



Government Restructuring and Operations Review Commission  
Meeting Minutes

**DAY/DATE:** **Tuesday, June 21, 2016**  
**TIME:** **2:00 PM**  
**LOCATION:** Ethan Allen Room – Vermont Statehouse and via phone  
**ATTENDEES:** Paul Costello, Sue Zeller, Neil Schickner, Karen Horn and Maura Carroll  
**BY PHONE:** John Sayles, Jeff Wilson  
**ABSENT:** Kris Koliba never called in.  
**PURPOSE:** Regular Meeting  
**DISTRIBUTED:** Posted

Item Number	Item Description	Action By
1.0	2:02 PM - Call to Order	Chair
2.0	Review and amend agenda if necessary. Agenda – added Karen Horn and Maura Carroll and Chris Koliba	
3.0	MOTION to approve 5/24/16 minutes: 1 <sup>st</sup> by Paul, 2 <sup>nd</sup> by Jeff, unanimously approved	
4.0	<p>Karen Horn and Maura Carroll submitted written testimony (attached) from which they presented a number of salient points.</p> <ul style="list-style-type: none"> <li>• VT is the most centralized government</li> <li>• Dillon rule state vs. home rule               <ul style="list-style-type: none"> <li>◦ Dillon rule means municipalities may only do what the Legislature allows them to do; Home Rule means municipalities do everything except what the Legislature disallows</li> </ul> </li> <li>• Karen also provided a copy of 2005 report from Chris Koliba; Sue will have scanned for Commission;</li> <li>• VT does not allow initiatives, referendums, or constitutional review;</li> <li>• VT government setup works for status quo and against breaking down silos;</li> <li>• Cities and Towns must do everything Legislature says, regardless if funded or not;</li> <li>• Agencies/Departments have tunnel vision as it relates to municipalities;</li> <li>• New programs are added but no effort is made to evaluate existing programs to see if they are still necessary or relevant;</li> <li>• In NH, Legislature demand to know what is being cut before a new program is passed;</li> <li>• NH Treasurer, Dept. of Environment, AG and stakeholders involved in a study, mandated by Legislature, to create a revenue matrix to see which were sustainable and what they should pay for. Maura noted that capacity was not considered;</li> </ul>	

	<ul style="list-style-type: none"> <li>• Rutland is having good success with their Project Vision, a collaboration between public safety, corrections and social services to find ways to impact the opioid crisis. This had to be approved by Legislature before it could begin;</li> <li>• Municipalities should be able to collaborate directly;</li> <li>• Many cities and towns have passed ethics policies, but Legislature has not</li> <li>• Towns and cities are leading – along with DPS – in reporting data for White House 21<sup>st</sup> Century Policing initiative;</li> <li>• Citizens have higher level of confidence in local government than State or Federal;</li> <li>• Paul – are their barriers to communities working together. Karen – yes, for example, Montpelier and Barre had to get Legislative approval to establish their Public Safety Authority, while leaving it open for Barre Town and Berlin.</li> <li>• Collaboration between state and local should be on a level playing field and is not – legislature holds all the power;</li> <li>• What about using some sort of incentives to have regional or local entities take over some functions?</li> <li>• Not all municipalities are equal or have the ability to take on state functions; devolving functions from state would have to be flexible – sometimes function s/b at state level, sometimes larger municipalities or regional partners could do it, while smaller towns would still need state help;</li> <li>• Jeff – the state would be the default for those not able to do it themselves or regionals.</li> <li>• Karen and Maura will provide some examples of functions that could be devolved.</li> </ul>	
5.1	<p>Discuss Report – Jeff:</p> <ul style="list-style-type: none"> <li>• Local and regional governance to deliver better and more cost effective services;</li> <li>• I see no reorganization at the state level that really makes sense, except small items like moving DOL to Secretary of State;</li> <li>• More support, funding and staffing are needed for performance improvement initiatives (RBA and Lean) – other states are doing good stuff with this;</li> <li>• Auditor’s Office should have more resources for performance audits;</li> <li>• Auditor should be an appointed position, not an elected one;</li> <li>• Lastly – elected offices (Governor, Lt. Governor, Treasurer, Secretary of States and Attorney General should be 4 years, not 2.</li> </ul>	
5.2	<p>Discuss Report – Paul:</p> <ul style="list-style-type: none"> <li>• Jeff’s comments are really exactly where we are;</li> <li>• No one has come with a reorganization plan with merit;</li> <li>• Lean and RBA need more support and resources;</li> <li>• Conversation should be on 2-year budget cycle;</li> <li>• Propose that all elected offices including Legislature should be 4 years;</li> <li>• Talk more about devolution to regional – not enough detail yet;</li> </ul>	



	<ul style="list-style-type: none"> <li>• Lean and RBA should efficiencies should include talk of employee empowerment;</li> <li>• Strategic conversation and planning-coordination on the 5<sup>th</sup> floor.</li> </ul>	
5.3	<p>Discuss Report – John:</p> <ul style="list-style-type: none"> <li>• Agree we need to regionalize in a thoughtful way – it is not about restructuring government;</li> <li>• Need more resources for RBA and Lean to be able to be efficient 21<sup>st</sup> century government;</li> <li>• 4 year terms need to be put on the table again;</li> <li>• A lot of good might come from a constitutional convention;</li> <li>• Need planning and coordination that used to be in Executive Office;</li> <li>• Culture of government must come from consistent leadership which 2-year cycle does not provide;</li> <li>• Change won't come from this Commission Report but maybe it will start the conversation;</li> <li>• Perhaps we have two separate sections of recommendation – one for Executive Branch and one for Legislature.</li> <li>• These minutes should allow us to start drafting the report framework.</li> <li>• We all agree on the basics.</li> </ul>	
6.0	<p>Public Outreach: Paul would like to do meetings if Regional Planning Commissions can handle arrangements. Webex meetings were discussed. Location could include Bennington, St. Johnsbury and Franklin County.</p> <p>Paul will contact Catherine Dimitruk; John will call David Snedeker and Jeff will call Jim Sullivan. Paul also suggested Peter Gregory could be helpful.</p>	
7.0	Discussed how much support could Commission get from JFO? Neil suggested speaking to Steve Klein. John will do that.	
8.0	John will follow up on Lean and RBA contract in other States.	
9.0	Next Meeting: August 26 <sup>th</sup> , 2PM, Ethan Allen Room	
10.0	Motion to Adjourn by Paul, 2 <sup>nd</sup> by Jeff, unanimously passed at 3:34 PM.	

This summary of the meeting forms the basis upon which we will proceed. Please respond with changes, corrections or questions to the originator within 5 working days. If no corrections, changes or questions are received within 5 working days, these minutes will become part of the permanent record.

By: Sue Zeller  
 Cc: Committee Members  
 Attachment (VLTC written handout 6 pages)



## **Government Restructuring and Operations Review Commission**

***Tuesday June 21, 2016***

*"Ask most Vermonters what is special about their form of government and they will inevitably say 'local control' - the Town Meeting Day tradition, the Norman-Rockwell image of average residents running their own affairs. Hogwash! It's all a myth. Vermonters have less control over their communities than most Americans. Power in Vermont is held not by town selectboards or city councils but by the Legislature. That's because, unlike 42 other states, Vermont has no home-rule allowing communities a great deal of say over what happens within their borders."*  
*Burlington Free Press Editorial, May 11, 2003*

The Vermont League of Cities and Towns is the membership association for all the nine cities and 237 towns in Vermont. As such, we have spent a considerable amount of time thinking about and considering the evolution of government in Vermont - at both the local and state levels. This year was no exception - legislation was introduced enabling regional commissions to convert to Councils of Government (H. 249) and a resolution was introduced that would have amended the method for reviewing governance charters in the House of Representatives (HR 11, attached).

What is clear is that Vermont, despite its reputation, has one of the most centralized governments in the nation. What is also clear is that the range of responsibilities undertaken by local governments - with specific permission of the legislature because Vermont is a Dillon's Rule state - ranges widely from large to small municipalities.

Vermont does not have popular initiatives, referendum voting or home rule. It has neither a regular schedule for re-visiting the state constitution, nor a robust tradition of considering constitutional amendments, as is the case in many states. Essentially all governance power is lodged in the 180 member legislature and the governor, all of whom who are elected biennially. Legislators are assigned to one committee in the House and two (or in a few instances, three) committees in the Senate. Many legislators face no opposition in election years and again, this year is no exception. This centralized and frequently unchallenged system of government perpetuates the status quo.

We believe the status quo misses many opportunities for breaking down silos, taking advantage of emerging trends, effecting constructive change and maintaining strong partnerships with local governments.

### **Silos**

Cities and towns are general units of government. They must find ways to accomplish all the tasks and implement all of the programs mandated by the legislature and the executive branch, whether funded or unfunded. It is at the local level where all the puzzle pieces (public safety, emergency management, transportation, water and environmental quality, recreation, land use) must fit together. State agencies, departments and sections as well as legislative committees necessarily concentrate on their areas of jurisdiction and rarely consider the larger picture or the relationship between their actions and other agency or department actions. We find that program staff or leaders will readily recommend new programs or enhanced program requirements and enforcement within their areas of expertise but will rarely, if ever, consider whether or not existing programs are still relevant.

The potential impact of a new program on those who must implement it is rarely central to an agency or department's discussion of whether or not it should be adopted. The focus is simply on whether the program or the policy is a good one within the context of that issue area, not whether there might be practical problems in implementation at the local level. The frustrating result is that when implementation problems occur, local officials are criticized for not enacting a program as state officials envisioned it, however they were not consulted about how to make it work.

We are struck by the fact that in Vermont, the question seems to be "where do we find the additional funds to pay for this new program", whereas in New Hampshire, the question is, "where do we cut budgets to accommodate this new priority?" Neither question should be asked alone. Agency and department staff proposing new programs may recommend ways to pay for them without really considering the overall burden that imposes on Vermonters' pocketbooks.

### **Emerging Trends**

Municipal governments have demonstrated their willingness to address difficult topics and to take the lead on many critical issues. Rutland's Project Vision is an effort to break down silos and address opioid addiction in a holistic manner that brings together public safety, corrections, and social service agencies to reduce adverse impacts on the community. Many of those agencies are now co-located at the Rutland Police Department and their "silos are starting to crumble".

Additional important issues in Vermont at every level of government are ethics and conflicts of interest. At least 63 municipalities have adopted conflict of interest policies and 25 of the 54 charter cities and towns have incorporated conflict of interest policies or recall of elected officials in their governance charters.

Several municipalities in Vermont are on the leading edge of implementing the recommendations of President Obama's Taskforce on 21st Century Policing. The link to the Implementation Guide is here:

[http://www.cops.usdoj.gov/pdf/taskforce/Implementation\\_Guide.pdf](http://www.cops.usdoj.gov/pdf/taskforce/Implementation_Guide.pdf)

Regarding environmental protection, three towns have developed stormwater utilities to manage stormwater runoff from all properties in their communities and a fourth is in the process of doing so.

None of these examples we have provided are easy to adopt or simple to implement or without cost. But cities and towns in Vermont and the local officials who lead them are taking on difficult issues, confronting, and finding real solutions for the people who live in their communities.

### **Effecting Constructive Change**

Local government is closest to the people and survey after survey has reported that citizens' highest level of confidence is in the local level of government. Even with the restrictions on municipal governance that exist in Vermont, cities and towns have developed innovative programs to address the many disruptive changes that mark our moment in history.

We believe that state and local governments need to be strong partners in delivering services to Vermonters in innovative, effective, efficient and non-duplicative ways. There are instances where the state is the best entity to deliver a service and where consistency is paramount (human services, election laws and civil rights protection). There are instances where municipalities are the entities that deliver services (downtown development, wastewater treatment and potable water supplies, fire protection). And there are instances where a partnership will best serve the needs of Vermonters (education, energy facility siting, protecting environmental resources, and transportation networks).

Partnership means that both levels of government are on a level playing field and actually involved in crafting solutions, allowing room for innovation, and implementing what works well for all involved. Vermont's centralized form of government has not allowed that to happen and that needs to change.

## **Moving Ahead**

We thank you for the opportunity to discuss restructuring government. We believe any efforts to restructure Vermont's government needs to include a re-alignment of the distribution of authority between local and state government. We believe self-governance opportunities need to be available to local governments, particularly those that choose to develop the capacity to enact programs on their own or in partnership with neighboring communities.

This is an exciting topic and we welcome the opportunity to work with you.

*Maura Carroll, Executive Director (mcarroll@vlct.org)*

*Karen Horn, Director Public Policy & Advocacy (khorn@vlct.org)*

*Vermont League of Cities and Towns*

**State of Vermont**  
**House of Representatives**  
Montpelier, Vermont



**House Resolution**

H.R. 11

House resolution relating to amending House Rules to allow municipal charter bills to be read three times without referral to committee

Offered by: Representative Jerman of Essex

Whereas, the General Assembly normally adopts municipal charter legislation as proposed by the voters of the municipality, and

Whereas, the Committee on Government Operations, which has primary jurisdiction over municipal charters, also has multiple other areas under its broad jurisdiction that are extremely important to the State, and

Whereas, providing for a more streamlined review process for the House to consider passage of municipal charter bills would provide the Committee on Government Operations with more time to consider the other areas under its jurisdiction and would help acknowledge the deference the General Assembly normally provides to municipalities regarding issues of local control, now therefore be it

Resolved by the House of Representatives:

That this legislative body amends the Rules and Orders of the House of Representatives to add Rule 45a to read:

45a. (a) Notwithstanding the provisions of Rule 44(a), and except as provided in subsection (b) of this rule, a bill that adopts, amends, or repeals a municipal charter shall not be referred to committee and shall be placed on the Calendar for Notice for two legislative days before being placed in the Orders of the Day, after which it shall proceed in regular course as other bills but without the need for a committee report. However, such a bill may be committed to a committee at the discretion of the Speaker or upon the motion of a member.

(b) Prior to second reading, the Speaker shall refer a municipal charter bill subject to Rule 35(a) to the Committee on Appropriations or the Committee on Ways and Means, as the case may be, which shall consider the bill and make such report as it considers advisable, at which time the bill shall proceed in the regular course as other bills.

VLCT

FEB 26 2016

RECEIVED

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# RESOLUTION

## Town of Grand Isle Selectboard

**WHEREAS**, the Grand Isle Selectboard is unanimous in its belief that local control is a pillar of municipal governance, the basis of which must be preserved in the matters relating to the creation of inter-local and other regional government units; and,

**WHEREAS**, Vermont legislation related to inter-local and regional government units currently requires essential components that include: representatives be locally elected or appointed officials; budgets are to be voted on at a local level, and the purposes and functions of the district or council be voted on by citizens of the member communities; and,

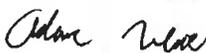
**WHEREAS**, H.249 proposes to enable the creation of regional Councils of Government (COG) from existing Regional Planning Commissions (RPCs) without the same level of local control;

**WHEREAS**, there presently exists the means – in both statute and local governance – that allow for communities to join together and share responsibilities for municipal services;

**THEREFORE, BE IT RESOLVED** that the Town of Grand Isle expresses significant concern that the proposed legislation presently allows an RPC to be subsumed into a COG, thereby leaving those opposed to such a transformation disenfranchised; and

**BE IT FURTHER RESOLVED** that the Town of Grand Isle sees absolutely no reason that a new regional government structure needs to be created in order to accomplish successful inter-municipal collaboration.

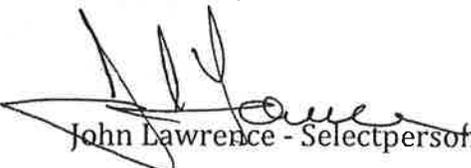
Dated February 15, 2016  
Grand Isle Selectboard

  
Adam A. White - Chair

  
Anna Marie Demars - Selectperson

  
William Baron - Selectperson

  
Mark Cobb, Sr. - Vice Chair

  
John Lawrence - Selectperson