Sharing Municipal Services

Chris Campany
Executive Director

Susan McMahon
Associate Director

March 19, 2015
Opportunities

• Statute enables communities to enter into agreements to work jointly, share services, etc. These options include:
  ▪ Interlocal Contracts
  ▪ Union Municipal Districts
  ▪ Intermunicipal Police Agreements
  ▪ Mutual Aid Agreements
  ▪ Other Contracts
The Statutory Context
Interlocal Contracts

24 V.S.A. § 4901. Authorization:

(a) Any one or more municipalities may contract with any one or more other municipalities to perform any governmental service, activity, or undertaking which each municipality entering into the contract is authorized by law to perform, provided that the legislative body of each municipality approves the contract, and expenses for such governmental service, activity, or undertaking are included in a municipal budget approved under 17 V.S.A. § 2664 or comparable charter provision.
Interlocal Contracts

24 V.S.A. § 4901. Authorization:
(a) Any one or more municipalities may contract with any one or more other municipalities to perform any governmental service, activity, or undertaking which each municipality entering into the contract is authorized by law to perform, provided that the legislative body of each municipality approves the contract, and expenses for such governmental service, activity, or undertaking are included in a municipal budget approved under 17 V.S.A. § 2664 or comparable charter provision.
Interlocal Contracts

24 V.S.A. § 4902. Contents of contract:
(a) The contract shall set forth fully the purposes, powers, rights, and objectives, and responsibilities of the contracting parties.
(b) The contract may provide:
   (1) That one person shall hold the same office or offices in the participating municipalities, notwithstanding any provision of law to the contrary.
   (2) The method of choosing officers by election or appointment, the term of office, the compensation of, or mode of setting the compensation of, and the authority to discharge, a person holding office under subdivision (1) of this subsection.
   (3) For any duly constituted local or regional board to have jurisdiction in all the municipalities.
Interlocal Contracts

24 V.S.A. § 4902. Contents of contract:
(a) The contract shall set forth fully the purposes, powers, rights, and objectives, and responsibilities of the contracting parties.
(b) The contract may provide:
   (1) That one person shall hold the same office or offices in the participating municipalities, notwithstanding any provision of law to the contrary.
   (2) The method of choosing officers by election or appointment, the term of office, the compensation of, or mode of setting the compensation of, and the authority to discharge, a person holding office under subdivision (1) of this subsection.
   (3) For any duly constituted local or regional board to have jurisdiction in all the municipalities.
24 V.S.A. § 4902. Contents of contract
(a) The contract shall set forth fully the purposes, powers, rights, and objectives, and responsibilities of the contracting parties.
(b) The contract may provide:
  (4) For a transfer of a local service function or activity or a portion thereof, previously authorized or exercised by a municipality, to another municipality.
(5) For the acquisition and maintenance of property, forces and services which the municipalities participating in the contract are authorized by law to acquire and maintain.
(6) For the use of any property, equipment or personnel of a municipality which is a party to the contract in connection with a joint service or activity authorized by the terms of the contract.
Interlocal Contracts

24 V.S.A. § 4902. Contents of contract
(a) The contract shall set forth fully the purposes, powers, rights, and objectives, and responsibilities of the contracting parties.

(b) The contract may provide:
(4) For a transfer of a local service function or activity or a portion thereof, previously authorized or exercised by a municipality, to another municipality.

(5) For the acquisition and maintenance of property, forces and services which the municipalities participating in the contract are authorized by law to acquire and maintain.

(6) For the use of any property, equipment or personnel of a municipality which is a party to the contract in connection with a joint service or activity authorized by the terms of the contract.
Interlocal Contracts

24 V.S.A. § 4902. Contents of contract
(a) The contract shall set forth fully the purposes, powers, rights, and objectives, and responsibilities of the contracting parties.
(b) The contract may provide:
   (4) For a transfer of a local service function or activity or a portion thereof, previously authorized or exercised by a municipality, to another municipality.
   (5) For the acquisition and maintenance of property, forces and services which the municipalities participating in the contract are authorized by law to acquire and maintain.
   (6) For the use of any property, equipment or personnel of a municipality which is a party to the contract in connection with a joint service or activity authorized by the terms of the contract.
Interlocal Contracts

24 V.S.A. § 4902. Contents of contract

(a) The contract shall set forth fully the purposes, powers, rights, and objectives, and responsibilities of the contracting parties.

(b) The contract may provide:

(7) For the deposit of funds appropriated, received or contributed for purposes of any joint municipal activity or service in one or more special bank accounts, and for designation of persons authorized to have custody of and to draw on such funds.

(8) For the exercise of any powers consistent with law in order to carry out the purposes contemplated in the contract.
Interlocal Contracts

24 V.S.A. § 4902. Contents of contract
(a) The contract shall set forth fully the purposes, powers, rights, and objectives, and responsibilities of the contracting parties.

(b) The contract may provide:
    (7) For the deposit of funds appropriated, received or contributed for purposes of any joint municipal activity or service in one or more special bank accounts, and for designation of persons authorized to have custody of and to draw on such funds.

(8) For the exercise of any powers consistent with law in order to carry out the purposes contemplated in the contract.
Interlocal Contracts

**Pro**
- Agreement can include multiple towns.
- Does not necessarily require Australian Ballot Vote (depends on town/charter)
- No Joint Survey Committee Process required.
- Not required to submit contract to Attorney General.
- Voiding contract is easier.

**Con**
- Unable to levy taxes.
- Cannot specifically contract with State or Federal Gov’t for services.
Union Municipal District
24 V.S.A. 4861-4868

A municipal entity operating under a written agreement approved by the attorney general and the voters of the member municipalities. 24 V.S.A. §§4802-4833, 4861-4868.

Most common examples are the state’s solid waste management districts.
Union Municipal District
24 V.S.A. 4861-4868

Essentially, a new, limited-purpose, municipality serving a geographic area comprised of multiple towns.

Has all of the potential authorities of the member municipalities, including the authority to borrow, tax, etc.

In order to create a Union Municipal District, communities must first create a joint municipal survey committee.
Selectboards of two or more municipalities enter an agreement to create a joint municipal survey committee. 24 V.S.A. § 4831.

Survey committee is comprised of an equal number of representatives from each municipality, appointed by the respective selectboards. 24 V.S.A. 4833.

The committee is authorized to make surveys and studies and conduct research, “to enable municipalities to make the most efficient use of their powers by cooperation with other municipalities on the basis of mutual advantage...” 24 V.S.A. § 4382(1).
Union Municipal District 24 V.S.A. 4861-4868

The committee may finalize the documents for the creation of a UMD, if so, the agreement must contain:

• The structure of the organization created under the agreement.

• The purposes of the organization.

• The manner of election or appointment of the officers, and their authorities and duties.

• The means of establishing a budget and financing the district, and the method for assessing municipalities.

• Dissolution of the UMD, amendment of the agreement, withdrawal of a municipality. 24 V.S.A. § 4862.
The agreement must be submitted to the attorney general to determine whether the agreement is in proper form and compatible with the laws of the state. If no response in 30 days, then automatically approved. 24 V.S.A. § 4802.

Requires voter approval by Australian ballot. Separate voting in each municipality on the same day.

Submission for approval by the Legislature is recommended.
Where three or more municipalities are concerned in the voting, and at least two approve the agreement, rejection of the agreement by one or more shall not defeat the creation of a district composed of the municipalities voting affirmatively on the question, if the joint survey committee decides that it is feasible or practical to continue the district as a geographic unit, unless the agreement as proposed expressly provides that specific participating municipalities or a minimum number of participating municipalities shall approve the agreement. 24 V.S.A. § 4863(d)
Union Municipal Districts

Pro
• Agreement can include multiple towns.
• Able to levy taxes.
• Can contract with State or Federal Gov’t for services.
• May borrow money and issue evidence of indebtedness.

Con
• Must have Joint Survey Committee process.
• Must have AG review plan.
• Requires Australian Ballot vote in all towns involved.
Intermunicipal Police Services

• Towns may enter into agreements for intermunicipal police services under 24 V.S.A. § 1938(a).

• Presently there are only three municipal police service agreements in effect in Vermont: Hardwick/Greensboro, Royalton/Sharon, St. Albans City/St. Albans Town.
Intermunicipal Police Services

- A written agreement
- Scope of services
- Powers, duties and responsibilities of each participant.
- Governing authority for officers.
- Use of equipment, supplies and materials during the period of mutual service. 24 V.S.A. § 1938(b).
The most common mutual aid agreement is between fire departments:

A municipality or fire district may vote to authorize its fire department, by its chief or chief engineer, to enter into agreements with such other duly authorized fire departments, or any private and volunteer fire department, as seem appropriate to provide mutual aid fire protection on a systematic basis. A municipal fire department so authorized may join in the formation or operation or both of a district fire mutual aid system, which shall be a public municipal corporation, as provided under sections 2986 through 2992 of this title. (V.S.A Title 20, Chapter 175, § 2981)
Mutual Aid Agreements

Mutual Aid Agreements are not limited to Fire and Rescue.

Because statute enables municipalities to contract with other municipalities to perform any governmental service, activity, or undertaking which each municipality entering into the contract is authorized by law to perform, mutual aid agreements can extend beyond fire to include agreements relating to road crews, etc.
Other Agreements

Intermunicipal Insurance Agreements (24 V.S.A. § 4942)

Two or more municipalities, by resolution of their respective legislative bodies or boards, may establish and enter into agreements for obtaining or effecting insurance by self-insurance, for obtaining or effecting insurance from any insurer authorized to transact business in this state as an admitted or surplus lines carrier, or for obtaining and effecting insurance secured in accordance with any other method provided by law, or by combination of the provisions of this section for obtaining and effecting insurance.
Past Efforts

• Cooperative purchasing for transportation
• Informal borrowing of equipment between towns
• Municipal Aid Agreements for emergency response
Summary of Meetings to Date

• Summer 2014 – Survey and Focus Group
• November 2014 - Steering Committee established to assist with this project
• Pilot project ideas
For more information:

Susan McMahon
Associate Director
Windham Regional Commission
139 Main Street, Suite 505
Brattleboro, VT  05301

susan@windhamregional.org
802-257-4547 x114