Significant additional benefit is the establishment of a working regional cooperative model to base future projects upon.
NECCOG Northeastern Connecticut COG	Regional GIS Services	Orig: \$674,900 <u>186,390</u> Total: \$861,290	Solo GIS implementation: 12 X \$250,000= \$3,000,000 Regional GIS <u>861,290</u> Savings: \$2,138,710 Savings per Town: \$178,226. <i>Savings from proposed Regional Revaluation are not available at this time</i>	Not provided	Savings were calculated by using the cost of setting up a GIS system for each town, with all attributes proposed for the region, multiplied by the number of participants, less the cost of the regional system, divided by the number of towns to provide actual savings per town. Because of limitations in the COG's ability to provide benefits sought from the Document Management Project within available funding, the funding for the Document Management and Regional GIS projects was combined to fund a broadened GIS project increasing the benefits available through enhancement of the GIS Project and enabling the COG to conduct the first regional revaluation in CT, at significant savings to towns.

NWCTCOG/LHCEO** Northwestern CT Northwestern CT COG and Litchfield Hills CEO	Northwestern CT Regional Planning Collaborative COMPLETE	\$125,000	<i>Please see complete description of benefits at right.</i> \$ Benefits Provided:\$331,000+ Grant: <u>125,000</u> Savings <u>\$206,000</u> Per Town:\$25,750 minimum	Not provided	Through the Collaborative planning costs for the eight participating towns were halved and service greatly enhanced. Efforts of the Collaborative resulted in \$331,000 in funding from outside sources to fund local planning initiatives such as affordable housing, model regulations and a website providing planning and land use information and resources and a quarterly news letter. Though small in scale, this is a highly effective model regional effort.
SCRCOG So Central Reg. COG	Regional Economic Dev. Web Portal COMPLETE	Orig. \$100,000 Interest <u>1,500</u> Total \$101,500	<i>Solo Cost:</i> <i>15 X \$115,000= \$1,725,000</i> <i>Regional Cost: <u>101,500</u></i> <i>Total Savings: <u>1,623,500</u></i> <i>Savings per town =108,233.</i>	Not provided	Savings calculated by multiplying the number of participating municipalities (15) by the Cog's estimated cost to provide the service (\$115,000) yielding an estimated cost if done individually, of \$1,725,000. The amount of the grant (\$101,500 was deducted from the \$1,725,000, and then divided by the number of towns benefiting from the project, for an estimated savings per town of \$108,233.
SCRCOG So Central Reg. COG	Solid Waste Disposal Study COMPLETE	\$34,639 (Orig. \$125,000)	<i>Solo Cost</i> <i>8 X 34,639 : \$277,112</i> <i>Regional Cost: <u>34,639</u></i> <i>Savings: <u>242,473</u></i> <i>Per Town: 30,309</i>	Not provided	Savings were calculated upon the premise that the project saved each town the cost of the study or \$34,639 each, which equals \$277,112; less the cost of the project, then divided by the number of participating towns (8) yielding the savings of \$30,309 per town.
SCCOG Southeastern CT COG	Regional GIS System	\$309,430	<i>Solo Cost</i> <i>20 X 36,865: \$ 737,300</i> <i>Regional Cost: <u>247,830</u></i> <i>Savings: <u>489,470</u></i> <i>Savings per town of \$24,474</i>	Not provided; Potential mill rate reduction provided: .014 to.212	Savings were calculated on a cost avoidance basis to yield a savings of \$36,865 and the mill rate reductions were based on that; the calculations yielded mill rate reductions from .014 to .212. However, OPM would calculate the savings by subtracting the project cost from the estimated cost of each town going "solo" on a GIS system, then divide the savings by the number of towns (20) and yield savings of \$24,474 per town.
VCOG Valley COG	Update of GIS Data and Establishment of Regional Web Page COMPLETE	\$112,375	<i>Solo Cost: \$148,5000</i> <i>Regional Cost: <u>112,375</u></i> <i>Total Savings: <u>36,125</u></i> <i>Savings per town varies from \$8,406 to \$9,406.</i>	Not provided; Potential budget reduction provided: .0091 to .0247	The four municipalities in the region were at various stages of data maintenance of their GIS systems originally created in 1988. The data needed to be brought up to a current uniform level, so the savings vary from town to town. In addition, a regional website was established to further serve the towns with a regional zoning layer, DEP layers, and other environmental layers, transportation and census demographic layers. Each town has allocated funds to maintain data which will continue to provide value and savings now that the project is complete.
WINCOG Windham Reg. COG	Regional Economic Development Staff COMPLETE	\$104,000	<i>Solo Cost: \$430,000</i> <i>Regional Cost: <u>104,000</u></i> <i>Savings <u>326,000</u></i>	Not provided; Potential mill rate reduction provided: .03 to.20	RPO calculated that the savings are\$430,000; \$100,000 per town (4) and \$30,000 for Windham because Windham has a part time ED, however, they neglected to deduct the cost of the project from the calculations. The savings are still \$330,000 and possibly more because additional towns are participating in the project, so regionalizing the project has provided significant savings to the participating municipalities.
WINCOG Windham Reg. COG	GIS Website and Cadastral Data Center COMPLETE	\$124,000	<i>Solo Cost:</i> <i>9 X \$109,000= \$450,000</i> <i>Regional Cost: <u>124,000</u></i> <i>Savings: <u>326,000</u></i>	Not provided; Potential mill rate reduction provided: .015 to.063	Cost to set up a GIS and Cadastral Data System (excluding web site costs) for each town (9) less amount of grant yields total savings of \$857,000; however, savings to each town depends on the number of parcels and whether they have any usable data in existing GIS systems. Though costs are reduced by regional service, there is an additional cost to provide it that the towns individually wouldn't incur which are annual web hosting costs and additional personnel costs. Conservative savings estimates by COG range from \$4,000 to \$43,500 per town.
WINCOG Windham Reg. COG	Regional Trail Maintenance Equipment COMPLETE	\$185,000	<i>Solo Cost: \$1,224,000</i> <i>Regional Cost: <u>185,000</u></i> <i>Savings: <u>1,039,000</u></i> <i>Per Town \$115,444</i>	Not provided; Potential mill rate reduction provided: .09 to 1.27	Savings were calculated upon the cost of the equipment: if each town were going "solo" on the project, they would have to spend \$136,000 each, however, the cost of the project should be deducted, and then the savings divided among the towns. Still, there were significant savings, even more when considering the direct benefits to residents.

*Caveats

1. All of the figures provided are *estimates* of savings provided by the Regional Planning Organization administering the project, unless otherwise noted.
2. Some estimates have “shifted” somewhat with changes in the number and or size of participant towns or vendors. Some projects are providing more service/benefit than originally proposed because of the changes.
3. The funding for two projects was combined to fund one broadened project by NECCOG; because of limitations in their ability to provide benefits sought from the Document Management Project and increased benefits available through enhancement of the GIS Project, which will enable the COG to conduct the first regional revaluation conducted in CT at significant savings to participating municipalities.
4. CRCOG has benefited by depositing their total grant amount of \$5,200,000 in interest bearing accounts, yielding \$60,000 in 6 months. The interest income was invested in the RPI Projects where needed, and is noted above.

**Cooperative effort between two RPOs: Litchfield Hills Council of Elected Officials and Northwestern CT Council of Governments, with each taking the role of lead agency in one of the projects.