

# The 2012 VLCT Municipal Policy



TOWNS AT 250  
VERMONT'S HISTORY IN THE MAKING

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## **PREAMBLE**

We who administer, legislate, and raise revenues at the local level believe that our service to the citizenry is most in tune with the needs of the community because we are accessible. We ask that the Vermont Legislature and state government, as well as the Vermont Congressional delegation, join with the Vermont League of Cities and Towns to strengthen and streamline government structures.

Vermont has:

- limited taxing capacity and income;
- a small population that is not growing;
- a generally rural and aging population;
- a government structure that was largely developed to meet the demands envisioned and resources available a half century ago.

Therefore, Vermont must find ways to deliver government services required of the 21<sup>st</sup> century to its citizens through the most efficient means available. The state should not merely shift costs to local governments. So as to do no harm, the state should solicit the opinions of the citizens who are being served and who pay for government. Given the fragility of and continued pressures on municipal finances, local government must be included in any discussion that seeks ways for Vermont to reduce the cost of delivering services.

Where this Municipal Policy is silent on a public policy issue affecting municipal government, it shall be the position of the Vermont League of Cities and Towns to support provision of authority, autonomy and resources to cities and towns.

## **1.0 FINANCE, ADMINISTRATION AND INTERGOVERNMENTAL RELATIONS (FAIR)**

### **1.01 EDUCATION FUNDING**

With each passing year, the current education funding structure has an increasingly negative impact on the ability of municipalities to craft necessary budgets. Unless changes are made to Act 60 and Act 68, there will be a need for significant property tax increases in the next few years.

Given the facts that:

- Education finance is largely being controlled by the state,
- Each year the state has raided the Education Fund by failing to restrict the uses of the Education Fund to those originally specified in Act 60 and failing to fully fund the General Fund support of education originally specified in Act 68, and
- Local officials continue to spend significant time trying to understand, explain and implement the education finance system,

It is imperative that the legislature create a new education finance system that focuses on cost containment and that includes local officials in the decision-making process.

### **1.02 STATE PAYMENTS IN LIEU OF TAXES (PILOT) PROGRAMS**

The state should fully fund all state Payment In Lieu Of Taxes (PILOT) programs (including for state buildings, Agency of Natural Resources land, capital city, and Corrections Department facilities) on an ongoing basis. The state must expand PILOT to include all state lands and must value state buildings at full fair market value and all state land in accordance with local land schedules for PILOT purposes. Until proceeds from the local option taxes fully fund the state buildings PILOT, the state General Fund must fund any remaining balance and all other PILOT payments.

### **1.03 LOCAL OPTION TAXES**

The legislature should enable all cities, towns and villages to adopt consumption taxes and share a portion of the proceeds with other municipalities.

### **1.04 UNFUNDED MANDATES**

The state should provide reimbursement for state mandates on or cost shifts to local governments. The Joint Fiscal Office must prepare and make public a fiscal impact statement showing the administrative, implementation, and service costs imposed on local governments before any state legislative or administrative action affecting them can be approved.

### **1.05 PROTECTING AND ENHANCING MUNICIPAL FINANCES**

- A. Require the House Ways and Means and Senate Finance committees to review all local fees set in statute in conjunction with their periodic review of state fees. The review should include significant local input.
- B. Ensure that the legislature increases existing or imposes new state agency fees assessed against municipalities only when the agency can show a comparable increase in the costs, quality, or quantity of the services provided.
- C. Provide ways that the state can assist municipalities to get the highest interest income on their cash investments while assuring low risk of loss.

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- D. Work with municipalities to identify ways to help them with economic development, and enact legislation to implement those methods.

### **1.06 ELECTION LAW CHANGES**

The state should reimburse municipalities for any local costs for implementation of any state election law changes or reapportionment (including voter and election official education), as well as subsequent administrative or technological costs. The implementation of any election law changes must also satisfy the requirements of local election officials to have an election system that functions smoothly and effectively on election day.

### **1.07 MUNICIPAL AUTHORITY**

Vermont should join 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.”

### **1.08 OTHER PRIORITIES**

In addition to the seven priority issues listed above, VLCT also supports legislation that would accomplish the following:

- A. Require the state to reimburse municipalities for all state-mandated property tax exemptions. Until then, voters should have authority to impose municipal service fees on those properties exempted by the state.
- B. Require municipal ratification of the county budget.
- C. Allow local voters to assess the delinquent property tax penalty to each late installment.
- D. Require that all state rules, regulations, criteria and other administrative actions that impact the operations of local government be implemented only after 30 days have passed following a publicly noticed hearing.
- E. Allow towns to retain the authority to determine which generally accepted appraisal method to apply to owner-occupied residences subject to a housing subsidy covenant for municipal taxation purposes.
- F. Eliminate the mandate that local governments take over any non-municipal cemeteries.
- G. Continue to implement mechanisms to exempt resident property tax owners with high unearned income or high assets from receiving a property tax adjustment.
- H. Give final approval to H.237, a bill that would reduce costs of the current use program while holding towns harmless and focusing on assisting Vermont agriculture.
- I. Encourage municipal efforts to achieve cost savings and efficiencies through cooperative activities and eliminate any current statute or rule that prohibits or hinders that cooperation.
- J. Make any non-profit organization that receives any government financial support, subsidy, or exemption from federal, state, or local taxation – except those exempted based on a constitutionally-protected religious purpose – subject to the state open meeting and public records laws.

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- K. Take testimony to identify any problem created by no longer requiring the annual submittal of the homestead declaration for the homestead property tax adjustment; enact statutes to resolve all such problems.
- L. Require the state education fund to pay its proportion of costs associated with defending the grand list and property tax collections, including appeals and abatements.
- M. Clarify that the Public Records Law allows public agencies to charge and collect the actual costs of staff time associated with complying with a request to inspect or copy public records.

## 2.0 TRANSPORTATION

### 2.01 PRIORITY ISSUES FOR IMPLEMENTATION

- A. Prevent any cuts and advocate for increases to Town Highway Aid payments, Class 2 Paving and Town Highway Structures grant programs, and the Town Highway Bridge Program.
- B. Stop the transfer of money that is not specific to transportation matters from the Transportation Fund.
- C. Index taxes and fees for inflation or convert tax rates to a percentage of fuel prices. Increase state Transportation Fund tax rates and/or fees, including gas and diesel taxes, motor vehicle and truck fees, and other revenue sources.
- D. Develop alternative funding sources, including local option taxes with revenue sharing provisions, user fees, and revenue from General Fund sources.
- E. Expand the use of bonding as an option for funding long-term capital improvements.
- F. Commit the funding necessary to maintain, repair, or replace Vermont's structurally deficient bridges.
- G. Develop a block grant-style program in place of the Local Transportation Facilities (LTF) program that allows federal and state funding of local projects to be utilized most efficiently in terms of project cost, time and value. Such projects would be managed by local government, which would have the responsibility to see the project through to completion. Provide for an audit of any project funded through the program, but eliminate other levels of review prior to or during project construction. Fund applicable pilot projects.
- H. The state should extend to municipalities the option to utilize a design-build process on projects that involve state and federal funding, in lieu of the current design-bid-build process.

### 2.02 FUNDING PRIORITIES

- A. Increase funding for the Class 2 Roadway Program, which allows for the greatest local management of projects.
- B. Increase state funding and expand eligibility for the Town Highway Bridge Program.
- C. Ensure that the level of funding for the Town Highway Emergency Fund is sufficient to cover costs incurred by municipalities as the result of natural or manmade disasters.

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- D. Increase state funding for Class 1 local highway rehabilitation or construction.
- E. Any project using federal dollars should be reimbursed at the federally allowed rates if the project includes undergrounding of utilities or moving water, sewer, and similar infrastructure. If the Agency of Transportation (VTrans) mandates the moving water and sewer infrastructure for transportation projects, VTrans must reimburse municipalities for those costs.
- F. Instruct VTrans to partner with municipalities and other agencies to enhance the asset management/project priority program to insure the importance of local and regional priorities and the participation of local officials in selecting projects. Modify the project prioritization system to include weight for the economic development impacts of a project including job creation, increase in tax revenues, and increase in gross state product.
- G. Increase state funding for public transit providers.
- H. Provide more “park and ride” lots, subject to local regulation, and continue to upgrade existing lots while providing for long-term maintenance.
- I. Install traffic signs and signals on Class 1 town highways.

### **2.03 STATE AND LOCAL COOPERATION**

- A. Expand the District Transportation Administrators’ (DTAs’) flexibility and authority to work with local governments to ensure technical assistance and efficiency in implementing transportation projects.
- B. Increase coordination and communication among all VTrans divisions to eliminate duplication of any municipal project oversight.
- C. VTrans should continue to work with all state permitting agencies, especially the Agency of Natural Resources and Division of Historic Preservation, to expedite the permitting process and tailor it to the size and impact of a project so as to efficiently implement local transportation projects.
- D. Eliminate Act 250 review of town highway maintenance and reconstruction projects; nullify existing Act 250 permits for maintenance and reconstruction projects.
- E. Revise existing road design and traffic standards to better define village areas and respect the complex traffic and infrastructure needs of Vermont’s villages and downtowns.
- F. Share VTrans’ facilities and other resources (such as purchasing contracts) with municipalities.
- G. Expand the state’s line painting operations on Class 2 highways to include the painting of all other lines upon the request of a municipality when center and lane lines are being painted. Those lines should be painted annually. Municipalities that request that service will pay the cost of painting those lines.
- H. Modify the billboard law so that municipalities may hang temporary banners within the state highway right-of-way advertising events and activities.
- I. Establish fines and penalties for illegally possessing municipal road signs, signals, or markings.
- J. The state shall not force municipalities to be co-applicants, sign management or maintenance agreements, or accept responsibility for their state stormwater infrastructure.

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- K. Any additions to the VTrans Town Road and Bridge Standards should not result in undue increased maintenance and construction costs to municipalities.

### **2.04 COMMERCIAL VEHICLES**

- A. Municipalities must retain their authority to issue permits to and impose fees on all overweight vehicle traffic on local roads. The state must subject commercial agricultural and custom agricultural service vehicles to local overweight permitting regulations.
- B. Establish a permanent fund for the repair of town roads damaged by agricultural service vehicles, which are exempt from having to obtain local overweight permits. If these vehicles are locally permitted, authorize municipalities to fine vehicle owners for violating those permits.
- C. Allow municipalities to authorize overlength truck travel only through single-trip permits.
- D. The federal government should increase the weight limits on interstate highways.

### **2.05 ALTERNATIVE TRANSPORTATION AND RAILROADS**

- A. Spend funds allocated for rail or related projects solely on those projects.
- B. Encourage local input on state-managed projects regarding appropriate siting of transportation infrastructure, including roundabouts, bike and pedestrian measures, and the relocation of rail yards.
- C. Encourage intermodal facilities that provide all combinations of transit suited to a municipality so as to accommodate economic development.
- D. Rail networks need to accommodate double-stack trains. Intermodal freight transfer centers must be established at entry points to the state.
- E. When selecting and developing transportation projects, the state must address access to commercial airports.
- F. Establish a state funding source, such as a revolving loan fund or grant program similar to the Class 2 Paving and Rehabilitation program, for the construction and repair of municipal sidewalks and recreation paths. Provide access to these dollars to fund “Complete Street” portions of paving and rehabilitation projects that may have other partial funding sources.

## **3.0 PUBLIC SAFETY**

### **3.01 PRIORITY ISSUES FOR IMPLEMENTATION**

Vermont’s local public safety officials join with all municipal officials in calling for the legislature to:

- A. Prohibit cost shifts and mandates to municipalities in the area of public safety unless the state provides full reimbursement. In particular, changes to State of Vermont corrections policy (Department of Corrections) as a result of recent legislation must be closely monitored for municipal impacts.

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- B. Require the state to provide the best training programs, at an affordable rate, for all levels of public safety personnel, including police, fire, and EMS.
- C. Develop innovative and cost-effective models for collaboration among state police, sheriffs, and municipalities.

### 3.02 CORRECTIONS COMMUNITY

- A. The DOC must provide open channels of communication so municipal officials are aware of any changes in the status of offenders in their municipalities and can provide feedback to the DOC regarding impacts to the community. Local officials must be informed about the circumstances of an individual's release and if the release was the result of Act 157 or Act 146 of 2010 and Act 41 of 2011.
- B. The DOC must provide municipal officials with the opportunity to participate in the decision-making processes concerning the number and type of offenders released to and supervised in a community.
- C. Provide funding to ensure that offenders housed in community settings receive adequate supervision by DOC personnel and adequate support services. This must include juveniles and individuals with mental illness or drug or alcohol dependencies.
- D. Include the local public safety community in proposed host municipalities in decisions about where to place individuals under DOC supervision. The DOC must respect municipal zoning in approval of housing for offenders, especially as it pertains to the use of motels.
- E. Monitor the release of offenders to ensure there is no undue adverse burden on any individual municipality.

### 3.03 PUBLIC SAFETY FUNDING

- A. Authorize municipal emergency service agencies to recover all costs associated with complying with any federal, state, or court-ordered licensing, registration, and testing requirement.
- B. Fund and identify the housing and transportation needs of all persons who present a danger to themselves or the public, including individuals who are mentally ill or public inebriates.
- C. Compel the state to reimburse municipalities for costs of providing emergency medical services for all persons lodged in state-owned facilities, including those who are incapacitated.
- D. Extend the availability of state funding for the operation of public safety answering points (PSAPs) to municipal PSAPs in an amount proportional to the volume of E-911 calls processed by each PSAP.

### 3.04 PUBLIC SAFETY TRAINING

- A. Provide the Fire Academy adequate funding for certified training programs for all full-time, part-time, and volunteer firefighters, as well as sufficient resources (manpower, equipment, etc.) to support the certified training activities. Address the particular needs and constraints of volunteer firefighters.
- B. Provide sufficient funding to the Criminal Justice Training Academy to stimulate participation in in-service training programs sponsored by the Criminal Justice Training Council, including supervisory training.

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- C. Reimburse municipalities for the costs of training law enforcement officers who are hired by the state police.
- D. Provide appropriate, affordable, and flexible training for all public safety personnel; provide implementation funds for any training requirements mandated for local first responders.
- E. Provide tuition credits to municipalities that contribute employees to instruct and/or act as training assistants at the Criminal Justice Training Academy.
- F. Include all users of the Criminal Justice Training Academy in any efforts to review and reorganize the structure and funding for local first responder provider training.
- G. Amend 20 V.S.A. Chapter 151 to provide more municipal representation on the Criminal Justice Training Council.

### **3.05 PUBLIC SAFETY EMERGENCY RESPONSE**

- A. Include relevant local personnel in discussions about any changes in laws or regulations governing how local public safety personnel respond to emergency incidents, particularly those involving hazardous materials.
- B. Support and fund development (with municipal participation) of an early warning system for hazards, pandemics, and public safety emergencies.
- C. Develop an emergency response fund to cover non-transportation-related disaster recovery costs incurred by local governments that do not meet the Federal Emergency Management Agency (FEMA) thresholds.
- D. Establish an electronic information system to provide public safety and emergency management personnel accurate and timely information.
- E. Develop a contingency fund to provide the state match required to requisition FEMA disaster funds.
- F. Support the continued development and sustainability of an interoperable communications system that allows all emergency service agencies and personnel to communicate with one another in emergency situations. Develop the system in an efficient and cost-effective manner, not as the result of an unfunded mandate.
- G. Provide seed funding or other incentives to create a program for municipally run regional public safety services.

### **3.06 SAFE DRIVING INITIATIVES**

- A. The legislature must ban the use of hand-held electronic devices (e.g. cell phones) while operating a motor vehicle for all drivers and make violations of the prohibition a primary offense.
- B. Enact primary enforcement of the seat belt law.
- C. Strengthen graduated driving license requirements by providing that sanctions levied upon a driver under 18 who has been charged with a motor vehicle violation should continue past the driver's 18<sup>th</sup> birthday until the case is adjudicated.

## 4.0 QUALITY OF LIFE AND ENVIRONMENT

### 4.01 HEALTH CARE

In 2011 the legislature passed H.202 (Act 48), “An Act Relating to a Universal and Unified Health System.” The intent is to create a single-payer health system called “Green Mountain Care” that will provide *“comprehensive, affordable, high-quality, publicly financed health care coverage for all Vermont residents in a seamless manner regardless of income, assets, health status, or availability of other health coverage.”* The legislation intends to achieve this reform through *“the coordinated efforts of an independent board, state government, and the citizens of Vermont, with input from health care professionals, businesses, and members of the public.”*

Green Mountain Care needs to be of high quality, affordable, accountable, and accessible. In providing universal coverage, it must contain medical costs and reduce administrative costs and burdens. Implementation of Green Mountain Care and any system developed at the federal level must be measured against the following criteria.

- Avoid and reduce cost shift from Medicaid and Medicare.
- Provide a comprehensive, equitable health care system that ensures the same benefits for all and avoid provisions that allow for additional levels of benefit for some.
- To be successful, the system must assign financing, responsibility and accountability to one place.
- All legislatively established health care mandates must be treated as public health issues with public funding and accessibility for all.

### 4.02 HOUSING

- A. All Vermonters must have access to safe, decent and affordable housing options that meet all Vermonters’ needs, are accessible to jobs and at densities designated by a municipality. Incentives and programs should be directed to designated downtowns, village centers, new town centers, growth centers, and other areas that are accessible to jobs.
- B. The Legislature should allocate property transfer tax funds to the Housing and Conservation Trust Fund at the rate established in statute, which is 40 percent of new revenue generated from the increase in the property transfer tax established in Act 200.
- C. The Legislature and Department of Health should integrate federal regulation relating to lead paint safety into state regulations so that there is one clear standard for lead paint safety and training in Vermont.
- D. The state must support Property Assessed Clean Energy (PACE) programs, all fuels utilities and enforce energy efficient building codes. The state should establish methods that provide for statewide implementation without imposing mandates on municipalities.

### 4.03 ACT 250 AND STATE PERMITS

Vermont municipalities support efforts to make the permit process more efficient. The following principles should guide those reform efforts:

- A. Consolidate, coordinate and expedite all state permit processes required for all projects.
- B. If a local or state permit decision is made subsequent to appropriate hearing and review, issues addressed in that decision should not be revisited in another forum such as Act 250.

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- C. Define “local impact” and “regional impact” in Act 250 by doing the following:
1. Comprehensively examine Act 250 jurisdiction over projects with local and regional impacts. This evaluation should include recommendations for jurisdictional thresholds and levels of review that are commensurate with the potential impact of a project.
  2. Eliminate Act 250 review of projects with local impact in municipalities that have in place duly adopted municipal plans approved by the regional commission and zoning and subdivision regulations, if the local legislative body votes to eliminate such review.
  3. Review projects that are regional in impact and that are expected to affect regional interests if a duly adopted regional plan is in place.
  4. Provide state-level review of projects that are statewide in impact.

### 4.04 GROWTH AND LOCAL LAND USE

The state must provide local governments the authority to manage growth and land use in their municipalities.

- A. Allocate one-half of all property transfer tax revenue in excess of that generated by a tax rate of one-half percent to cities and towns for municipal planning purposes, as stipulated in Act 200.
- B. Provide incentives to spur development in locally planned growth centers as well as designated downtowns, new town centers or village centers.
- C. Enable municipalities to regulate the siting and location of agricultural and silvicultural facilities (24 V.S.A. § 4413 (d)), including the construction and use of farm structures, through zoning bylaws.
- D. Federal and state governments must ensure that the location of facilities they own or lease in downtowns complies with municipally adopted and approved plans. The state should provide a master management plan for all structures it owns or leases.
- E. Consistent with the US Constitution, strengthen municipal authority to regulate sexually-oriented businesses.
- F. Enable municipalities to establish incentives and requirements to develop affordable housing that allows people to stay in Vermont and that encourages economic development.
- G. Tax Increment Financing (TIF) districts should be more readily available for municipalities to use to encourage economic development. Additional economic development tools should also be made available to municipalities for their use in encouraging economic development.

### 4.05 SOLID WASTE AND WASTEWATER

- A. Hold municipalities harmless from liability for hazardous materials incidents at facilities they permit and that conform to all state and federal regulations.
- B. Insure that the State of Vermont Solid Waste Management Plan is flexible enough to enable local governments to determine the most appropriate collection, storage and treatment methods for sewage, solid waste, wastewater and recyclables.
- C. Immediately issue all outstanding solid waste, water supply, wastewater and stormwater facility permits and certifications and thereafter issue such permits in a timely manner. Regulate the entire treatment

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process in a single permit. Issue permits for facilities based on the useful life or capacity of the facility, not in five-year increments.

- D. The Agency of Natural Resources must relinquish all involvement in allocating municipal water or wastewater resources, including charging and collecting of permit fees.
- E. When a municipality acquires a site at a tax sale or when it acts as a lien holder of a site that is known to be contaminated, it should not be held civilly or criminally liable for hazardous contamination at the site at the time of acquisition.

### 4.06 WATER RESOURCES

- A. Clarify that the highest priority use of Vermont water resources is to provide clean and sufficient supplies of public drinking water.
- B. The state should provide financial and technical support to municipalities in order to implement the Clean Water Act through locally appropriate watershed plans and stormwater management provisions that promote the health of the economy and the environment.
- C. The legislature must direct the Agency of Natural Resources to work closely with the Environmental Protection Agency to develop a reasonable Total Maximum Daily Load (TMDL) standard for phosphorus for Lake Champlain that will lead to a cleaner lake, a vibrant landscape and a healthy economy. In addition, as pertains to TMDLs for all state waters, state policy must reflect that requiring municipalities to bear a disproportionate burden of cleaning up discharges to impaired waters by requiring treatment plants to be constructed to highest available technical standards regardless of cost, is not an effective means of improving the health of those waters. Therefore state and local governments, developers and farmers and other stakeholders must concentrate efforts on reducing stormwater runoff from non-point sources.
- D. The Agency of Natural Resources must enforce the provisions of the Wastewater System and Potable Water Supply Program, including requirements to repair or replace failed systems.

### 4.07 AIR QUALITY AND ENERGY CONSERVATION

The state and federal governments must work with local governments to implement energy conservation policies and alternative energy projects that reduce overall consumption, promote use of local renewable resources, and reduce reliance on fossil fuels and greenhouse gas emissions.

- A. To enhance compliance with federal air quality standards, the Vermont Legislature must require VTTrans to streamline programs and efficiently acquire and administer federal funding to encourage construction of recreation paths, sidewalks, bicycle lanes, public transit and alternative transportation.
- B. The Vermont Legislature must support municipal efforts to reduce reliance on fossil fuel.
- C. The Vermont Legislature must provide support for smart growth development.
- D. The Vermont Legislature must require utilities to file tariffs for municipal purchase or lease of streetlights and installation of energy efficient light fixtures that assures a reasonable cost to municipalities.
- E. No governmental or quasi-governmental entity should discourage solar panels and other renewable or energy efficiency measures on historic buildings.

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- F. The PACE Program should be expanded to commercial properties. The Clean Energy Development Fund should provide funding for renewable and energy efficiency improvements to municipal buildings and projects.

### **4.08 PUBLIC HEALTH**

- A. Reinstate the Health Department's program to support Town Health Officers in their broad range of statutory responsibilities. If the Health Department does not reinstate that support, amend Title 18 Chapter 11 to require the local legislative body to directly appoint a Town Health Officer.
- B. Insure that resources are available to the commissioner of the Department for Children and Families to provide services for persons in need of general or emergency assistance upon the referral of the Town Service Officer and that Town Service Officers are informed of those services. Establish Department for Children and Families support for Town Service Officers.