

## LOCAL CAPITAL IMPROVEMENT PROGRAM (LoCIP) GUIDELINES

### INTRODUCTION

These guidelines have been prepared to assist municipalities in applying for state aid entitlements under the Local Capital Improvement Program (LoCIP). Additional information, including reports regarding project authorizations, reimbursements, project summaries, historical LoCIP data, as well as required forms can be found on the [LoCIP website](#).

LoCIP provides financial assistance to municipalities for eligible capital projects funded with State general obligation bonds. Annual entitlements are announced on March 1<sup>st</sup> of each year. Municipalities must apply to the Office of Policy and Management (OPM) for project authorization for each eligible project on the LoCIP Project Authorization Request form, and then once a municipality expends funds for an OPM-authorized LoCIP project, it may apply for reimbursement on the LoCIP Reimbursement Request form. Project Authorization Request forms and Reimbursement Request forms can be submitted at the same time. Only capital projects which have been approved by the town's legislative body and which comport with program guidelines will be considered.

LoCIP Projects will only be authorized when:

- The municipality's legislative body has approved the project, and such approval is documented in certified minutes of the required municipal meeting(s);
- The project is included in the town's most recently approved Capital Improvement Plan (CIP);
- The amount listed on the project authorization request does not exceed the municipality's available LoCIP entitlement balance;
- The project is an allowable project pursuant to the LoCIP Guidelines; and
- The request is submitted on the required form and is **signed by the Chief Executive Officer of the municipality**

Reimbursements will only be approved:

- For allowable expenditures associated with OPM-approved LoCIP projects after the municipality has incurred and expended funds;
- The reimbursement request is submitted on the required form and all required information is provided in the required format, and is **signed by the Chief Executive Officer of the municipality**; and
- The amount of the requested reimbursement does not exceed the available project balance.

## ALLOWABLE LoCIP PROJECTS

LoCIP funds can only be used for municipal capital expenditure projects which are specifically categorized below (pursuant to C.G.S. §7-535 through 7-538). Please note that the use of LoCIP funds for school-related projects is strictly limited. School related project information is specifically addressed on page 5 of this document.

Eligible LoCIP projects are defined in the following major categories:

- **ROADS** - construction, renovation, repair, or resurfacing
- **SIDEWALK and PAVEMENT** - improvements
- **SEWAGE TREATMENT PLANTS, SANITARY OR STORM, WATER OR SEWER LINES** - construction, renovation, enlargement, or repair, including separation of lines
- **PUBLIC BUILDINGS OTHER THAN SCHOOLS** - construction, renovation, code compliance, energy conservation and fire safety
- **DAMS/BRIDGES/FLOOD CONTROL** - construction, renovation, enlargement, or repair
- **WATER TREATMENT OR FILTRATION FACILITIES/MAINS** - construction, renovation, enlargement, or repair
- **SOLID WASTE FACILITIES** - construction, renovation, or enlargement
- **PUBLIC PARKS** - improvements
- **CAPITAL IMPROVEMENT PLANS** – costs associated with preparation or revision (only 1X/ten-year period)
- **EMERGENCY COMMUNICATIONS SYSTEMS, BUILDING SECURITY SYSTEMS, INCLUDING SCHOOLS** - improvements
- **PUBLIC HOUSING** - renovation/improvements, including energy conservation projects and development of additional public housing
- **VETERANS' MEMORIALS** - renovations or construction
- **THERMAL IMAGING SYSTEMS** – acquisition
- **BULKY WASTE/LANDFILL PROJECTS**
- **CONSERVATION & DEVELOPMENT PLANS** - preparation and revision (reimbursed not more than 1x/10 year period)
- **AUTO EXTERNAL DEFIBRILLATORS** - acquisition
- **FLOODPLAIN MANAGEMENT AND HAZARD MITIGATION ACTIVITIES**
- **ON-BOARD OIL REFINING SYSTEMS\***
- **THE PLANNING OF A MUNICIPAL BROADBAND NETWORK\***
- **BIKEWAY AND GREENWAY** - establishment
- **LAND ACQUISITION** – including for open space, and costs involved in making land available for public uses
- **TECHNOLOGY (FOR SCHOOLS)** - acquisition related to the implementation of SDE's Common Core State Standards
- **TECHNOLOGY UPGRADES (NOT SCHOOLS)** - including for improvements to expand public access to government information through electronic portals and kiosks
- **HAZARDOUS TREE REMOVAL OR TRIMMING** for nonutility-related hazardous branches, limbs and trees on municipal property or within a municipal right-of-way.

*\*see specific statutory details on page 12 of this document related to these items.*

A LoCIP project may include repairs **incidental** to reconstruction and renovation but **does not include ordinary repairs and maintenance of a routine, ongoing nature.**

### **SUBMISSION PROCEDURES**

All LoCIP Project Authorization Requests and LoCIP Reimbursement Requests should be sent to the email address below in **PDF format**:

[LoCIP.Submit@ct.gov](mailto:LoCIP.Submit@ct.gov)

The subject line of the email **MUST** include:

- Your **town's name**
- the word **LoCIP**
- the word **Authorization** or **Reimbursement** depending on which form you are submitting. If you are submitting both an authorization and a reimbursement, indicate by including the words **Authorization and Reimbursement** in the email subject line.

All forms must be complete and must be signed by the **Chief Executive Officer** (Mayor, First Selectman, or Town Manager). Outdated forms or forms which are incomplete or lack the appropriate signature will not be processed.

**PLEASE BE ADVISED THAT THE EMAIL ADDRESS ABOVE IS ONLY FOR THE SUBMISSION OF LOCIP PROJECT AUTHORIZATION REQUEST AND LOCIP REIMBURSEMENT REQUEST FORMS.** Questions or other inquiries sent to the email address above will not be answered.

If you have questions or need to address other LoCIP issues, you should email [Nikki.Sow@ct.gov](mailto:Nikki.Sow@ct.gov)

**Please do not submit hardcopy paper forms via regular mail.**

### **IMPORTANT ADVISORY RELATED TO CERTAIN PROJECTS**

- **ADDITIONAL INFORMATION REQUIRED FOR CERTAIN PROJECTS IMPACTING FLOOD PLAINS, DRAINAGE, PEAK RUN-OFF RATES AND/OR FLOOD FLOWS:**

In order for OPM, as a grantor agency, to ensure compliance with the provisions of [CGS Section 25-68b through Section 25-68h](#), we must now collect additional information with regard to any LoCIP funded project which is proposed or constructed within, encroaches upon or affects a floodplain, or that impacts natural or man-made storm drainage facilities, peak run-off rates and/or regulates flood flows. The LoCIP Project Authorization Request form now includes a question related to this provision.

Any Project Authorization request for such a project will require a longer review process, and may result in additional assurances and documentation from the requesting municipality prior to project authorization.

- **REQUIREMENTS RELATED TO AUTHORIZATIONS WHERE REIMBURSEMENT WILL BE SOUGHT FOR ARCHITECTURAL/ENGINEERING PLANNING AND DESIGN**

The cost of Architectural/engineering planning and design services will be reimbursable **ONLY**:

- **after the funding for the construction phase of the project has been approved** by the municipality's legislative body, and
- such approval is documented in certified minutes of the required municipal meeting(s).

This certification is required to ensure that LoCIP funds are not used for expenditures related to projects which fail to progress to completion.

## **FREQUENTLY ASKED QUESTIONS AND ANSWERS RELATED TO THE LoCIP PROGRAM**

### **1. Can you provide examples of allowable LoCIP expenditures?**

Examples of project costs eligible for LoCIP reimbursement include:

- **Acquisition of land for open space or public use.** All recipients of State financial assistance that have a need to acquire land with state bond proceeds (LoCIP and other various bond funded State grants) should demonstrate that the property proposed for purchase was selected through an "arms-length" transaction. If the property to be acquired is valued at less than \$100,000 one independent appraisal is to be prepared. For property valued at \$100,000 or more, two independent appraisals shall be prepared. Appraisals must be performed by a MAI-certified appraiser (Member of the Appraisal Institute) and must have been prepared within the previous 365 days. The purchase price of the property must not exceed the highest appraised value. The acquisition cost and the cost of the appraisal(s) are reimbursable (up to the municipality's available LoCIP funds). The cost of the appraisal(s) will only be reimbursable provided the required appraisal(s) comport with the guidelines and the property transaction is complete and recorded in the town's land records. **Appraisal costs will not be reimbursed absent the requisite final transaction/conveyance recorded in the town's land records.** This will help to ensure that LoCIP funds are not used to pay for appraisals in the event that the property acquisition is not realized.
- **Procurement and installation of permanently fixed equipment.** (Examples: HVAC roof top units, central air units, permanently installed generator, hot water heater, furnace, boiler, elevator, chair lifts, etc.)
- **Architectural/engineering planning and design costs only after the funding for the construction phase of the project has been approved by the municipality's legislative body, and such approval is documented in certified minutes of the required municipal meeting(s).** This will help to ensure that LoCIP funds are not used for expenditures related to projects which fail to progress to completion.
- **Contracted services needed to complete the project** (or the portion thereof being funded with LoCIP funds) (Examples: contracted services related to roadwork, construction, hazardous non-utility related tree removal/trimming, renovation or improvement, engineering and or architectural services.)
- **Materials and project components not in excess of what is needed to complete the project** (or the portion thereof being funded with LoCIP funds). (Examples: materials associated with roadwork, construction, renovation or improvement.)
- **Short term large equipment lease for equipment necessary to complete project.** (Example: short term rental of an asphalt paver.)
- **Technology upgrades:** Network equipment, servers, associated wiring, and software\*/licensing\* (\***only initial software/licensing that renders the hardware operational is reimbursable.**)
- **Municipal labor - ONLY** when such labor is performed OUTSIDE the course of the employee's regular duties and/or OUTSIDE the employee's regular work schedule.

## 2. What kind of expenditures are NOT eligible for LoCIP reimbursement?

Examples of **UNALLOWABLE** costs:

- Operating costs
- Program costs
- Preliminary planning or feasibility studies
- **Acquisition and/or Appraisal costs absent the requisite final transaction/conveyance recorded in the town's land records**
- Architectural/engineering planning and design costs **when the construction phase of the project has not been approved by the municipality's legislative body.**
- Service and or support costs beyond those associated with the original project installation, implementation or construction. (Example: costs to install a permanent generator are allowed, costs for ordinary repair or regular maintenance of the generator are not allowed. Costs to install new computer servers are allowed, costs for IT support or ancillary service(s) after the installation is complete are not allowed.)
- Ancillary supplies, parts and or components in excess of what is necessary to complete the project (or portion thereof being funded with LoCIP funds). (Example: the cost for the filter that is in the HVAC unit when it is installed is an allowable cost. The cost for filters beyond what is in the machine at the time of installation is not allowable. Other items that are not allowable: supplies such as light bulbs, batteries, cleaning supplies; key fobs, radios and or cameras, when not part of a system upgrade project)
- Municipal salaries that would otherwise be paid within the course of the employee's performance of regular duties during the employee's regular work schedule are not allowed.
- Costs associated with maintenance, which is defined as service, support or repair of a routine, recurring nature. (Example: lawn mowing, street sweeping, catch basin cleaning.)
- The purchase or rental of hand tools (small equipment). (Example: hammers, drills, wrenches, saws, screwdrivers, etc.)
- Machinery or equipment not permanently affixed to a facility. (Example: refrigerator, copier, stove, microwave, portable generator, lawn mowers, snow blowers, plow attachments.)
- Furniture, fixtures and equipment (FF&E) are not reimbursable. FF&E includes movable furniture, fixtures or other equipment that have no permanent connection to the structure of a building or utilities. (Examples of FF&E include, but are not limited to: desks, chairs, appliances, tables, bookcases, shelving, cabinets, partitions, office equipment)
- Vehicles or vehicle accessories (example: cars, trucks, plows, vans, buses, ambulances, motorcycles, ATVs.)
- Meals, mileage, airfare, car rental, hotel and/or other travel related costs. (Example: a contractor is flying in to install a new computer server and it will take 4 days. While the cost of his labor and the cost of equipment and project related materials are allowable, the costs associated with travel, lodging and meals, are not allowable.)
- Temporary repairs. (Example: temporary bridge repair.)
- Dues, fees, subscriptions, licenses (including reoccurring software licensing), or service/maintenance contracts.
- Projects within or physically connected to school buildings, other than those listed in Q&A #3 below.
- New floor covering, painting, trim work or other work done strictly for esthetic reasons that is not directly incidental to construction.

## 3. What are the allowable LoCIP expenditures for school-related projects?

Pursuant to LoCIP Guidelines and C.G.S. §7-535 to 7-538, the only allowable LoCIP expenditures for capital projects related to schools are costs associated with:

- Improvements to emergency communications systems and building security systems
- Acquisition of technology related to the implementation of SDE's Common Core State Standards. "Technology" is defined as technology-related equipment and technology infrastructure, including network equipment, servers, PCs, printers, other peripherals and devices.
- Sidewalk and pavement improvements

#### **4. When can applications (Project Authorization Requests) be submitted?**

The Office of Policy and Management (OPM) accepts project authorization requests on an ongoing basis. Town's may only submit Project Authorization Requests for allowable projects if they have enough available entitlement funding to cover the amount of the request(s) and the town's legislative body has approved the project and such approval is documented in the certified minutes of the required town meeting(s). When a town has exhausted its available entitlement, it should not submit any Project Authorization Requests until after March 1st, when new entitlement funds are made available. Requests submitted in excess of available entitlements will not be processed and will be returned to the town.

**Project Authorization Requests and Reimbursement Requests must be submitted on the most currently prescribed forms (which are available on the [LoCIP website](#)).**

#### **5. How are entitlement amounts calculated?**

LoCIP entitlements are calculated using a statutory formula which factors in a combination of road mileage, population density, Adjusted Equalized Grand List Per Capita, and population. Unconsolidated cities and boroughs will receive a percentage of their associated municipality's allocation based on the total taxes levied. Each municipality's entitlement amount is determined by the town's current formula data and the total amount of funding authorized by the legislature.

#### **6. What is a Capital Improvement Plan (CIP)?**

A CIP is a multiyear plan prepared to show the general description, need, and estimated cost of each individual capital improvement, and the proposed funding source for each individual capital improvement in the first year of the plan. The CIP should be adopted by the applicant's legislative body having final annual budget approval (City Council, Board of Alderman or Town Meeting) and should be updated annually.

#### **7. Must projects be included in the town's CIP in order to be approved?**

Yes. With the exception delineated below, the municipality must certify that it has adopted a capital improvement plan and that the project is consistent with such plan. If, however, a particular project is not included in the local CIP because of a substantial change of circumstances, the town may request an emergency authorization. The Chief Executive Officer shall note on item 4 in the certification section of the Project Authorization Request form, that the project is not in the current CIP and shall also provide a reason/justification for the emergency authorization in the project description section of the form, or on a separate attachment. Such requests will be considered on a case-by-case basis.

#### **8. Is any project listed in the CIP eligible for LoCIP reimbursement?**

No. Only projects that fall under the categories listed on page 2 of these guidelines are eligible for LoCIP reimbursement.

#### **9. Can LoCIP funds be used for projects which receive other State funds?**

The grant can be used toward the balance on projects receiving other assistance, **but cannot be used to satisfy a local matching requirement for any state assistance program except for the Local Bridge Program** established under Sections 13a-175p to 13a-175u, Connecticut General Statutes.

#### **10. Can LoCIP funds be used as a local match portion related to a federal grant?**

LoCIP funds may be used as a local match for Federal assistance as long as:

- The project is eligible for LoCIP funding
- The conditions and terms of the Federal grant allow for such a match; AND
- No other state assistance program (other than the Local Bridge Program) is being used to fund the project.

**11. Do separate projects require separate authorizations?**

Yes, each request for project authorization must be submitted on its own Project Authorization Request form.

**12. How long will it take to receive approval?**

The Secretary of OPM will approve or disapprove each fully completed project authorization request form within forty five (45) days of its receipt. The Secretary will approve projects only up to the amount of each municipality's available entitlement account balance (current entitlement plus any balance from previous years). You will be notified via email if your request has been denied and will be provided with a reason for the denial. For your convenience, approved projects are posted to the LoCIP website on a monthly basis under the REPORTS section of the site: "PROJECT AUTHORIZATION LIST REPORTS." This report takes the place of individual project approval letters that had been sent out in past years.

**13. Because LoCIP funding is a statutory entitlement grant, once the entitlements are announced, does that mean that the money is automatically sent to the town?**

**NO.** In order to receive your town's LoCIP funds you must do **two** things:

1. Submit to OPM a separate Project Authorization Request form for each project to be funded with LoCIP money. OPM will review your request, and will approve or deny it accordingly. Please read the complete LoCIP Guidelines Document for important details pertaining to what constitutes an allowable project.
2. Once OPM approves your Project Authorization Request, and after you have paid for the LoCIP-related project work, you must then submit a Reimbursement Request form to OPM for review and processing. Once your reimbursement request is approved and processed, payment will be issued. Please read the complete LoCIP Guidelines Document for important details pertaining to what constitutes an allowable expenditure.

**14. Can a municipality request a project authorization and reimbursement of expenses at the same time?**

Yes, as long as sufficient entitlement funds are available to cover the requested project authorization and related reimbursement.

**15. May municipalities sell grant anticipation notes to provide interim financing?**

Yes, the law permits municipalities to sell such notes. Such notes must be authorized in the same way as other bonds and notes of the municipality but payments of principal are not required while the project is under construction. The term of these notes shall not exceed six months from the date of completion of an eligible local capital improvement project.

The expense of preparing, issuing and marketing of such notes may not be included as part of the cost of an eligible local capital improvement project. Also, a LoCIP grant may not be used to make debt service payments on long-term bonds or financing leases.

**16. May a municipality transfer LoCIP funds from one project to another if there is an unexpended balance in one project account and deficit (cost overrun) elsewhere?**

No. There are two ways to handle a cost overrun. Both ways require the town to submit a new Project Authorization Request form and a separate Reimbursement Request form. See page 10 of this document for details.

**17. How long must the municipality retain records related to LoCIP funded projects?**

Pursuant to C.G.S. §7-536(h) each municipality receiving a Local Capital Improvement Project grant under this section shall retain detailed accounting records of all expenses incurred relative to the local capital improvement project for which a grant is received for a period of not less than 3 years following the completion of such project. Additionally, under the authority granted by C.G.S. §§ 11-8, 11-8a, 11-8b and 7-109, the Connecticut State Library has established retention schedules for municipal records which may require a retention period longer than prescribed in C.G.S. §7-536(h). Municipalities shall retain records for whichever retention period is longest.

**18. How often can reimbursement requests be submitted?**

Reimbursement requests should be submitted not more than once per month, per project.

**19. Are expenditures for work which was done and paid for prior to getting a project authorization reimbursable?**

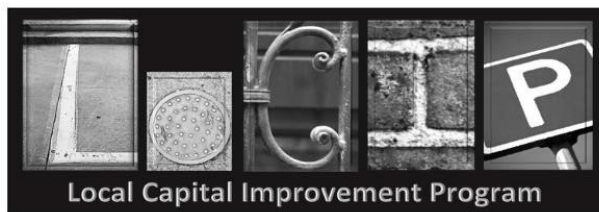
Yes, provided the project is a LoCIP-eligible project, the related expenditures are allowable pursuant to program guidelines, the municipality has maintained detailed accounting records to support such expenditures, and the municipality has enough available LoCIP funding to cover the request. A municipality must still submit a Project Authorization Request form, receive a project authorization from OPM, and can then seek reimbursement for those expenditures which comport with program guidelines.

**20. When we receive a payment, how do we know which projects the payment is for?**

Check the "Payments List Breakdown Report" which can be found on REPORTS section of the LoCIP website. This report lists payments made to towns by project number, project description and amount of payment per project.

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## **INSTRUCTIONS**

### **PART 1 – PROJECT AUTHORIZATION**

Only a COMPLETE LoCIP Project Authorization Request form will be acted upon by the Office of Policy and Management (OPM). A separate Project Authorization Request form is required for each project. The most current form must be used, it must be complete, and **it must be signed by the municipality's Chief Executive Officer** (i.e., Mayor, First Selectman or Town Manager). Not only does this form provide project information, but it serves to certify that the project complies with LoCIP guidelines and relevant statutes, and that the funds will/were not being used to match another state grant except (when relevant) for the Local Bridge Program.

Complete all required fields, check off applicable project category, enter the amount of LoCIP funds being sought, and ensure that the certification at the bottom of the form is completed and signed by the **municipality's Chief Executive Officer**. Email the completed, signed form **in PDF format** to the email address indicated on the form. The subject line of the email **MUST** include:

- Your **town's name**
- the word **LoCIP**
- the word **Authorization** or **Reimbursement** depending on which form you are submitting. If you are submitting both an authorization and a reimbursement, indicate by including the words **Authorization and Reimbursement** in the email subject line.

In the event an emergency authorization is requested for a capital project which is not contained in the municipality's Capital Improvement Plan (CIP), the Project Authorization Request form should be completed as usual, but **in addition** the **Chief Executive Officer** should note on item 4 in the certification section of the form that the project is not in the capital plan and provide the reason/justification for requesting the emergency authorization in the "Project Description" section of the form or on a separate attachment.

Project Authorization Requests related to the acquisition of land and any related appraisal costs must comport with requirements listed on page 4 of this document.

Project Authorization Requests where reimbursement will be sought for architectural/engineering planning and design work must comport with requirements listed on page 4 of this document.

Project Authorization Requests which are incomplete, unsigned, or signed by anyone other than the Chief Executive Officer, submitted on outdated forms, or which do not include additional required information when applicable, will not be processed and will be returned to the municipality.

The Secretary of OPM will determine the eligibility of each fully completed Project Authorization Request form within forty five (45) days of its receipt and will notify each applicant accordingly.

Project Authorizations approved by OPM are posted to the REPORTS section of the [LoCIP Website](#). (Project Authorization List report)

## PART 2 - REIMBURSEMENT

After expenses have been incurred and local funds have been expended for an OPM approved LoCIP project, the municipality must request reimbursement by completing the LoCIP Reimbursement Request form. Complete all required fields, as well as the required information in the columns, and ensure that the certification at the bottom of the form is completed and signed by the municipality's **Chief Executive Officer**. Email the completed, signed form **in PDF format** to the email address indicated on the form. The subject line of the email **MUST** include:

- Your **town's name**
- the word **LoCIP**
- the word **Reimbursement**. If you are submitting both an authorization and a reimbursement, indicate by including the words **Authorization and Reimbursement** in the email subject line.

**Please be advised that MUNICIPALITIES ARE NOT REQUIRED TO SUBMIT COPIES OF CHECKS AND INVOICES WITH THEIR REIMBURSEMENT REQUESTS unless expressly requested to do so by OPM.**

When the project is complete and a final expense reimbursement is requested, check the "Final Reimbursement" box on the form **and** initial where indicated. After the final reimbursement, if there are unexpended funds remaining in the project balance, those unexpended funds will be returned to the municipality's available entitlement balance.

A list of LoCIP reimbursement payments made by OPM will be posted to the REPORTS section of the [LoCIP Website](#) on a monthly basis. (Payment List Breakdown report)

**REQUIRED LOCATION INFORMATION FOR LoCIP PROJECT REIMBURSEMENTS:** If the location where the work was performed was not included on the previously submitted Project Authorization Request (in cases of "city-wide" paving or other similar projects where specific locations were not known in advance), **specific locations where work was completed MUST be provided with the Reimbursement Request before a reimbursement will be issued.**

### COST OVERRUNS

**If a municipality experiences a project cost overrun**, a new Project Authorization Request form for the amount of the overrun is required, and a separate Reimbursement Request form is required.

There are two ways to handle a cost overrun.

1. If a town has money available in its Available Entitlement account, a town would simply complete and submit a new Project Authorization form to cover the cost overrun. A reason for the cost overrun should be entered in the project description section of the form, and a reference should be made to the original project number (the project that incurred the overrun.) Upon approval, the town will receive the new project number and reference will be made to the original project number for your convenience. The town must then submit a Reimbursement Request as per usual to request payment.
2. If a town does NOT have money in its Available Entitlement account, but DOES have unexpended funds from projects that are complete, where no further reimbursement will be sought, the town should close the project(s) out to transfer the money back to their Available Entitlement account. To close out a project and return the unexpended funds to the Available Entitlement account, simply complete a Reimbursement Request form as per usual, enter \$0 in the "TOTAL AMOUNT OF REIMBURSEMENT BEING REQUESTED" and check off the box "CHECK HERE IF FINAL REIMBURSEMENT", hand initial where indicated, complete the certification at the bottom of the form and submit. Once the project is closed out and the funds are available in the Available Entitlement account, simply complete and submit a new Project Authorization form to cover the cost overrun. A reason for the cost overrun should be entered

in the project description section of the form, and a reference should be made to the original project number (the project that incurred the overrun.) Upon approval, the town will receive the new project number and reference will be made to the original project number for your convenience. The town must then submit a Reimbursement Request as per usual to request payment.

**\*\*\*Helpful Hint\*\*\*** To ensure that unexpended funds associated with completed projects (for which no additional reimbursements will be sought) are **automatically** returned to the town's Available Entitlement account, simply check off the FINAL REIMBURSEMENT box **and** initial in the space provided when making your last reimbursement request for a project.

**GENERAL INFORMATION:**

Any reimbursement requests submitted on outdated, incomplete or unsigned forms, or forms signed by anyone other than the municipality's Chief Executive Officer, or which include copies of invoices and or checks, will not be processed and will be returned to the town.

On occasion, municipalities may be expressly requested to provide detailed invoices and copies of checks in order for OPM to conduct periodic reimbursement audits, but unless expressly requested, please do not submit these items with your reimbursement request.

On occasion, municipalities may be expressly requested to provide copies of certified minutes in order for OPM to conduct periodic audits to confirm that projects were approved by the municipality's legislative body, but unless expressly requested, please do not submit these items with your project authorization request or reimbursement request.

Frequency of reimbursement payments is contingent upon availability of program funds as allocated by the State Bond Commission. Payments are generally made in cycles, once every one to two months.

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**Statutory Reference Information:**

**Sec. 7-536. Definitions. Allocation of funds. Projects. Formulas. Applications for funds. Criteria for review of applications. Use of funds.** (a) As used in sections 7-535 to 7-538, inclusive:

(1) "Adjusted equalized net grand list per capita" means the adjusted equalized net grand list per capita determined for each town pursuant to section 10-261;

(2) "Density" means the population of a municipality divided by the number of square miles of the municipality;

(3) "Grant anticipation note" means a note issued in anticipation of the receipt of project grants to the municipality from moneys in the Local Capital Improvement Fund;

(4) "Local capital improvement project" means a municipal capital expenditure project for any of the following purposes: (A) Road construction, renovation, repair or resurfacing, (B) sidewalk and pavement improvements, (C) construction, renovation, enlargement or repair of sewage treatment plants and sanitary or storm, water or sewer lines, including separation of lines, (D) public building construction other than schools, including renovation, repair, code compliance, energy conservation and fire safety projects, (E) construction, renovation, enlargement or repair of dams, bridges and flood control projects, (F) construction, renovation, enlargement or repair of water treatment or filtration plants and water mains, (G) construction, renovation or enlargement of solid waste facilities, (H) improvements to public parks, (I) the preparation and revision of local capital improvement plans projected for a period of not less than five years and so prepared as to show the general description, need and estimated cost of each individual capital improvement, (J) improvements to emergency communications systems and building security systems, including for schools, (K) public housing projects, including renovations and improvements and energy conservation and the development of additional housing, (L) renovations to or construction of veterans' memorial monuments, (M) thermal imaging systems, (N) bulky waste and landfill projects, (O) the preparation and revision of municipal plans of conservation and development adopted pursuant to section 8-23, provided such plans are endorsed by the legislative body of the municipality not more than one hundred eighty days after adoption by the commission, (P) acquisition of automatic external defibrillators, (Q) floodplain management and hazard mitigation activities, (R) on-board oil refining systems consisting of a filtration canister and evaporation canister that remove solid and liquid contaminants from lubricating oil, (S) activities related to the planning of a municipal broadband network, provided the speed of the network shall be not less than three hundred eighty-four thousand bits per second, (T) establishment of bikeways and greenways, (U) land acquisition, including for open space, and costs involved in making land available for public uses, (V) acquisition of technology related to implementation of the Department of Education's common core state standards, (W) technology upgrades, including for improvements to expand public access to government information through electronic portals and kiosks, (X) for the fiscal years ending June 30, 2013, and June 30, 2014, acquisition of snow removal equipment, capital expenditures made to improve public safety, and capital expenditures made to facilitate regional cooperation.; and (Y) for hazardous tree removal or trimming for nonutility-related hazardous branches, limbs and trees on municipal property or within a municipal right-of-way. "Local capital improvement project" means only capital expenditures and includes repairs incident to reconstruction and renovation but does not include ordinary repairs and maintenance of an ongoing nature. As used in this subdivision, "floodplain management" and "hazard mitigation" have the same meanings as provided in section 25-68j;

(5) "Municipality" means any town, city, borough, consolidated town and city or consolidated town and borough;

(6) "Population" means the number of persons according to the most recent federal decennial census, except that, in intervening years between such censuses, "population" means the number of persons according to the most recent estimate of the Department of Public Health; and

(7) "Secretary" means the Secretary of the Office of Policy and Management.

(b) On February first of each year, not more than the amount as authorized by the General Assembly for the fiscal year from the resources of the Local Capital Improvement Fund shall be allocated to the Secretary of the Office of Policy and Management, who shall allocate an amount to each municipality in the state in accordance with the provisions of subsection (c) of this section. The secretary shall credit all such allocated moneys to a local capital improvement account for each municipality and make local improvement project grants from such accounts to such municipalities pursuant to the provisions of this section. The secretary

shall maintain records indicating, for each municipality's account, the amount credited to the account each year, the amount paid out in local capital improvement project grants and charged to the account and the balance available for additional local capital improvement project grants.

(c) Each allocation under subsection (b) of this section shall be made to municipalities in accordance with the following formula: (1) Thirty per cent of the amount shall be allocated pro rata on the basis of the ratio of the total number of miles of improved and unimproved highways in each town to the total number of miles of improved and unimproved highways in all towns in the state, as determined under sections 13a-175b and 13a-175d; (2) twenty-five per cent of the amount shall be allotted pro rata on the basis of the following ratio: The density of each town multiplied by the population of such town shall be the numerator of the fraction. The resulting products for all the towns shall be added together, and the sum shall be the denominator of the fraction; (3) twenty-five per cent of the amount shall be allotted on the basis of the following ratio: The population of each town multiplied by the inverse of the adjusted equalized net grand list per capita of such town shall be the numerator of the fraction, and the resulting products for all the towns shall be added together and the sum shall be the denominator of the fraction; (4) twenty per cent of the amount shall be allotted pro rata on the basis of the ratio of the population of each town to the population of the state. Any city or borough not consolidated with the town in which it is located and any town containing such a city or borough shall share the allocation to such town on the basis of the following ratio: The total taxes levied in the previous fiscal year by such town, city or borough shall be the numerator of the fraction. The total taxes levied by the town and all cities or boroughs located within such town shall be added together, and the sum shall be the denominator of the fraction. Any such city or borough may, by vote of its legislative body, direct the Secretary of the Office of Policy and Management to reallocate all or a portion of the share of such city or borough to the town in which it is located.

(d) On March first of each year the Secretary of the Office of Policy and Management shall indicate to each municipality the amount allocated to the municipality under subsections (b) and (c) of this section in accordance with section 4-71a.

(e) (1) Each municipality may apply to the secretary for project authorization and expense reimbursement of local capital improvement projects.

(2) Notwithstanding the deadlines imposed by this section, each municipality that has expended funds in the fiscal year ending June 30, 2013, on projects listed in subparagraphs (T) to (X), inclusive, of subdivision (4) of subsection (a) of this section may apply to the secretary for reimbursement of such expenses.

(3) Notwithstanding the provisions of subdivision (2) of subsection (f) of this section, the secretary, at his or her discretion, may authorize expense reimbursement for a project listed in subparagraphs (T) to (X), inclusive, of subdivision (4) of subsection (a) of this section prior to such project's inclusion on the local capital improvement plan adopted by a municipality. The secretary may require certification from the municipality that such municipality is taking steps to amend its local capital improvement plan to include such project.

(f) The secretary shall approve or disapprove each completed application for a local capital improvement project grant authorization not later than forty-five days after receipt of such application on a form prescribed by the secretary. Such application shall include a certification by the municipality that: (1) The project for which grant assistance is requested is a local capital improvement project; (2) the project is consistent with the local capital improvement plan adopted by the municipality; and (3) the grant proceeds shall not be used to satisfy a local matching requirement for any state assistance program other than the local bridge program established under sections 13a-175p to 13a-175u, inclusive. The municipality shall provide any other certification required by the secretary. The secretary shall authorize such grant if, in the secretary's opinion, the project meets the requirements set forth in this section and any other requirement imposed by the secretary and payment of such grant would not cause the local capital improvement account of the municipality, established under subsection (b) of this section, to be overdrawn. If a municipality fails to request payment within seven years of such authorization for a project, the secretary shall make no payment for such project unless the municipality requests and receives a waiver for such project on such terms and conditions as the secretary deems

appropriate. On or before five years after the date of any such authorization and on or before six years after the date of any such authorization, the secretary shall notify, in writing, any municipality for which any such authorization has been made which notice shall indicate the time which has elapsed since such authorization and the date after which the secretary may not make payments for an authorized project.

(g) Each municipality may apply to the secretary for expense reimbursement at the time it submits a local capital improvement project authorization request or any time after such authorization request has been approved by the secretary. The application for expense reimbursement shall be submitted on a form prescribed by the secretary and shall contain identification of the expenses for which reimbursement is sought and certification from the municipality that: (1) Expenditures for the project conform to the provisions of subdivision (4) of subsection (a) of this section and the municipality is entitled to the reimbursement requested in the application; and (2) the municipality agrees to maintain detailed accounting records of the project reflecting the expenditures for which reimbursement has been requested and to make such records available to its independent auditor and the state. The municipality shall provide any other certification required by the secretary. Not later than five business days after such certification, the Comptroller shall draw his or her order on the Treasurer, who shall pay the grant to the municipality.

(h) Each municipality receiving a local capital improvement project grant under this section shall retain detailed accounting records of all expenses incurred relative to the local capital improvement project for which a grant is received for a period of not less than three years following the completion of such project. If the secretary determines that such records are not maintained or a review of such records indicates that such grant, or any portion thereof, was used for a purpose other than its intended purpose, the secretary shall provide written notification to the chief executive officer of the municipality of such finding. Upon issuing a finding under this section, the secretary may require the municipality to promptly pay to the state an amount equal to the amount of the grant or he may cause the amount of any future grant made under this section to be reduced by such amount.

(i) On and after January 1, 2001, no municipality shall receive any financial assistance under this section for improvements to information technology systems to manage the century date change effect.

(j) No municipality shall be eligible to receive financial assistance under this section for reimbursement of the cost of preparing a municipal plan of conservation and development, pursuant to section 8-23, more than once in any ten-year calendar period.

*History: P.A. 88-343 amended Subsec. (b) to make the program annual and to increase the bond authorization from \$20,000,000 to \$30,000,000, amended Subsec. (d) to provide that the notice of allocation shall be in accordance with Sec. 4-71a and amended Subsec. (e) to change the application date from February 1, 1988, to March first of each year; P.A. 89-370 amended Subsec. (f) to change project authorization date in Subdiv. (2) from July 1, 1987, to May 1, 1987; June Sp. Sess. P.A. 91-3 amended the local capital improvement program and created a new local transportation infrastructure program; June Sp. Sess. P.A. 91-13 deleted all changes made by June Sp. Sess. P.A. 91-3 and restored language existing as of January 1, 1991; May Sp. Sess. P.A. 92-7 amended Subsec. (a)(4) to clarify that all projects must be capital expenditures and to remove local pavement management programs to analyze the condition of town roads from the definition, amended Subsec. (b) to remove the provision adding interest to municipal accounts and amended Subsecs. (g) and (h) to insert provisions relating to the timing of payments; P.A. 93-381 replaced department of health services with department of public health and addiction services, effective July 1, 1993; June Sp. Sess. P.A. 93-1 redefined "local capital improvement project" to include improvements to emergency communication systems, effective July 1, 1993; P.A. 94-53 amended Subsec. (a) to redefine "local capital improvement project" to include sidewalk and pavement improvements; P.A. 95-257 replaced Commissioner and Department of Public Health and Addiction Services with Commissioner and Department of Public Health, effective July 1, 1995; P.A. 95-272 redefined "local capital improvement project" in Subsec. (a) to include public housing projects and amended Subsec. (b) to delete allocation amount of \$30,000,000 and replace it with the amount authorized by the General Assembly, effective July 1, 1995; P.A. 95-307 amended Subsec. (f) by extending the time for a decision on an application from 30 to 45 days, effective July 6, 1995; P.A. 97-244 amended Subsec. (d) to add date for notification of amount of the allocation, amended Subsec. (e) to refer to projects rather than grants, amended Subsec. (f) to require application re prescribed forms and certification by the municipality and to establish criteria for approval, amended Subsec. (g) to add provisions re expense reimbursement and amended Subsec. (h) to add provision re retention of detailed accounting records of expenses, effective July 1, 1997; June 5 Sp. Sess. P.A. 97-1 added Subsec. (a)(4)(L) re renovations to or construction of veterans' memorial monuments, effective*

*July 31, 1997 (Revisor's note: The reference in Subpara. (L) to "veterans memorial monuments" was changed editorially by the Revisors to "veterans' memorial monuments" for grammatical accuracy); P.A. 99-66 added Subsec. (a)(4)(M) re improvements to information technology systems in definition of "local capital improvement project" and added new Subsec. (i) re termination of assistance to municipalities as of January 1, 2001, effective May 27, 1999; P.A. 99-241 amended Subsec. (f) to add provision that the secretary make no payment if a municipality fails to request payment within five years of authorization, effective July 1, 1999; P.A. 00-167 amended Subsec. (a)(4) to include flood control projects, thermal imaging systems and bulky waste and landfill projects as "local capital improvement projects" and amended Subsec. (f) to extend the time within which municipalities must request payment for authorized projects from five years to seven years and provide for notice to municipalities of the deadline, effective July 1, 2000; P.A. 01-197 added Subsec. (a)(4)(P) to include preparation and revision of municipal plans of conservation and development and added new Subsec. (j) re eligibility for reimbursement for cost of preparing a municipal plan of conservation and development, effective July 1, 2001, and applicable to municipal plans of conservation and development prepared after that date; P.A. 02-89 amended Subsec. (a)(4) to delete as obsolete former Subpara. (M) re "improvements to information technology systems to manage the century date change effect, as defined in section 4d-16," and redesignate former Subparas. (N), (O) and (P) as Subparas. (M), (N) and (O); May 9 Sp. Sess. P.A. 02-5 amended Subsec. (a)(4) to include acquisition of automatic external defibrillators in the definition of "local capital improvement project" as new Subpara. (P), effective July 1, 2002; P.A. 04-144 added Subsec. (a)(4)(Q) re floodplain management and hazard mitigation activities and defining "floodplain management" and "hazard mitigation"; P.A. 07-177 amended Subsec. (a)(4) to add Subpara. (R) to include on-board oil refining systems in the definition of "local capital improvement project", effective July 1, 2007; P.A. 07-213 amended Subsec. (g) to change "fifteen days" to "five business days" and make technical changes, effective July 10, 2007; P.A. 07-254 amended Subsec. (a)(4) to redefine "local capital improvement project" by including activities related to the planning of a municipal broadband network in new Subpara. (R) (Revisor's note: New Subpara. (R) was repositioned editorially by the Revisors to immediately follow existing Subparas. (A) to (Q), inclusive, and new Subpara. (R) added by P.A. 07-177 to maintain continuity of itemized project purposes and was redesignated as Subpara. (S)); Dec. Sp. Sess. P.A. 12-1 amended Subsec. (a)(4) to redefine "local capital improvement project" by adding "and building security systems, including for schools" in Subpara. (J), effective December 21, 2012; P.A. 13-184 amended Subsec. (a)(4) to redefine "local capital improvement project" by making a technical change and adding Subpara. (T) re bikeways and greenways, Subpara. (U) re land acquisition, Subpara. (V) re technology acquisition, Subpara. (W) re technology upgrades and Subpara. (X) re certain capital expenditures, effective June 18, 2013, and amended Subsec. (e) by designating existing provision as Subdiv. (1) and adding Subdivs. (2) and (3) re eligibility of certain projects for reimbursement, effective July 1, 2013; P.A. 14-122 made technical changes in Subsec. (a)(4) and (6); P.A. 20-1 amended Subsec. (a)(4) to add Subpara. (Y) to include hazardous tree removal or trimming for nonutility-related hazardous branches, limbs and trees on municipal property or within a municipal right-of-way, effective March 12, 2020.*

THIS SECTION LEFT BLANK INTENTIONALLY



**Sec. 7-538. Bond issue for local capital improvement projects.** (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate one billion ten million dollars, provided thirty million dollars of said authorization shall be effective July 1, 2020.

(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Office of Policy and Management for the purposes of sections 7-535 to 7-538, inclusive.

(c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of sections 7-535 to 7-538, inclusive, are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to said sections and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to sections 7-535 to 7-538, inclusive, shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

*History: P.A. 88-343 increased bond authorization from \$20,000,000 to \$50,000,000; P.A. 89-331 increased the bond authorization to \$80,000,000; P.A. 90-297 increased the bond authorization to \$110,000,000; June Sp. Sess. P.A. 91-4 increased the bond authorization to \$140,000,000; May Sp. Sess. P.A. 92-7 amended Subsec. (a) to increase the bond authorization to \$170,000,000; June Sp. Sess. P.A. 93-1, effective July 1, 1993, amended Subsec. (a) to increase bond authorization from \$230,000,000, effective July 1, 1993, provided \$30,000,000 of said authorization shall be effective July 1, 1994; P.A. 95-272 amended Subsec. (a) to increase authorization to \$290,000,000, effective July 1, 1995, provided \$30,000,000 shall be effective July 1, 1996; June 5 Sp. Sess. P.A. 97-1 amended Subsec. (a) to increase bond authorization to \$350,000,000, provided \$30,000,000 is effective July 1, 1998, effective July 31, 1997; P.A. 99-241 amended Subsec. (a) to increase authorization from to \$410,000,000, effective July 1, 1999, provided \$30,000,000 is effective July 1, 2000; June Sp. Sess. P.A. 01-7 amended Subsec. (a) to increase authorization to \$470,000,000, provided \$30,000,000 is effective July 1, 2002, effective July 1, 2001; May 9 Sp. Sess. P.A. 02-5 amended Subsec. (a) to provide that \$65,000,000 of the authorization shall be effective July 1, 2003, effective July 1, 2002; May Sp. Sess. P.A. 04-1 amended Subsec. (a) to decrease aggregate authorization to \$465,000,000 and to delete provision re funds authorized in 2003, effective July 1, 2004; June Sp. Sess. P.A. 05-5 amended Subsec. (a) to increase the aggregate authorization from \$465,000,000 to \$525,000,000, of which \$30,000,000 is effective July 1, 2006, effective July 1, 2005; June Sp. Sess. P.A. 07-7 amended Subsec. (a) by increasing aggregate authorization from \$525,000,000 to \$585,000,000, of which \$30,000,000 is effective July 1, 2008, effective November 2, 2007; Sept. Sp. Sess. P.A. 09-2 amended Subsec. (a) to increase aggregate authorization from \$585,000,000 to \$645,000,000, of which \$30,000,000 is effective July 1, 2010, effective September 25, 2009; P.A. 11-57 amended Subsec. (a) to increase aggregate authorization from \$645,000,000 to \$705,000,000, of which \$30,000,000 is effective July 1, 2012, effective July 1, 2011; P.A. 13-239 amended Subsec. (a) to increase aggregate authorization from \$705,000,000 to \$765,000,000, of which \$30,000,000 is effective July 1, 2014, instead of July 1, 2012, effective July 1, 2013; June Sp. Sess. P.A. 15-1 amended Subsec. (a) to increase aggregate authorization from \$765,000,000 to \$825,000,000 and change date that \$30,000,000 is effective from July 1, 2014, to July 1, 2016, effective July 1, 2015; June Sp. Sess. P.A. 17-2 amended Subsec. (a) to increase aggregate authorization from \$825,000,000 to \$950,000,000, of which \$35,000,000 is effective on July 1, 2018, effective October 31, 2017; P.A. 20-1 amended Subsec. (a) to increase the aggregate authorization from \$950,000,000 to 1,010,000,000, of which \$30,000,000 is effective on July 1, 2020, effective March 12, 2020.*