

Dear Senator Hardy,

I write about H.875 which regards the State Ethics Commission and details a minimum statewide code of municipal ethics. I serve as Chair of the Commission.

When H.875 was drafted, the Ethics Commission advocated for the Vermont League of Cities and Towns (VLCT) to be added to the short list of organizations that appoint commissioners to the Commission. Based on information acquired since then, the Commission now urges the Senate Government Operations Committee to remove VLCT from the list of appointing organizations.

The Commission now realizes that VLCT's regular course of business presents a financial conflict of interest, or at least an appearance of conflict, requiring such removal. VLCT provides insurance to 95% of Vermont's municipalities. According to VLCT's website, VLCT insurance covers "property damage, vehicle accidents, injured employees, general liability, public officials' liability, and employment practices liability...[VLCT provides] in-house Underwriting, Claims, and Loss Control Services..."

H.875 would authorize the Ethics Commission to provide advice to a municipality upon request. Should a municipality seek advice regarding a matter with potential to cause the town or city added expense, the Commission's advice would be tainted if a VLCT appointee participated in commissioners' deliberations and votes. Based upon Vermonters' statements to the Commission, we expect a great many such requests for advice, requiring all-too-frequent recusals by a VLCT appointee.

A related issue – Adding a VLCT appointee would change the current five-member Commission to an even number of commissioners. The Commission proposes H.875 be amended to remove VLCT as an appointing body, but instead grant the Governor and the Legislature one appointment each, provided that each such appointee be a former municipal official. Such an amendment would respond to a complaint heard during House testimony, i.e. lack of municipal representation on the Ethics Commission. The amendment would also maintain an odd number of commissioners.

Thank you in advance for considering my thoughts on H.875.

With best regards, Paul Erlbaum

To: Senate Government Operations Committee
From: Paul Erlbaum, Chair, Vermont State Ethics Commission
Re: municipal ethics
Date: April 23, 2024

It has come to my attention that, at its April 22, 2024 meeting, East Montpelier's Select Board entertained the following motion:

The East Montpelier Select Board supports a uniform, state-wide Code of Municipal Ethics, including required training for municipal officers, so long as each municipality may adopt additional ethics or personnel policies, provided that these are not in conflict with the provisions of the state-wide code.

The motion passed 4-1.