

The State of Connecticut recently increased the level of oversight and monitoring of the finances of its 169 municipalities with the creation of the tiering system in 2017. The tiering system categorizes fiscally distressed municipalities based on their fiscal health and stability. The level of oversight and involvement by a designated statutorily created board increases as the fiscal health of a given municipality is deemed less secure. This policy briefing details this oversight, discusses the boards that oversee and work with municipalities, and examines the authority granted to these boards to improve the fiscal health of municipal finances.

## General Fiscal Oversight of Connecticut Municipalities

Connecticut municipalities are required to have an independent financial audit conducted annually.<sup>1</sup> The audit report must be prepared in accordance with Generally Accepted Accounting Principles (GAAP), generally accepted auditing standards, and be in compliance with regulations adopted by the secretary of the Office of Policy and Management (OPM) as reviewed by the Municipal Finance Advisory Commission (MFAC).<sup>2</sup> While the secretary may grant extensions, the independent auditor is generally required to submit their completed audits to the secretary within six months of the end of the municipality's fiscal year.<sup>3</sup>

The OPM secretary is required, biennially, to review municipal audit reports in full. However, in any year that the secretary does not review the full audit report, the secretary is required to review the comments and recommendations of the independent auditor that conducted said audit.<sup>4</sup> If evidence of fraud is detected after review of the audit report, the secretary is required to report such evidence to the state's attorney.<sup>5</sup> If the secretary finds evidence of unsound or irregular municipal finance practices, a report is prepared for the MFAC detailing such findings, with recommendations for corrective action.<sup>6</sup>

## Boards that Oversee and Work with Municipalities

### **Municipal Finance Advisory Commission**

The MFAC is a municipal oversight review board that was established to review and opine on audit requirements, and to work with referred municipalities to improve their fiscal condition. Established in 1977, the MFAC consists of eight gubernatorial appointees, including:

- A fiscal or executive officer of a municipality with a population under 10,000;
- A fiscal or executive officer of a municipality with a population of at least 10,000 but less than 25,000;
- A fiscal or executive officer of a municipality with a population of at least 25,000 but less than 75,000;
- A fiscal or executive officer of a municipality with a population of at least 75,000;

- Three members who are not officers of municipalities but whose experience and knowledge, in the discretion of the governor, would be valuable for the purposes of the commission; and
- A representative from the OPM.<sup>7</sup>

The MFAC's oversight of Connecticut municipalities is limited to those municipalities that are referred to it by the secretary of the OPM based on audit findings, as well as Tier I municipalities. Upon a municipality being referred by the OPM secretary based on irregular audit findings, the MFAC is tasked with reviewing all relevant information related to the municipality's fiscal condition including but not limited to audits and budgets.<sup>8</sup> The MFAC may then work with the chief elected official of the referred municipality in order to implement the recommended modification(s) to fiscal practices as compiled by the Commission.<sup>9</sup>

Chief elected officials who do not comply with the MFAC may subject the referred municipality to a civil penalty of \$1,000-\$10,000.<sup>10</sup> The secretary of the OPM may waive the penalty if they so choose, however, the secretary is permitted to establish a compliance date as a condition of granting said waiver.<sup>11</sup>

### **Municipal Accountability Review Board**

The Connecticut General Assembly established the Municipal Accountability Review Board (MARB) in 2017.<sup>12</sup> When announcing the establishment of the MARB as a legislative priority, then-Governor Dannel Malloy said, "The State will be poised to intercede early to put struggling local governments on a path to sustainable fiscal health before they are on the brink of a fiscal crisis."<sup>13</sup>

The MARB consists of 11 members, including:

- The secretary of the OPM, or the secretary's designee;
- The state treasurer, or the state treasurer's designee;
- A municipal finance director appointed by the governor;
- A municipal bond or bankruptcy attorney appointed by the governor;
- A town manager appointed by the governor;
- An individual, appointed by the governor, with significant experience in representing organized labor and is selected from a list of three recommendations by the American Federation of State, County and Municipal Employees;
- An individual, appointed by the governor, with significant experience as a teacher or representing a teacher's organization and is selected from a list of three joint recommendations from the Connecticut Education Association and the American Federation of Teachers-Connecticut;
- A total of four individuals with experience in business, finance, or municipal management appointed by the president pro tempore of the Senate, the speaker of the House of Representatives, the minority leader of the Senate, and the minority leader of the House of Representatives.<sup>14</sup>

If there are two or more designated Tier II, III, or IV municipalities, the governor may appoint alternates for one or more of their appointments to the MARB. An alternate

appointment must have the same relevant expertise as the member for whom they serve as an alternate, and their term would coincide with the term of the member they are serving as an alternate for.<sup>15</sup>

As elaborated on later in this policy briefing, membership of the MARB is also expanded for the process of determining whether a Tier III municipality's fiscal condition warrants designating it a Tier IV municipality,<sup>16</sup> and if any municipality is designated as Tier IV.<sup>17</sup>

Members of the MARB are not compensated but are reimbursed for necessary expenses related to their work.<sup>18</sup> The MARB can charge municipalities designated as Tier III or IV for expenses related to its work on their behalf, including for the cost of consultants and other expenses. The MARB can be paid for these expenses from the proceeds of any deficit obligation or debt restructuring bonds.<sup>19</sup>

Municipalities that have been referred to the MARB (Tiers II, III, and IV) are required to provide any financial reports, data, audits, statements, and other records or documentation as the Board may require. This information includes:

1. Proposed budgets;
2. Monthly reports of the financial condition of the municipality;
3. The status of the municipality's current annual budget and progress under its financial plan for the current fiscal year;
4. Estimates of the operating results for all funds or accounts to the end of the current fiscal year;
5. Pension plan and debt projections;
6. Statements and projections of general fund cash flow reserves;
7. The number of municipal employees on the municipal payroll; and
8. Debt service requirements on all bonds and notes of the municipality for the following month.<sup>20</sup>

Connecticut's attorney general can apply for a writ of mandamus on behalf of the MFAC or the MARB requiring municipal officials to carry out the MARB's determinations, comply with any obligation by to repay the State for contributions to a special capital reserve fund (SCRF), or adhere to agreements and indentures pertaining to a SCRF.<sup>21</sup>

## Tiering System of Financially Distressed Municipalities

The MARB categorizes financially distressed municipalities into one of four tiers (Tier I, Tier II, Tier III, and Tier IV) corresponding to the municipality's overall fiscal condition.<sup>22</sup> Tier I places the least state oversight and control on the municipality, while Tier IV places the most.

### **Tier I Municipalities**

A municipality is designated as a Tier I municipality if it meets any of the following criteria:

**Table 1: Tier I Designation Criteria<sup>23</sup>**

Measures	Set 1	Set 2	Set 3
Bond Rating	No rating or its highest rating is A or above, as long as all of its ratings are investment grade	No rating or its highest rating is A, as long as all of its ratings are investment grade	Bond rating is AA or above, as long as all of its ratings are investment grade
State Municipal Aid as a % of the Municipality's Current Year General Fund Budget	Less than 30%	Less than 30%	30% or more of current year general fund
Fund Balance	Positive	Positive fund balance of less than 5%	Positive
FY 2018 Municipal Revenue Increase as a % of Revenue	At least 2%	Not applicable	At least 2%
Equalized Mill Rate	Not applicable	Not applicable	Equalized mill rate less than 30 mills

Hamden has not been designated as a Tier I municipality by the MARB, but meets the criteria to be designated as Tier I as of October 2018.<sup>24</sup>

Tier I municipalities are referred by the secretary of the OPM to the MFAC where the municipality is required to prepare and present a 3-year financial plan for the MFAC's review and approval.<sup>25</sup> The MFAC can make recommendations to improve the fiscal condition of the municipality, and the chief elected official of the municipality may be required to work with the MFAC and submit a written report on the implementation of those recommendations and any other measures taken.<sup>26</sup>

A municipality maintains a Tier I designation until, in the fiscal years following its designation:

1. There have been no annual operating budgetary deficits in the general fund of the municipality for two consecutive fiscal years;
2. The municipality's bond rating has either improved or remained unchanged since its most current designation;
3. The municipality has presented, and the MFAC has approved, a financial plan that projects a positive unreserved fund for the three succeeding consecutive fiscal years covered by such financial plan; and
4. The municipality's audits for such consecutive fiscal years have been completed and contain no general fund deficit.<sup>27</sup>

### Tier II Municipalities

A municipality is designated as a Tier II municipality if it meets any of the following criteria:

**Table 2: Tier II Designation Criteria<sup>28</sup>**

Measures	Set 1	Set 2	Set 3	Set 4	Set 5
Bond Rating	No rating from a bond rating agency or its highest rating is A, as long as all of its ratings are investment grade	No rating from a bond rating agency or its highest rating is A, as long as all of its ratings are investment grade	Highest bond rating is AA or higher, as long as all of its ratings are investment grade	Highest bond rating is AA or higher, as long as all of its ratings are investment grade	Highest rating is Baa or BBB, as long as all of its ratings are investment grade
State Municipal Aid as a % of the Municipality's Current Year General Fund Budget	30% or more	30% or more	30% or more	Not applicable	Not applicable
Fund Balance	Positive fund balance of at least 5%	Positive fund balance of less than 5%	Not applicable	Negative	Positive
FY 2018 Municipal Revenue Increase as a % of Revenue	At least 2%	Not applicable	Not applicable	Not applicable	Not applicable
Equalized Mill Rate	Less than 30 mills	Less than 30 mills	30 or more mills	Not applicable	Less than 30 mills

The Town of Sprague applied for Tier II status in November 2018 and was approved in December of the same year.<sup>29</sup> Brooklyn, East Hartford, Naugatuck, Plymouth, Torrington, and Waterbury meet the criteria to be designated as Tier II as of October 2018.<sup>30</sup>

Tier II municipalities are referred by the secretary of the OPM to the MARB. Each referred municipality is responsible for preparing and presenting a 3-year financial plan and monthly reports for the MARB's approval.<sup>31</sup> In establishing its 3-year financial plan, the municipality may only utilize revenue projections that were approved by the MARB.<sup>32</sup> The MARB is also granted the authority to approve or disapprove all general obligations issued by the municipality, and may only approve such obligations that it believes improve the fiscal position of the municipality.<sup>33</sup>

As with a Tier I designation, a municipality maintains a Tier II designation until, in the fiscal years following its designation:

1. There have been no annual operating budgetary deficits in the general fund of the municipality for two consecutive fiscal years;
2. The municipality's bond rating has either improved or remained unchanged since its most current designation;
3. The municipality has presented, and the MARB has approved, a financial plan that projects a positive unreserved fund for the three succeeding consecutive fiscal years covered by such financial plan; and
4. The municipality's audits for such consecutive fiscal years have been completed and contain no general fund deficit.<sup>34</sup>

### **Tier III Municipalities**

A municipality can be designated as a Tier III municipality in one of two ways: a request by the municipality for such designation; or a designation by the OPM secretary even if the municipality has not applied for such designation.

The chief elected official, or the legislative body of a municipality by majority vote, may apply to the secretary of the OPM for designation as a Tier III municipality. If the chief elected official is applying for Tier III designation, they are required to notify the legislative body of the municipality of their intent. The legislative body has 30 days to approve or reject the application, or the application for designation by the chief elected official is deemed approved.<sup>35</sup> To be designated a Tier III municipality, a municipality must meet one of two criteria:

1. The municipality has at least one bond rating that is below investment grade; or
2. The municipality has no bond rating from a bond rating agency, or its highest bond rating is A, Baa, or BBB (provided the municipality has no rating that is not investment grade) and it has either:
  - a. A negative fund balance percentage; or
  - b. An equalized mill rate that is 30 or more, and it receives 30 percent or more of its current or prior fiscal year general fund budget revenue in the form of municipal aid from the State.

The OPM secretary must designate a municipality as Tier III if:

- They believe the municipality warrants such a designation; or
- They have received reports of a weak financial condition of the municipality from the MFAC; or
- The municipality has issued refunding bonds that:
  - Have a term of more than 25 years;
  - Do not achieve net present savings;
  - Have annual debt service obligations associated with existing debt, and such refunding bonds are greater than the first full year debt service obligations following the issuance of said refunding bonds; or
- The municipality issues a deficit obligation or has issued a deficit obligation in the five years preceding July 1, 2017.<sup>36</sup>

Currently, Hartford and West Haven are designated Tier III Municipalities.<sup>37</sup> Bridgeport, New Britain, and New Haven meet the criteria to be designated as Tier III as of October 2018.<sup>38</sup>

Municipalities designated as Tier III are referred to the MARB and are required to request that the secretary of the OPM designate a staff member to provide mediation assistance with regards to collective bargaining negotiations of municipal or board of education employees.<sup>39</sup> Prior to July 1, 2018, only a municipality with a population of 120,000 or more and a bond rating of Caa1 or less was permitted to be designated as a Tier III municipality.<sup>40</sup>

The MARB is granted the authority with Tier III municipalities to:

- Review and comment on the municipality's annual budget prior to its adoption by the municipality's legislative body;
- Establish state and local property tax revenue assumptions for use in the municipality's annual budget;
- Approve the issuance of general obligations and refunding bonds issued by the municipality;
- Review and comment on all municipal and board of education contracts that exceed \$50,000 for municipalities with a population under 70,000 and \$100,000 for a municipality with a population over 70,000;
- Approve or reject, on not more than two occasions, collective bargaining agreements or amendments;
- Approve or reject, on not more than two occasions, any non-teacher arbitration awards;
- Monitor compliance with the municipality's 3-year financial plan and annual budget, and provide recommendations to the municipality as necessary to ensure compliance with the plan and budget;
- Provide recommendations for the municipality or the board of education to increase the efficiency and productivity of its operations and management;
- Obtain information on the financial conditions or financial needs of the municipality;
- As it deems necessary, and in consultation with the municipality, retain staff and consultants experienced in the field of municipal finance, municipal law, governmental operations, and administration or governmental accounting;
- Require the municipality or the board of education in such municipality to apply LEAN practices and principles that will result in improved fiscal sustainability and municipal vitality; and
- Consult with federal, state, quasi-public, and nongovernmental agencies as it deems necessary.<sup>41</sup>

A municipality maintains its Tier III designation until, in the fiscal years following its most current designation:

1. There have been no annual operating budgetary deficits in the general fund of the municipality for three consecutive fiscal years (MARB can give consideration to the fiscal year preceding the municipality's designation in determining the number of sufficient fiscal years);

2. The municipality's bond rating has either improved or remained unchanged since its most current designation, provided it has no bond ratings that are below investment grade;
3. The municipality has presented, and the MARB has approved, a financial plan that projects a positive unreserved fund balance for the three succeeding consecutive fiscal years covered by such financial plan; and
4. The audits for the aforementioned consecutive fiscal years have been completed and contain no general fund deficit.<sup>42</sup>

After a Tier III municipality clears its designation, it remains undesignated unless:

1. It has an annual operating budgetary deficit in its general fund equal to one per cent or more of its most recently completed annual general fund budget;
2. It experiences an annual operating budgetary deficit in its general fund in consecutive years of any amount; or
3. If it has one or more bond ratings that are below investment grade.<sup>43</sup>

### **Tier IV Municipalities**

The chief elected official, or the legislative body of a municipality by majority vote, may apply to the secretary of the OPM for designation as a Tier IV municipality. If the chief elected official is applying for Tier IV designation, said official is required to notify the legislative body of the municipality of their intent. The legislative body has 30 days to approve or reject the application, or the application for designation by the chief elected official is deemed approved. The OPM secretary may approve the request if the secretary determines that such designation is necessary to ensure the fiscal sustainability of the municipality, and that it is in the best interest of the state.<sup>44</sup>

The MARB may also designate a Tier III municipality as a Tier IV municipality if it finds a municipality warrants the designation based upon an evaluation of the following criteria:

- The balance in the municipality's budget reserve fund;
- The short and long-term liabilities of the municipality, including the municipality's ability to meet minimum funding levels required by law, contract, or court order;
- The difference between the municipality's budgeted revenue and the actual revenue collected over the past five fiscal years;
- Budget projections for the municipality for the following three fiscal years;
- The economic outlook for the municipality; and
- The municipality's access to capital markets.

When determining whether to designate a municipality as a Tier IV, the membership of the MARB expands to include the chief elected official of the municipality and a member of the legislative body of the municipality (as selected by the legislative body). The treasurer of the municipality participates as a non-voting member of the MARB. The MARB's findings and recommendation of tier designation is submitted to the secretary of the OPM and, after a 30-day public comment period, the findings and recommended designation is forwarded to the governor for approval or rejection.<sup>45</sup>

Once a municipality is designated as Tier IV, the membership of the MARB is expanded to include additional ex-officio, non-voting members who serve on the Board only as it works on the designated Tier IV municipality. The additional members include:

- The chief elected official of the respective municipality, or their designee;
- An elected member of the local legislative body for the Tier IV municipality, or their designee, as selected by the majority of the legislative body;
- The municipality's elected treasurer (if applicable) or the municipal official responsible for the issuance of bonds;
- A member of the minority party of the municipality's legislative body, as elected by the minority party members.<sup>46</sup>

In addition to having all of the authority granted to it for Tier III municipalities, the MARB also has the following additional responsibilities for Tier IV municipalities:

- Review and approve, or disapprove, the municipality's annual budget of all of its funds;
  - No annual budget, tax levy, or user fee is allowed to go into effect until it has been approved by the MARB.
  - If the municipality's legislative body has not adopted a budget by June 15, or has not submitted a revised budget by that date, the MARB is granted the authority to adopt an interim budget and establish tax rates and user fees.
  - This interim budget remains in effect until the MARB approves a resubmitted budget.
- Review and approve all municipal bond ordinances and resolutions;
- Monitor compliance with the municipality's 3-year plan and annual budget, and require that the municipality make changes to ensure compliance and balance;
- Approve or reject all collective bargaining agreements for a new term — other than modifications, amendments, or reopening of an agreement — to be entered into by the municipality or any of its agencies, including the board of education;
- Impose binding arbitration when negotiations have lasted longer than 75 days;
- Reject any arbitration award pending municipal or board of education action;
- Approve proposed transfers of a municipality in excess of \$50,000;
- Require the review and approve, disapprove, or modify the board of education's budget on a line-item basis, and require the board of education to submit to the MARB any budget transfers;
- Appoint a financial manager and delegate, in writing, to such manager powers as the MARB deems necessary for the purpose of managing the financial and administrative affairs of the municipality;
- Ability to require the municipality and the board of education submit to the MARB any contracts that exceed \$50,000 for municipalities with a population under 70,000, or \$100,000 for a municipality with a population over 70,000;
- Approve and authorize the issuance of general obligations, and the issuance of obligations for the purpose of deficit financing, pension liability restructuring, and debt restructuring; and
- Authority to allow the designated Tier IV municipality to issue any refunding bonds, or bonds that mature not later than 40 years from the date of issuance,

which the MARB has determined will improve the financial condition of the municipality.<sup>47</sup>

Tier IV municipalities are not permitted to enact a property tax levy that is more than three percent greater than the property tax levy contained in its annual budget for the prior fiscal year. The municipality may apply to the MARB for an exception to this property tax levy cap. When considering the exemption to the limitation, the MARB is required to consider matters impacting the health and welfare of the citizens, funding needed to reduce the municipality's long-term obligations, and the implementation of legal settlements or court orders.<sup>48</sup>

As with the Tier III designation, a municipality maintains its Tier IV designation until, in the fiscal years following its most current designation:

1. There have been no annual operating budgetary deficits in the general fund of the municipality for three consecutive fiscal years (MARB can give consideration to the fiscal year preceding the municipality's designation in determining the number of sufficient fiscal years);
2. The municipality's bond rating has either improved or remained unchanged since its most current designation, provided it has no bond ratings that are below investment grade;
3. The municipality has presented, and the MARB has approved, a financial plan that projects a positive unreserved fund balance for the three succeeding consecutive fiscal years covered by such financial plan; and
4. The audits for the aforementioned consecutive fiscal years have been completed and contain no general fund deficit.<sup>49</sup>

However, if the municipality has issued a deficit obligation, it retains its Tier IV designation. As with Tier III, after a Tier IV municipality clears its designation, it remains undesignated unless:

1. It has an annual operating budgetary deficit in its general fund equal to one per cent or more of its most recently completed annual general fund budget;
2. It experiences an annual operating budgetary deficit in its general fund in consecutive years of any amount; or
3. If it has one or more bond ratings that are below investment grade.<sup>50</sup>

## Municipal Restructuring Fund

Designated Tier II, III, and IV municipalities are eligible to receive Municipal Restructuring Funds.<sup>51</sup> Eligible municipalities requesting Municipal Restructuring Funds must submit a restructuring plan to the secretary of the OPM, which includes proposed expenditures of the funds.<sup>52</sup> Eligible municipalities are permitted under statute, in consultation with their local board of education, to propose a reduction in their education budget's Minimum Budget Requirement (MBR).<sup>53</sup> The secretary of the OPM must consult with the commissioner of the Connecticut State Department of Education in approving or rejecting a MBR reduction.<sup>54</sup>

The secretary of the OPM is required to consult with the MARB when making decisions on the distribution of Municipal Restructuring Funds and the conditions attached to the distribution of the funds.<sup>55</sup> The distribution of the Municipal Restructuring Funds is required to be based on the relative fiscal need of the requesting municipalities, and the secretary can approve all, none, or a portion of the requested funds.<sup>56</sup>

When determining conditions to attach to Municipal Restructuring Funds, the secretary of the OPM must consider the ability of the municipality to meet “legal and other obligations.”<sup>57</sup> The MARB monitors and apprises the OPM secretary on how the funds are used and the municipality’s adherence to the required conditions.<sup>58</sup> The secretary is required to issue guidance on the:

1. Administration of the Municipal Restructuring Funds;
2. Criteria for participation by municipalities and requirements for plan submission; and
3. Prioritization for the awarding of assistance funds.<sup>59</sup>

The MARB has distributed \$32.5 million in Municipal Restructuring Funds.<sup>60</sup> Hartford received \$20 million in fiscal year 2018, West Haven received \$8 million in FY 2018 and \$4 million in FY 2019, and Sprague received \$500,000 in FY 20 as a loan, with an agreement between the municipality and the OPM for repayment over several years.<sup>61</sup>

## Contract Assistance

The secretary of the OPM and the state treasurer may provide contract assistance to designated Tier III and IV municipalities in meeting debt service obligations with the full faith and credit obligation of the State.<sup>62</sup> The contract assistance cannot exceed the annual debt service on the outstanding amounts of refunding bonds or other bonds or notes issued by the municipality, plus the costs of issuing those bonds and any associated expenses directly related to refunding of debt.<sup>63</sup> These contracts can provide for the State to make debt service payments to the municipality or directly to the holder of the bonds or notes.<sup>64</sup>

Before the State can enter into an agreement for the debt service assistance, the designated Tier III or IV municipality must file a certificate with the secretary of the OPM and the state treasurer detailing the amount of debt service and costs of issuance expected to be paid by the State.<sup>65</sup> The OPM secretary and state treasurer can rely upon reports and estimates from experts to evaluate the feasibility of the refunding of debt.<sup>66</sup>

The secretary and the treasurer may, rather than offer contract assistance, provide other forms of credit support, including assuming all or a portion of the designated Tier III or IV municipality’s bonds or issuance of new state obligations, as long as the credit support doesn’t exceed the amount of contract assistance included in the municipality’s certificate.<sup>67</sup>

In March 2018, the OPM secretary and the state treasurer signed a contract assistance plan with the City of Hartford, to commit the State to covering the city’s debt service on

outstanding General Obligation bonds, which is scheduled to be \$754.7 million over almost 20 years.<sup>68</sup>

## Endnotes

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- <sup>1</sup> Conn. Gen. Statutes ch. 111, § 7-392.
- <sup>2</sup> Conn. Gen. Statutes ch. 111, § 7-394a.
- <sup>3</sup> Conn. Gen. Statutes ch. 111, § 7-393.
- <sup>4</sup> Conn. Gen. Statutes ch. 111, § 7-395.
- <sup>5</sup> *Ibid.*
- <sup>6</sup> *Ibid.*
- <sup>7</sup> Conn. Gen. Statutes ch. 111, § 7-394b.
- <sup>8</sup> *Ibid.*
- <sup>9</sup> *Ibid.*
- <sup>10</sup> *Ibid.*
- <sup>11</sup> *Ibid.*
- <sup>12</sup> Conn. Act 17-2 §§ 349-376 (June Special Session).
- <sup>13</sup> State of Connecticut, Office of the Governor. (2017, February 2). *Governor Malloy Proposes Creation of a Municipal Accountability System to Help Strengthen Fiscal Stability* [Press Release]. Retrieved from <https://portal.ct.gov/Malloy-Archive/Press-Room/Press-Releases/2017/02-2017/Gov-Malloy-Proposes-Creation-of-a-Municipal-Accountability-System>.
- <sup>14</sup> Conn. Gen. Statutes ch. 117, § 7-576d.
- <sup>15</sup> *Ibid.*
- <sup>16</sup> Conn. Gen. Statutes ch. 117, § 7-576e(2).
- <sup>17</sup> Conn. Gen. Statutes ch. 117, § 7-576e(3).
- <sup>18</sup> Conn. Gen. Statutes ch. 117, § 7-576d(a).
- <sup>19</sup> *Ibid.*
- <sup>20</sup> Conn. Gen. Statutes, ch. 117, § 7-576d(c).
- <sup>21</sup> Conn. Gen. Statutes, ch. 117, § 7-577.
- <sup>22</sup> Rappa, J. (2018). *Municipal Accountability Review Board* (2018-R-0124). Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <https://www.cga.ct.gov/2018/rpt/pdf/2018-R-0124.pdf>.
- <sup>23</sup> *Ibid.*
- <sup>24</sup> State of Connecticut, Office of Policy and Management. (2018). *Preliminary Analysis of Tier Designations*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/MARB/Full-Board/2019-Meetings/Misc/Tiered-Preliminary-Projected-Designations-and-MFAC-Role-Report-10-10-18.pdf?la=en>.
- <sup>25</sup> Conn. Gen. Statutes ch. 117, § 7-576a.
- <sup>26</sup> Conn. Gen. Statutes ch. 111, § 7-394b.
- <sup>27</sup> Conn. Gen. Statutes ch. 117, § 7-576f.
- <sup>28</sup> Rappa, J. (2018). *Municipal Accountability Review Board* (2018-R-0124). Hartford, CT: Connecticut General Assembly, Office of Legislative Research. Retrieved from <https://www.cga.ct.gov/2018/rpt/pdf/2018-R-0124.pdf>.
- <sup>29</sup> Barnes, B. (2018, December 13). *Letter to First Selectman of Sprague RE: Application for Tier II under Municipal Accountability Review Board Statutes*. Hartford, CT: State of Connecticut, Office of Policy and Management. Retrieved from <https://portal.ct.gov/-/media/OPM/MARB/Full-Board/2018-Meetings/12-6-18/12-6-18-Letter-from-Sec-Barnes-to-1st-Select-Osten-Sprague.pdf?la=en>.
- <sup>30</sup> State of Connecticut, Office of Policy and Management. (2018). *Preliminary Analysis of Tier Designations*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/MARB/Full-Board/2019-Meetings/Misc/Tiered-Preliminary-Projected-Designations-and-MFAC-Role-Report-10-10-18.pdf?la=en>.
- <sup>31</sup> Conn. Gen. Statutes ch. 117, § 7-576b.
- <sup>32</sup> *Ibid.*
- <sup>33</sup> *Ibid.*
- <sup>34</sup> Conn. Gen. Statutes ch. 117, § 7-576f.
- <sup>35</sup> Conn. Gen. Statutes ch. 117, § 7-576c.
- <sup>36</sup> *Ibid.*
- <sup>37</sup> State of Connecticut, Office of Policy and Management. (2018). *Preliminary Analysis of Tier Designations*. Hartford, CT: Author. Retrieved from <https://portal.ct.gov/-/media/OPM/MARB/Full-Board/2019-Meetings/Misc/Tiered-Preliminary-Projected-Designations-and-MFAC-Role-Report-10-10-18.pdf?la=en>.
- <sup>38</sup> *Ibid.*
- <sup>39</sup> Conn. Gen. Statutes ch. 117, § 7-576d.

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- <sup>40</sup> Conn. Gen. Statutes ch. 117, § 7-576d(c).  
<sup>41</sup> Conn. Gen. Statutes ch. 117, § 7-576d.  
<sup>42</sup> Conn. Gen. Statutes ch. 117, 7-576g.  
<sup>43</sup> Conn. Gen. Statutes ch. 117, § 7-576g(b).  
<sup>44</sup> Conn. Gen. Statutes ch. 117, § 7-576e.  
<sup>45</sup> *Ibid.*  
<sup>46</sup> *Ibid.*  
<sup>47</sup> *Ibid.*  
<sup>48</sup> Conn. Gen. Statutes ch. 117, § 7-576h.  
<sup>49</sup> Conn. Gen. Statutes ch. 117, § 7-576g(a).  
<sup>50</sup> Conn. Gen. Statutes ch. 117, § 7-576g(b).  
<sup>51</sup> Conn. Gen. Statutes ch. 117, § 7-576i.  
<sup>52</sup> *Ibid.*  
<sup>53</sup> *Ibid.*  
<sup>54</sup> *Ibid.*  
<sup>55</sup> *Ibid.*  
<sup>56</sup> *Ibid.*  
<sup>57</sup> *Ibid.*  
<sup>58</sup> *Ibid.*  
<sup>59</sup> *Ibid.*  
<sup>60</sup> Freund, J. (2020, January 1). Personal communication with Municipal Accountability Review Board staff member, Office of Policy and Management, State of Connecticut.  
<sup>61</sup> *Ibid.*  
<sup>62</sup> Conn. Gen. Statutes ch. 117, § 7-576j.  
<sup>63</sup> Conn. Gen. Statutes ch. 117, § 7-576j(a).  
<sup>64</sup> Conn. Gen. Statutes ch. 117, § 7-576j(b).  
<sup>65</sup> Conn. Gen. Statutes ch. 117, § 7-576j(c).  
<sup>66</sup> Conn. Gen. Statutes ch. 117, § 7-576j(d).  
<sup>67</sup> Conn. Gen. Statutes ch. 117, § 7-576j(g).  
<sup>68</sup> Freund, J. (2020, January 1). Personal communication with Municipal Accountability Review Board staff member, Office of Policy and Management, State of Connecticut.