



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

October 30, 2018

Mr. Douglas W. Gillette, Secretary
Municipal Finance Advisory Commission
242 Asylum Street
Hartford, Connecticut 06103

Dear Mr. Gillette:

Chapter 117 of the General Statutes provides for the procedures for designating financially distressed municipalities into one of four tiers. Municipalities designated as Tier II, III, or IV are subject to oversight by the Municipal Accountability Review Board (MARB) and designated Tier I municipalities are subject to oversight by the Municipal Finance Advisory Commission (MFAC).

Section 7-576c of Chapter 117 provides for several means for which a municipality can be designated as a Tier III municipality. Municipalities who meet the eligibility criteria for Tier III can request to be designated into such tier. Another manner is that the Secretary of the Office of Policy and Management (OPM) shall designate a municipality as Tier III if it:

- (1) meets the eligibility criteria for Tier III and (2) the Secretary, based on reports and findings of the MFAC, finds that the municipality's fiscal condition warrants such designation

With this in mind, I am requesting that the MFAC develop and establish a set of financial and financially related indicators that it shall consider when issuing its reports and findings to the Secretary on the financial condition of a municipality for Tier III consideration as provided for under Section 7-576c. Understanding that municipalities often have individual and unique financial challenges, the set of indicators to be established is not meant to limit the Commission's consideration of other financial and financial related matters that may impact the fiscal condition of a municipality. I am requesting that the set of indicators be established within ninety (90) days from the date of this letter.

Thank you for your assistance on this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Benjamin Barnes", written over a horizontal line.

Benjamin Barnes
Secretary

Cc: Members of the Municipal Finance Advisory Commission