

# Vermont League of Cities and Towns 2015 Annual Report

## *Serving and Strengthening Vermont Local Government*

2015 was an active and productive year for the Vermont League of Cities and Towns, marked by the institution of new services, a significant increase in attendance at workshops and trainings, focus on a myriad of critical legislative and administrative policies, as well as a change in leadership. Led by a fully engaged Board of Directors and implemented by a committed and dedicated staff, the events and services offered learning and networking opportunities and a chance to continue to assist local officials who work every day to make local government in Vermont better and more responsive to its citizens.

Long-time Executive Director Steve Jeffrey retired after 37 years of service to cities and towns in Vermont and it is my honor and privilege to step into that role. While I cannot “fill Steve’s shoes,” I am excited to be a part of an organization that works with all 246 Vermont cities and towns that are members of VLCT, along with 136 other municipal entities, including villages, solid waste districts, regional planning commissions, and fire districts. It is inspiring to witness the dedication of local officials and employees to their residents and the long-term public service that is the culture of local government in Vermont.

### **VLCT Services**

VLCT comprises several departments and points of contact available to local officials that offer programs and resources designed to further the goals of Vermont municipalities. The following services were provided to VLCT member cities and towns in 2015 to help them provide their citizens with quality services at affordable costs:

**Legal, consulting, and education services.** VLCT’s Municipal Assistance Center (MAC) provides training, information, and assistance to municipal officials to help them carry out their roles and responsibilities. In 2015, attorneys and staff responded to nearly 3,800 inquiries from municipal officials about their statutory duties and about best practices in municipal governance. More than 1,300 people attended 16 workshops on topics ranging from municipal budgeting to solid waste management, and training for selectboard members, auditors, and land use officials. Additionally, MAC conducted 10 on-site trainings at municipal offices covering Open Meeting Law compliance, financial fraud prevention, effective property tax appeal hearings as well as other topics. Attorneys and staff provided 22 municipalities with legal review of ordinances and policies, finance advice, meeting facilitation, and other specialized consulting services. MAC staff helped four municipalities recruit town managers and senior staff. Many municipalities have received technical assistance concerning water quality and stormwater management related to the recent passage of Vermont’s Clean Water Act. Grant funding also supported floodplain management assistance, Town Health Officer training, and facilitation of a template for solar group net metering for municipalities and schools interested in that option. All handbooks, technical papers, model documents, and past newsletter articles – more than 1,000 documents – are available on VLCT’s website, [www.vlct.org](http://www.vlct.org).

In addition, with PACIF and VERB collaboration, a new member program was established to assist members with their human resource needs and inquiries and to deliver quality HR services in an innovative and cost-conscious manner. The Human Resources Assistance Program began with the recruitment for a staff position that was filled in October. The first tasks included updating manuals, handbooks, and model policies, creating job description templates, and developing an HR audit procedure to help local officials assess their human resource needs. Members can expect to see more in 2016.

**Advocacy.** VLCT staff advocated at the state and federal levels in support of Vermont municipalities and municipal services. VLCT was a leader in 2015 in the education property tax debate, in enhancing local voter authority in governance decisions, in municipal efforts to clean up Vermont's lakes and rivers, in addressing the siting of renewable energy facilities, and in securing revenues for town highway and bridge maintenance programs. VLCT issued eight legislative alerts and 16 *Weekly Legislative Reports* in 2015 detailing legislative issues that affected municipal government. Those updates and the 2015 Legislative Wrap-Up are available on the VLCT website. In addition, VLCT staff participated in five summer study committees and assisted municipal members to develop policy platforms for the 2016 legislative session. Municipalities face significant challenges in the 2016 legislature as both limited financial resources at the national and state levels and new mandates continue to create more demand for services at the local level.

**Information Technology and Communications.** 2015 was a relatively quiet year for IT and Communications. Work continued on the update of the VLCT website, which has an expected launch date of summer 2016. An evaluation of VLCT's current IT infrastructure led to a focus on developing a comprehensive off-site data backup, disaster recovery, and business continuity plan during 2016 for inclusion in the 2017 budget. Ultimately, this will create more efficiency within the organization, allowing better service to members. Likewise, the organization's replacement of two new color printer/copiers will assist with communication efforts with VLCT members.

**Town Fair and Other Events.** Town Fair 2015 featured 370 attendees and staff as well as 124 individuals staffing 65 exhibitor booths. Local officials could choose from 15 training sessions to attend, and had many opportunities to network with each other and to represent their communities at the Annual Meeting, where VLCT Board members and officers were elected and the 2016 Municipal Legislative Policies were adopted. Other 2015 events included Local Government Day, where nearly 150 attendees spent the day discussing pressing issues with the governor, the Speaker of the House, and numerous legislators.

**Finance.** VLCT continues to maintain a solid financial position with revenues from dues, service fees, grants, and trust agreements fully supporting all of its operations in 2015, leaving approximately \$480,000 in net position, with most of that tied up in capital assets. Because the Vermont Municipal Employees' Retirement System (VMERS) has not yet provided the pension schedules necessary to complete our financials and audit, we are only able to estimate our net position for year-end. This will be updated once complete information is available; the audited financials will be posted on the website.

The total 2015 budget for VLCT operations was approximately \$5.5 million, of which \$4.2 million was for contractual staffing and support operations for the insurance trusts, \$1 million for MAC, and about \$300,000 for advocacy efforts. The costs of supporting operations (IT, communications, human resources, event planning, production, and finance) are allocated to advocacy, MAC, and the two trusts proportionately to the work load provided to each.

Advocacy and MAC programs were both supported by dues (\$1 million in 2015 with approximately \$300,000 for advocacy and \$700,000 for MAC). MAC supplements the dues funding with workshop and consulting fees from members as well as from the two insurance trusts (approximately \$300,000). In addition, MAC receives grant funding from the Agency of Natural Resources and FEMA for its water resources programs and from the Department of Health for health officer training (\$100,000). The balance of VLCT revenue in 2015 came from agreements with the trusts for staffing and administrative support, which provided approximately \$4 million in contractual reimbursements.

Finally, at the end of 2015, the estimated pension liability resulted in a \$95,000 deficit, although net position still remained strong at \$480,000. The updated pension valuation from the State is not yet available but will likely increase the deficit to some degree..

**Risk Management Services.** VLCT's two member-owned risk sharing trusts are governed by separate boards of directors and are operated by the League's Risk Management Services Department (RMS). Together, these trusts offer a wide range of insurance products and related services that were established by and tailored to municipal needs and priced competitively to provide member groups with the best long-term value. In 2015, the trusts were responsible for \$24 million in municipal tax dollars spent for insurance and risk management services.

The biggest change in RMS in 2015 – the formation of the VLCT Employment Resource and Benefits Trust, Inc. (VERB) from the merger of the Unemployment Insurance (UI) Trust (founded in 1978) and the VLCT Health Trust (founded in 1982) – proceeded virtually seamlessly: throughout 2015, VERB continued to provide all of the services that its two predecessor trusts offered in 2014, and more. The Unemployment Insurance program's operations continued smoothly, and its fund remains financially strong. Staff members already familiar with Vermont's changing health insurance landscape kept VLCT members apprised of the latest concerns relating to state and federal health insurance law, such as anticipating the "Cadillac" excise tax and preparing to report Affordable Care Act information to the IRS. With Lincoln Financial Group, brought in as a business partner in 2014 to save members 20% on their group life and disability insurance, VERB began making additional Voluntary life and accidental death and dismemberment (AD&D) insurance plans available to members' employees in 2015.

A very significant innovation for VLCT had its beginnings in late 2014 and early 2015 when first the UI Trust and later the VERB Trust considered and funded research in the form of a needs assessment followed by a business plan. This led to establishing the new Human Resources Assistance Program.

The VLCT Property and Casualty Intermunicipal Fund (PACIF), established in 1986, provides broad coverage – including workers' compensation, property, automobile, crime, general liability, public officials' liability, employment practices liability, and much more – in one convenient package. PACIF also offers members an array of no-additional-fee risk management and best practices support. Operationally, PACIF continually seeks ways to provide useful services in a cost-effective manner. In 2015, in addition to its regular operations, PACIF:

- conducted a loss control needs assessment among member police departments;
- pursued workers' compensation cost control through partnerships with Best Doctors Occupational Health Institute, Express Scripts, and Procura;
- for the first time since its founding and after a rigorous RFP process changed the partner it uses for consulting actuarial services;
- agreed to co-fund VLCT's new Human Resources Assistance Program;
- continued the Employment Practices Liability Referral Program for its second year; and
- returned \$700,000 to members in the form of contribution credits, equipment grants, and scholarships.

## **VLCT's Offices**

VLCT enjoyed its first anniversary in its newly renovated space at 89 Main Street in Montpelier in March 2015. The search efforts to buy, build, or expand the VLCT office had been a priority for the organization for the past ten years. The move to the City Center in Montpelier occurred in April of 1997. VLCT quickly outgrew the original footprint and, fortunately, was able to increase its square footage as

fast as City Center could accommodate. Eventually, the staff grew to 50, too large for the space. After many committee meetings, research, and discussions with a new landlord in 2012, it was decided that VLCT would expand in place again at City Center.

The benefits have been clear. VLCT continues to be downtown close to the State House, the post office, and the host community offices – Montpelier City Hall and other locations convenient for the Board, local officials, and staff members alike. VLCT has embraced an open floor plan which has led to greater collaboration among departments since there are fewer physical barriers to working together. Employees have the flexibility to move around the open space in and out of work stations, gathering spaces, huddle rooms (smaller phone booth-like spaces where private calls and/or small meetings can take place), and the bright and colorful new café. While not without a series of adjustments, it has led staff to think very differently about how they work and interact with each other.

You are most welcome to visit VLCT at 89 Main Street, Suite 4, at any time. Hopefully, you will agree that the new office space is conducive to completing work that will ultimately be of benefit to all VLCT members.

## **Conclusion**

The Vermont League of Cities and Towns is an organization committed to its mission of serving and strengthening Vermont local governments. Due to the hard work and involvement of the Board of Directors, the professional talent, focus, and commitment to service of the VLCT staff and the many members who serve in local government, VLCT achieved its mission in 2015 in new and innovative ways. I extend my personal thanks to everyone involved in the organization's success. Know that and all of us at VLCT look forward to serving the members and the mission throughout 2016.

Respectfully submitted,



Maura Carroll, Executive Director

## ***Approved by the VLCT Board of Directors, March 17, 2016***

*The Vermont League of Cities and Towns (VLCT) is a nonprofit, nonpartisan organization that is owned by its member municipalities and directed by a 13-member Board of Directors comprising municipal officials from across the state, elected by the membership. VLCT's mission is to serve and strengthen Vermont local government. To learn more about the Vermont League of Cities and Towns, including its audited financial statements, visit the VLCT website at [www.vlct.org](http://www.vlct.org).*