



(photo courtesy of Ken Engelman)



Branford’s Coastal Resiliency Reserve Fund - Planting Seeds for the Future



Information for a More Resilient Connecticut

“Start where you are. Use what you have. Do what you can.”

- Arthur Ashe

With over 20 miles of coastline on Long Island Sound, Branford is a coastal community on the front lines facing the challenges of sea-level rise and climate change in Connecticut. As recent storms in the past decade have revealed the extent of vulnerabilities across Connecticut’s coast, Branford has taken proactive steps to put plans in place with an eye to the future. In 2016 a Coastal Resilience Plan was developed to identify location specific and town-wide options for adaptation. An update to Branford’s Plan of Conservation and Development in 2019 considered the impact of sea-level rise to the town’s vision for the future and had this to say: “The scope of the issues

associated with sea level rise is so extensive and expensive that it will be difficult, if not impossible, for the Town of Branford or any other governmental organization to address them all.” Branford’s Director of Finance James Finch likes to use the above quote by Arthur Ashe to frame the town’s approach to figuring out what to do next without giving in to doom and despair. What if the town created a fund dedicated to addressing resilience challenges and managed the assets similar to a pension plan? The idea is to invest what they have now, take a long term strategy, and grow the reserve fund with the goal of matching a future funding source to “the long-term liabilities” associated with

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Stormwater flooding and damage on Branford roadways. (photos courtesy of James Finch and Jan Spiegel)

sea-level rise. In addition to the traditional ways the town funds projects, such as capital improvement planning, federal and state grants, municipal bond issuance, and “pay-as-you go”; a coastal resiliency reserve fund would be another tool in the tool-kit to help Branford manage the costs of adapting to climate change over the long term. It’s a simple idea that draws on the town’s experience of managing other future financial expenses such as employee pensions, OPEB trusts, and self-insurance.

Up until 2019, no town in Connecticut had yet taken this approach, and a change in state law was needed to enable municipalities to create reserve funds for resiliency with the investment flexibility needed to create higher returns. Finch along with First Selectman Jamie Cosgrove, worked with State Senator Christine Cohen, to craft legislation and Public Act No. 19-77 “AN ACT AUTHORIZING MUNICIPAL CLIMATE CHANGE AND COASTAL RESILIENCY RESERVE FUNDS,” (see sidebar) was approved unanimously

in the Senate and signed by Governor Lamont on July 1, 2019.

Branford prides itself on having a history of balancing its budgets and developing strategies to identify and fund long-term obligations and capital needs. In his comments to the Board of Finance during the creation of the resiliency fund Finch noted,

“Often this results in a disciplined and consistent effort that over long periods of time reduces the burden on future tax payers while remaining sensitive to current tax payers.”

The town allocated a \$1 million surplus in 2019 from its general fund to seed the new Coastal Resiliency Reserve Fund. Going forward a small fraction of every budget will be set aside to continue building the reserve, with an additional \$300k set aside in FY20 and FY21.

Public Act No. 19-77

- AN ACT AUTHORIZING MUNICIPAL CLIMATE CHANGE AND COASTAL RESILIENCY RESERVE FUNDS enables municipalities to create a Climate Change and Coastal Resiliency Reserve Fund (CCRRF).
- A CCRRF allows the budget-making authority of a municipality the option to invest a portion of the fund (up to 50%) in equity securities, US Government Bonds, certificates of deposit, commercial paper, savings accounts and bank acceptances, other state and municipal bonds, as well as other investment vehicles meant to allow flexibility and higher rates of return on investment.
- Upon the recommendation of the chief elected official and budget-making authority, and approval of the legislative body of a municipality, the reserve fund may be used and appropriated to pay for municipal property losses, capital projects and studies related to mitigating hazards and vulnerabilities of climate change including, but not limited to, land acquisition.

The costs and impacts to municipal budgets from sea-level rise are continuing to get more attention from the investment and financial services community (read Moody's Environmental Risks article, link on sidebar). In fact, Branford's approach with its resiliency reserve fund was highlighted among the factors that supported a AAA rating of the town's long-term General Obligation Bond by S&P Global Ratings in a 2019 report for investors. It's clear that the approach towns and states use to manage the long term financial risks of climate change will continue to factor into borrowing costs and investors' willingness to purchase their debt.

Moving forward there's still a lot of unknowns and the fund is still in it's infancy. Exactly how much will

Branford need and when will they need it? Finch compares the problem to a recent college graduate wondering how much they'll need to save for retirement. "Given all the unknowns it would be easy to ignore the problem or push things off for another day. What we do know is if we start today and position the fund to grow over the long term, it's vastly superior to doing nothing," Finch says.

Learn more about additional financing options, including how Governor Lamont's climate adaptation bill (HB6441) will allow municipalities to pass a "buyers conveyance fee" and use it to create climate change and coastal resiliency reserve funds. Visit the Governor's Council on Climate Change website for more information. □

Waves crash over the seawalls along Branford's shoreline during Hurricane Sandy in 2012. (photo courtesy of CT Mirror and Jan Spiegel)



For More Information

Planning Inventory

If you'd like to learn more about how towns are planning for sea-level rise and climate change, CIRCA has assembled a "[Planning Inventory](#)" as part of the Resilient Connecticut project.

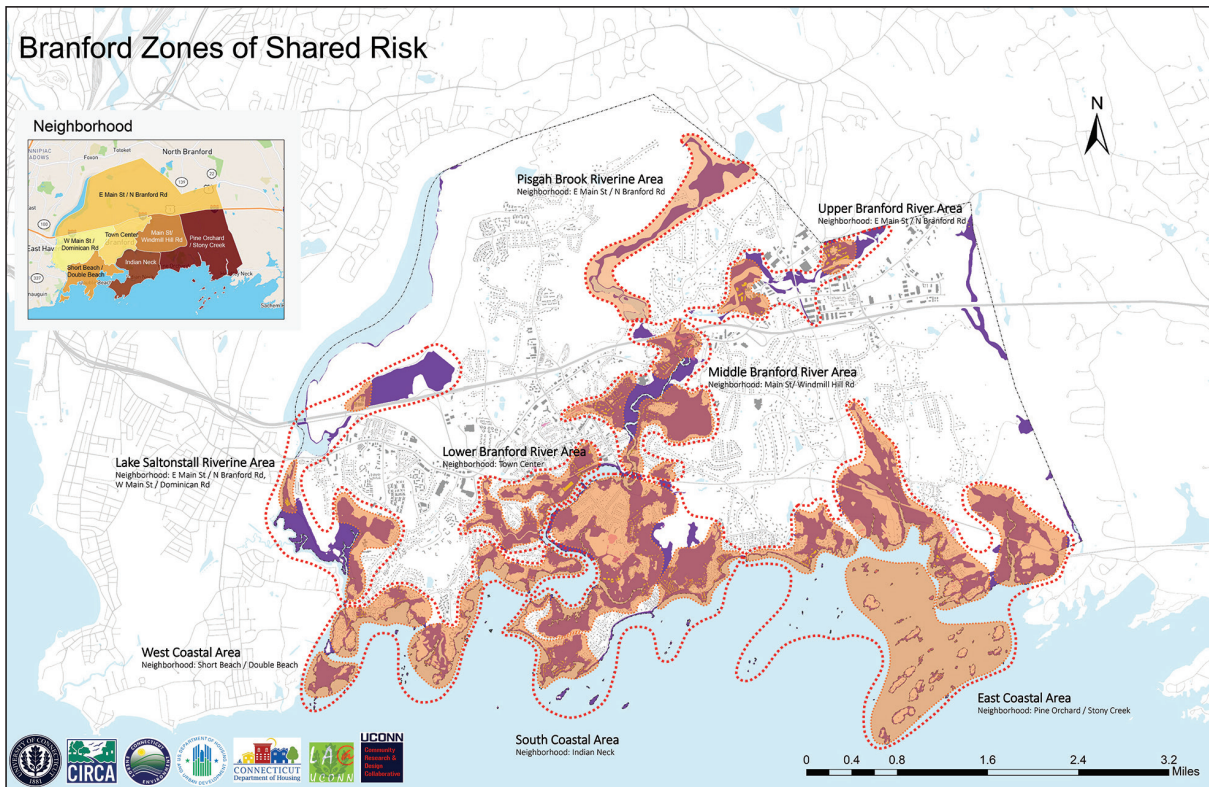
Additional Resources

- [Branford Coastal Resilience Plan](#)
- [Branford's Plan of Conservation and Development](#)
- [Branford's S&P Global Ratings 2019 Report for Investors](#)
- [Moody's Environmental Risks Article](#)
- [HB 6441, An Act Concerning Climate Change Adaptation](#)
- [Public Act 19-77, An Act Authorizing Municipal Climate Change and Coastal Resiliency Reserve Funds](#)
- [Governor's Council on Climate Change](#)

To learn more about Resilient Connecticut and check out more tools for climate adaptation planning you can go to:

resilientconnecticut.uconn.edu.





About CIRCA and Resilient Connecticut

The Connecticut Institute for Resilience and Climate Adaptation (CIRCA) is a University of Connecticut research institute that brings together experts in the natural and social sciences, engineering, economics, finance, policy, and law to address climate impacts at a local and state level. The mission of CIRCA is to increase the resilience of communities vulnerable to the growing impacts of climate change.

CIRCA, along with state agencies, regional Councils of Governments (COGs), and municipalities, initiated the Resilient Connecticut project in 2018, which focuses on communities impacted by Superstorm Sandy in New Haven and Fairfield Counties. Activities include science-based risk assessments, community outreach, and pilot project designs. The goal

of this work is to help decision makers prepare for changes in heat, flooding, and precipitation and advance planning for more resilient housing, transportation, and healthy communities. Importantly, Resilient Connecticut builds off existing planning efforts at the local and regional levels and uses CIRCA's climate research and tools for decision making.

As part of the Resilient Connecticut project, CIRCA is developing a Municipal Toolkit to help local and state agency staff better understand climate vulnerabilities and how to plan for them. The toolkit will contain both technical tools (data viewers, story maps, vulnerability assessments) and planning tools (stakeholder and planning inventories, model regulations,

resilience planning checklist). "Zones of Shared Risk" (ZSR) maps like this one for Branford are part of the Toolkit. ZSR are regions that face common flood, wind, or heat related climate challenges and include the land, buildings, and infrastructure as well as the hydrological, ecological, and social elements that contribute to a place.

Branford's case study on financing resilience is another toolkit example and one product in a packet of "Information for a more Resilient Connecticut" that CIRCA created to help inform municipalities. A Coastal Resiliency Reserve Fund helps a community be proactive and address climate change by putting money in a fund today to help address the needs of tomorrow. □



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