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MEMORANDUM

To: VLCT Board of Directors
CC: Steven Jeffrey, Trevor Lashua, Abby Friedman
From: Karen Horn
Director, Public Policy & Advocacy
Date: January 2, 2009
RE: Regionalization Models and Recommendations

At the December board meeting, you asked me to recommend a model for regionalization of government services that VLCT could support in the legislature. Several models exist including the union municipal district, which is used by school districts and most solid waste districts around Vermont. We also have some information from other states about cooperation on a regional level, much of which is similar to those arrangements authorized in VT statute.

The Maine Municipal Association does sound a note of caution in endorsing regionalization ventures, which applies to Vermont as well. *“The people of Maine put great value in direct government, local decision-making, volunteerism, community pride, civic duty, town meeting, strong public access and citizen control. Municipal leaders share those values quite naturally and believe the quest for efficiencies through regionalization and consolidation will only be successful if great care is taken to recognize those values in the dialogue and to harness the strengths of municipal governments when undertaking the design of alternative service delivery systems.”*

Below please find a list of regional arrangements (not exhaustive) authorized in Vermont statute and of other options out there.

Statutorily Enabled Regional Entities in Vermont

Union Municipal District (24 V.S.A. § Chapter 121, subchapter 1 – 3).

Any two or more municipalities may create a joint municipal survey committee to promote plans for more efficient and economical operation of local government services. An equal number of representatives designated by the legislative body of each municipality are appointed. The Joint Survey Committee may approve creation of a union municipal agreement and if it does so, must prepare an agreement for formation of the district, which is distributed to each legislative body, planning commission and clerk. The

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VLCT Health Trust, Inc.

VLCT Municipal Assistance
Center

VLCT Property and Casualty
Intermunicipal Fund, Inc.

VLCT Unemployment
Insurance Trust, Inc.

agreement must specify duration if limited in time, purposes, method of financing, process for termination, amendment or withdrawal of members.

An agreement must be presented to the attorney general for approval before being submitted to the voters of each participating municipality. The attorney general has 30 days to review the agreement or it is deemed approved. Although the statute does not so stipulate, union municipal district agreements are almost always submitted to the legislature for approval once the voters have voted to approve them. The statute does not require union municipal districts to be single purpose. By reference it defines “municipalities” as cities, towns, town school districts, incorporated school or fire districts or incorporated villages and all other governmental incorporated units (*1 V.S.A. § 126*).

Interlocal Contracts (*24 V.S.A. Chapter 121, subchapter 4*)

Any one or more municipalities may contract with any one or more other municipalities to perform any governmental service that each municipality is authorized by law to perform, provided each municipality approves the contract and expenses are included in a municipal budget or comparable charter provision. A municipality *may* submit an inter-local contract to the attorney general for approval prior to approval by its legislative body. The contract may allow one person to hold the same offices in multiple municipalities, any local or regional board to have jurisdiction in all the signatory municipalities or for a transfer of a local service function to another municipality.

Contracts for Joint Municipal Development (*24 V.S.A. Chapter 122*)

Any two or more municipalities may enter into contracts upon a vote of a majority of those voting at an annual or special meeting to grant authority for each municipality to enter the contract for the purposes developing real property for industrial, commercial or residential purposes.

Mass Transit Authorities (*24 V.S.A. Chapter 127*)

Two or more municipalities (cities, towns or incorporated villages) may form a mass transportation authority. Membership shall consist of municipalities, which elect to join by majority vote of those present and voting at an annual or special meeting. The authority may purchase, own, operate or provide for the operation of land transportation facilities, and may contract for transit services, conduct studies and contract with other governmental agencies, private companies and individuals.

Housing Authorities (*24 V.S.A. Chapter 113*)

The statute creates a public body corporate and politic to be known as a housing authority in each municipality. However, the housing authority shall not transact any business or exercise its power until the governing body of the municipality declares that there is a need for the authority to function in that municipality. The local legislative body shall adopt such a resolution if there are unsafe or uninhabited dwellings in the municipality or there is a shortage of safe or sanitary dwellings in the municipality. Once created, any two or more authorities may join or cooperate with one another for the purpose of financing, planning, undertaking, constructing or operating a housing project or projects.

Regional Planning Commissions (*24 V.S.A. Chapter 117, Subchapter 3*)

Regional planning commissions may be created by act of the voters or legislative body of each of a number of contiguous municipalities upon the written approval of the Agency of Commerce and Community Development. The approval is based upon studies that indicate the municipalities involved constitute a logical geographic and coherent socio-economic planning area. Two or more existing regional planning commissions may merge if the voters so vote. Representatives to the commission are appointed for a term by the local legislative body.

Merger (24 V.S.A. Chapter 49)

Two or more municipalities within a town may merge once a plan of merger is prepared and approved by the legislative bodies of each party to the merger. The plan must then be approved by majority vote of the municipality or municipalities and town at separate meetings. Upon approval by Australian ballot locally and the legislature, the part of the plan of merger containing permanent provisions shall become the charter of the consolidated municipality. Municipalities may use this section of statute or, as they do more generally, proceed under a special act of the legislature. Either way the merged municipalities end up with a governance charter.

Consolidation (24 V.S.A. Chapter 45)

The selectmen of any town may appoint a committee to study the consolidation of that town or parts of that town with another town, towns or parts of a town. The committee shall confer with the assistant judges to study the feasibility and desirability of consolidation. If the assistant judges give the OK, they shall suggest the selectboards of other towns appoint committees to consider the proposed consolidation. If the committee determines that greater efficiency would result and the residents' interests would be promoted, it shall draw up a plan for consolidation and list liabilities, assets and properties of each town. The assistant judges must approve the plan before it is sent to the voters of each town for approval or rejection. Upon approval of the towns' voters, the plan is certified and sent to the legislature for approval.

Other Agreements/Models

Informal Collaborations

Around Vermont there are informal collaborations as well. East Montpelier and Waitsfield each had a part time town administrator who for years was the same person. Animal control officers and water system operators have or have had multiple towns for whom they work at the same time, figuring out the timing on an individual basis. Equipment is shared occasionally among towns on an as needed basis or more formally as they do in Orwell and Wilmington/Dover. Salt, sand and gravel has been purchased jointly by small groups of towns around the state.

Council of Governments

A regional council/council of government is a multi-service entity with state and locally-defined boundaries that delivers a variety of federal, state and local programs while continuing its function as a planning organization, technical assistance provider and "visionary" to its member local governments. As such, they are accountable to local units of government and partners for state and federal governments. There are none in Vermont.

Regional councils/Councils of Government (COG) are broad-based organizations engaged in consensus-building, creating partnerships, providing services, problem solving and fiscal management. The role of the regional council has been shaped by the changing dynamics in

federal, state and local government relations, and the growing recognition that the region is the arena in which local governments must work together to resolve social and environmental challenges. Comprehensive and transportation planning, economic development, workforce development, the environment, services for the elderly and clearinghouse functions are among the types of programs managed by regional councils. – *from National Association of Regional Councils.*

In Connecticut, the Naugatuck COG is a forum for chief elected officials of member municipalities. The regional commission is the planning arm of that COG, which also provides economic development, transportation, water quality and other coordination functions. In Vermont, some regional planning commissions have begun to take on these kinds of varied functions and in some cases have changed their names to eliminate the “planning” focus. The key difference seems to be participation of chief elected officials.

In North Central Texas, the COG provides planning and mapping as well as shared services including human resources, payroll and scheduling systems viat contract. Board members are locally elected officials in member counties.

Shires

Very briefly, the shire town concept requires the significant reduction of state government in terms of size, function and authority. They assume all responsibility for municipal and school district functions as well as authority that now accrues to the state. Responsibilities are devolved to shires, entities of approximately 10,000 population, who are responsible for administration of policy in most areas of government. The shire is governed by representative town meeting and there sets policy, conducts budget review, adopts ordinances and elects the council and officers. The representatives derive their power from the citizens.

Comment [SF1]: The shires assume all the powers of municipal and school districts governments, don't they – and they assume several substantial responsibilities of the state as well, right?

Shared Regional Services

The concept is more formal than the collaborative ventures that now exist among local governments. For instance, if all the law enforcement personnel in Central Vermont were combined, there would probably be enough law enforcement presence to provide services to the entire county. A police services district would be established by the legislature, with representatives elected county-wide without regard for municipal boundaries. The district would be funded through a tax assessment (sent directly to taxpayers? apportioned to municipalities on a per capita basis?)

CCMPO Regional Transportation Proposal

The Chittenden County Metropolitan Planning Organization (CCMPO) worked with the Snelling Center over the last year to develop a proposal for enabling creation of regional transportation districts, the first one to be Chittenden County. The district would be created by affirmative vote of the local legislative bodies seeking to create the district. The district would take a whole region perspective with or without the involvement of some towns who chose to not participate. The district would merge with or subsume the regional commission or MPO. It would annually receive an appropriate share of federal and state transportation dollars. In the second phase it would be empowered to levy and collect user fees or taxes for expenditure on transportation

infrastructure and transit projects and to levy fees on new development and create special tax districts to support the regional transportation system.

VLCT Discussion/Recommendations

A) Essentially Our Current Position

The union municipal district, already enabled in Vermont statute, may be the most appropriate vehicle for creating new single purpose or multi-purpose districts.

Any regional entity should be established by affirmative vote of the voters of municipalities who will be members. Entities that are established in statute and then activated at the local level (such as housing authorities) or entities that are subject to approval by outside groups such as assistant judges, the attorney general or the Department of Housing and Community Affairs in addition to the legislature, seem to be somewhat removed from municipal governments that are their members both in the means of their creation and their on-going function.

Single purpose districts may be less than ideal although there is some disagreement about this. Single purpose district's interests are singular and they are not inclined to consider the rest of the picture such as competing financial needs that a municipality must address or finding people with a close connection to the local legislative body who are willing to serve on multiple commissions. For instance, regional planning commissions, transit districts, school districts, solid waste districts do not really take into account the other pulls on municipal revenues. This model is not really regional government, but regional service delivery. Governing includes having to say no and resolving differences among competing interests. This doesn't happen in a single purpose district. This shortcoming has been the downfall of the commission form of local government that was once touted by the progressives (1800's type, not today's party) as being the salvation of good government.

On the other hand, some individual services may be provided logically and far more efficiently on a regional basis, such as solid waste, transit, fire, ambulance, police. A district dedicated to a single purpose can do a very good job of providing that one service undistracted by other issues. And a single purpose district is unlikely to morph into a county type government (assuming that is an eventuality cities and towns would resist).

Any authority to tax or to collect fees should be established by member municipalities in the governance documents of the district and not automatically accorded by the legislature to certain kinds of districts.

Governing board membership in a district or council of government should be drawn from chief executive officers or legislative bodies of member municipalities (cities, towns, villages).

A special purpose district should not necessarily be limited to municipalities that are geographically contiguous or in the same region. There may be instance where a statewide district might be appropriate for a particular purpose (stormwater) and affected municipalities are members regardless of where in the state they are located.

B) More Radical/Risky Proposal

In September 1999, the VLCT Board held a retreat in Williamstown at which they discussed the future of local government. They proposed convening a *Congress of Vermont Local Communities* to:

- rebuild a sense of community;
- re-engage the public in governing;
- improve the state's tax policy;
- study and propose alternatives to provide better government to Vermonters;
- create a pool of qualified and sympathetic legislative candidates.

We could call for a Congress of Vermont Local Governments (schools, special purpose districts, municipalities) to develop a model for regional governing units that provides services municipalities are largely unable to provide at this time.

We could ask the legislature to convene a Constitutional Convention or Blue Ribbon Commission to develop effective efficient collaborative governments (state, regional, local) for the 21st century.

Appendix I

Sections of Municipal Policy Mentioning Regional Forms of Government

Trevor prepared a list of those sections of the 2009 Municipal Policy that have some connection to regionalism. There is only one section that directly addresses the issue, and those are highlighted up front. The others correspond to the discussion and will need to be addressed.

Direct application (from Section 2.02 of the Transportation section of the plan):

L) Municipal membership in Regional Public Transportation Districts (RPTDs) must be pursuant to a municipal vote to join or leave. RPTDs should not be authorized to levy any taxes on municipalities. Regional planning commissions or metropolitan planning commissions may not compel municipalities to require membership in RPTDs as part of local transportation or master plans.

Corresponding sections:

1.04 UNFUNDED MANDATES

The legislature should provide clear accountability for its actions and provide reimbursement for state mandates on local governments. When a change in state statute will produce a significant impact on local governments, the Joint Fiscal Office must prepare and make public a fiscal impact statement showing the administrative and implementation as well as service costs imposed on local governments by the particular piece of legislation before any state legislative or administrative action affecting them can be approved.

1.05 MUNICIPAL AUTHORITY

VLCT strongly endorses Vermont joining 42 other states in enacting a constitutional “home rule” amendment as follows: “A city, town or village shall have the power, through approval by a majority of its voters, to adopt, amend, and repeal a charter of incorporation. A charter may authorize the municipality to exercise any legislative power or perform any function not specifically prohibited by the Vermont Constitution or general law. The powers and functions granted to cities, towns and villages under this section shall be liberally construed.”

The following two are both from Section 3.01, Public Safety.

- B) Prohibit cost shifts and mandates to municipalities for providing any public safety service without full state reimbursement.
- D) Charge the Law Enforcement Advisory Board with developing innovative and cost-effective models for collaboration between state police, sheriffs and municipalities.