Sharing Municipal Staff: Options for Temporary Coverage and Long-Term Capacity

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A municipality can lose staff capacity with little warning. An employee may become ill, take extended leave, retire, resign, or pass away unexpectedly. A major storm or project can also create more work than existing staff can handle.

Neighboring municipalities can sometimes help by sharing employees. Staff sharing can provide short-term help during a difficult period. It can also be used as a longer-term way for small municipalities to gain access to skills or services they may not need - or be able to support - on a full-time basis.

There is no single way to share municipal staff. The right approach depends on the need, how long it is expected to last, and how much coordination the municipalities want.

Start with the Need

Before choosing an approach, identify the problem the municipality is trying to solve.

Ask:

- Is the need an emergency or unexpected staff absence?
- Is help needed for days, weeks, months, or indefinitely?
- Does the municipality need a particular employee or a particular service?
- Is this a one-time situation or a problem that may happen again?
- Will neighboring municipalities also benefit from having backup staff available?
- Does the municipality need specialized knowledge that is difficult to hire on its own?

The answers can help determine whether an informal short-term arrangement or a more structured shared service makes sense.

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Options for Short-Term or Unexpected Needs

Temporary Staff Loan

Under a temporary staff loan, one municipality allows an employee to work temporarily for another municipality. The employee usually continues to be employed and paid by their home municipality. The municipality receiving the help reimburses the home municipality for agreed costs.

This approach may work well when a municipality faces:

- an unexpected vacancy,
- extended employee leave,
- the loss of a key employee,
- a temporary increase in workload, or
- a short period before a replacement employee can be hired.

The municipalities should agree on how long the arrangement will last, what work the employee will perform, who will supervise the work, and how costs will be reimbursed.

Mutual Assistance

Neighboring municipalities may agree to assist each other when unusual needs arise. A municipality that receives help today may provide help to

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another municipality later. These arrangements are often associated with emergencies, but the same concept can be useful for public works and other municipal operations.

Assistance could include:

- employees,
- equipment,
- specialized skills, or
- a combination of staff and equipment.

A written agreement can establish the basic rules before assistance is needed.

On-Call Staff Sharing

Municipalities can establish a standing agreement that allows them to request employees from one another when staffing shortages occur. Unlike a one-time staff loan, the municipalities establish the process in advance.

The agreement might identify:

- which employees or types of positions may be shared,
- who may request assistance,
- whether the home municipality may decline a request,
- reimbursement rates,
- limits on the length of an assignment, and

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- procedures for ending the assignment.

This can make it easier to respond quickly when an unexpected vacancy occurs.

Cross-Training and Backup Partnerships

Municipalities can also prepare before a staffing problem occurs. Neighboring municipalities can identify employees who could serve as backups for important functions and provide opportunities for cross-training.

For example, public works employees from nearby municipalities might become familiar with each other's:

- equipment,
- roads and facilities,
- operating procedures, and
- emergency contacts.

Cross-training does not require employees to work regularly in another municipality. Instead, it helps make sure trained help is available when it is needed.

Options for Recurring Staffing Needs

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Regular Part-Time Staff Sharing

One employee can work on a regular schedule for two or more municipalities. For example, an employee might work three days each week for one municipality and two days for another. One municipality may serve as the employee's primary employer and charge the other municipality for its share of the employee's time and related costs.

This approach may be useful for positions such as:

- assessors,
- planners,
- zoning staff,
- finance staff,
- administrators, or
- specialized public works employees.

It can give smaller municipalities access to experienced staff without requiring each municipality to create a full-time position.

Lead-Municipality Model

Under this model, one municipality employs the staff person and provides services to one or more other municipalities. The other municipalities pay the lead municipality for their share of the service.

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The municipalities can agree on:

- the amount of staff time each receives,
- work priorities,
- how costs are divided,
- who provides day-to-day direction, and
- how changes to the arrangement are made.

Having one municipality act as the employer can simplify payroll, benefits, and personnel administration.

Fee-for-Service Model

Instead of sharing an employee, one municipality can provide a defined service to another municipality.

For example, a municipality with staff expertise might provide another municipality with:

- assessing services,
- zoning administration,
- finance support,
- equipment operation, or
- public works services.

The receiving municipality pays for the service based on an agreed rate or scope of work, and the home municipality supervises the employee.

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This model may work well when the receiving municipality needs the service but does not need to participate in supervising or managing the employee who performs it.

Options for Long-Term Shared Capacity

Jointly Funded Position

Two or more municipalities can jointly support a position that is intended from the beginning to serve all participating communities.

The municipalities should establish how they will share:

- salary and benefits,
- employee time,
- hiring responsibilities,
- supervision,
- performance evaluation,
- office and equipment costs, and
- decisions about the position.

This approach can make specialized positions more affordable while providing employees with a more stable workload than individual part-time positions.

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Regional Service Partnership

Municipalities can also work with their regional planning commission to develop or administer an intermunicipal service.

A regional approach may be useful when several municipalities have the same need, but no single municipality is well positioned to serve as the lead.

Depending on the agreement, a regional planning commission may help coordinate or administer services involving planning, community development, joint purchasing, intermunicipal services, infrastructure, and related activities.

Shared Employee Pool

Several municipalities could create a pool of employees who are available to provide temporary backup across participating communities. Employees would normally work for their home municipality but could assist another municipality when needed and available.

A pool could be particularly useful for positions where service must continue even when a key employee is unavailable, such as:

- public works,
- water and wastewater,
- finance,
- assessing,

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- clerking, or
- municipal administration.

Over time, participating municipalities could also use the network for cross-training and succession planning.

Understand Vermont's Options for Intermunicipal Cooperation

Vermont law provides ways for municipalities to formalize shared services. The appropriate structure will depend on the service, participating organizations, and circumstances. Municipalities should determine what legal authority applies before entering into an agreement.

Interlocal Contracts Between Municipalities

Under 24 V.S.A. §§ 4901–4902, municipalities may enter into an interlocal contract to perform a governmental service, activity, or undertaking that each participating municipality is authorized by law to perform.

The legislative body of each participating municipality must approve the contract, and expenses for the service must be included in an approved municipal budget as provided by law.

An interlocal contract must describe the purposes, powers, rights, objectives, and responsibilities of the parties.

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Vermont law gives municipalities flexibility in structuring these contracts. Among other things, an interlocal contract may provide for:

- the same person to hold the same office in participating municipalities;
- transfer of all or part of a local service or activity from one municipality to another;
- shared acquisition and maintenance of property, forces, and services;
- use of a participating municipality's property, equipment, or personnel for a joint service; and
- special accounts for funds used for a joint municipal service or activity.

These provisions can support several of the approaches described in this resource, including shared employees, lead-municipality arrangements, and shared services.

A municipality may also submit an interlocal contract to the Vermont Attorney General before legislative body approval for a determination of whether the contract is in proper form and compatible with Vermont law. If the Attorney General does not respond to the request within 30 days, the legislative body may approve the contract.

Establishing a Union Municipal District

Municipalities can also create a union municipal district to jointly provide services over the long term. Under 24 V.S.A. §§ 4861–4868, participating municipalities can establish a separate public entity to manage shared

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services and resources.

Unlike an interlocal contract, which allows municipalities to work together, a union municipal district becomes its own public entity. It can hire employees, contract for services, use employees from participating municipalities, own property, and borrow money as allowed by law.

A union municipal district may be useful when several municipalities want to jointly manage an ongoing service, such as public works, emergency services, recreation or parks, solid waste, or other municipal operations.

Creating a district requires several steps. Municipalities must first establish a joint municipal survey committee to explore the proposal and prepare an agreement. The agreement must explain how the district will operate, including its purpose, governance, funding, and procedures for municipalities to join or leave. The Vermont Attorney General must review the agreement before it goes to voters. Voters in the participating municipalities must then approve its creation.

A union municipal district offers a more permanent structure for sharing services, but it also requires more planning and formal oversight than a staff-sharing agreement. Districts must prepare annual reports, including financial statements. Municipalities should also consider how the district would affect existing employees and any collective bargaining agreements.

A union municipal district may be worth exploring when municipalities want to jointly operate a service over many years, rather than simply share employees or equipment when needed.

Agreements for Water Services

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Vermont law also allows municipalities to enter into agreements specifically for water services. Under 24 V.S.A. § 3305, a municipal corporation may contract with a town, city, village, corporation, or individual to supply water for fire protection, household use, or other purposes.

The law also allows municipal corporations to enter into contracts, leases, or lease-purchase agreements for the construction, operation, and maintenance of water systems. These agreements may last up to 40 years or the useful life of the system, whichever is shorter.

This authority may be useful when municipalities want to share water services rather than operate separate systems. For example, one municipality might provide water to another or enter into an agreement for the operation and maintenance of a shared water system.

These arrangements may also involve shared employees, equipment, or other resources. Municipalities should clearly identify who is responsible for operating the system, supervising employees, paying costs, maintaining equipment, and meeting applicable water system requirements.

Agreements for Wastewater and Stormwater Services

Vermont law also allows municipalities to work together to provide wastewater and stormwater services. Under 24 V.S.A. § 3613, a municipal corporation may enter into agreements with other towns, cities, villages, government agencies, businesses, or individuals to provide sewage or

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stormwater disposal services.

The law also allows agreements for building, operating, and maintaining sewage disposal plants. These agreements may last up to 40 years or the useful life of the plant, whichever is shorter.

This option may be useful when municipalities want to share wastewater services or equipment rather than manage everything on their own. For example, one municipality might treat wastewater for a neighboring municipality or help operate and maintain a shared treatment plant.

These agreements may also involve shared employees or other resources. Municipalities should clearly identify who will supervise employees, pay costs, maintain equipment, and meet applicable environmental and safety requirements.

Working with a Regional Planning Commission

A regional planning commission, or RPC, can also be a partner in providing intermunicipal services.

Under 24 V.S.A. § 4345b, an RPC that has completed the required bylaw and public process may promote, coordinate, implement, and administer service agreements among municipalities. These agreements can address planning, community development, joint purchasing, intermunicipal services, infrastructure, and related activities.

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Participation by a municipality is voluntary. A service agreement must be approved by the RPC and the legislative body of each participating municipality. The agreement must describe the services that will be provided, and the amount each participating municipality will pay. Municipalities may also contribute personnel, equipment, office space, or other necessary services as part of their support for the arrangement.

An RPC does not gain municipal taxing authority, eminent domain authority, or essential legislative functions through these agreements.

There are also limits on the funds an RPC may use. Regional planning funds generally cannot be used to provide services under one of these agreements without required authorization from the State or other entity providing the funds, and funds and grants provided for regional planning services cannot be used to cover the costs of services provided under the agreement.

An RPC partnership may be worth exploring when several municipalities share the same staffing or service need and would benefit from a regional organization helping coordinate or administer the arrangement.

Decide How Costs Will Be Shared

Cost-sharing does not need to be complicated, but it should be clear.

For a temporary staff loan, the receiving municipality might reimburse the home municipality for:

- regular wages,
- overtime,

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- employer payroll costs,
- employee benefits,
- travel or mileage,
- equipment use, and
- other agreed expenses.

Longer-term arrangements may use a fixed annual amount, hourly rate, percentage of total costs, or another formula.

Municipalities should decide in advance which costs are included and how often invoices will be submitted.

Plan for Work During a Disaster

A shared employee may work in more than one municipality during a federally declared disaster. The agreement should address how employee time, vehicles, and equipment will be tracked and charged when this occurs.

Municipalities may want to use the FEMA Public Assistance Schedule of Equipment Rates as the basis for charging municipal vehicles and equipment used by a shared employee during eligible disaster work. FEMA publishes hourly rates for applicant-owned equipment that account for costs such as fuel, maintenance, depreciation, and operation. The rates do not include the employee who operates the equipment, so labor and equipment should be tracked separately.

For example, if a shared public works employee uses one municipality's loader to perform eligible disaster work in another municipality, records should separately identify:

- the employee's labor hours and costs,
- the equipment used,

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- the hours the equipment was actually used,
- where and when the work occurred, and
- the disaster-related work performed.

FEMA Public Assistance has separate rules for mutual aid. For eligible mutual-aid work, FEMA may treat the assisting municipality's employee costs as contract labor and may reimburse eligible straight-time and overtime wages and certain benefits. Equipment may be reimbursed based on the agreement or applicable equipment rates. Eligibility depends on the work performed, the agreement, documentation, and FEMA requirements in effect for the disaster.

A staff-sharing agreement can establish these procedures before a disaster occurs. Doing so can help municipalities maintain the records needed to allocate costs between communities and, when applicable, support a FEMA Public Assistance claim.

Put the Arrangement in Writing

Even when municipalities have a strong working relationship, a written agreement can prevent confusion. The level of detail should match the arrangement. A short-term staff loan may need a relatively simple agreement. A permanent shared position or department will require more detail.

Consider addressing:

- **Purpose and Duration -** Explain why staff are being shared and when the arrangement begins and ends.
- **Employer Responsibilities -** Identify which municipality remains responsible for payroll, benefits, personnel policies, and other employer responsibilities.

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- **Work and Supervision -** Describe the work the employee may perform and who will provide day-to-day direction, performance evaluations, and (if needed) employee discipline/termination.
- **Employee Availability -** Make clear whether the employee's home municipality can recall the employee when needed.
- **Costs and Reimbursement -** Identify reimbursable costs, rates, invoicing procedures, and payment deadlines.
- **Overtime and Work Hours -** Explain who may authorize overtime and how those costs will be handled.
- **Vehicles and Equipment -** Address whether the employee may operate another municipality's vehicles or equipment and what approvals or training are required.
- **Safety -** Identify which workplace safety procedures apply and how safety concerns will be reported.
- **Insurance and Liability -** Address workers' compensation, liability coverage, vehicle coverage, and responsibility for claims.
- **Confidentiality and Records -** If the employee will handle sensitive information or municipal records, identify applicable responsibilities.
- **Ending the Arrangement -** Explain how either municipality can end or change the arrangement.

Involve the Right People

Staff sharing can involve employment, insurance, financial, and liability questions.

Before finalizing an arrangement, municipalities should consider involving:

- the municipal manager or administrator,
- department heads,

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- finance staff,
- the legislative body,
- municipal counsel,
- union representative, when applicable, and
- the municipality's insurance provider.

Employees involved in the arrangement should also understand who will supervise their work, what duties they may perform, and how concerns (ex. conflicting instructions, safety, leave and attendance, etc.) should be raised.

Consider Collective Bargaining Obligations

If an employee is represented by a union, review the municipality's collective bargaining agreement before establishing a staff-sharing arrangement.

Under Vermont's Municipal Labor Relations Act, municipal employers must bargain in good faith with the exclusive bargaining agent over wages, hours, and conditions of employment. The law also recognizes managerial prerogatives. Whether a particular staff-sharing decision requires bargaining will depend on the circumstances and the applicable collective bargaining agreement.

A staff-sharing arrangement could affect issues addressed by a collective bargaining agreement, such as:

- job duties or classifications,
- work location,
- schedules and hours,
- overtime and call-back procedures,
- seniority,
- supervision,

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- use of employees outside the bargaining unit,
- temporary assignments,
- compensation or differentials,
- use of vehicles and equipment, or
- health and safety requirements.

The collective bargaining agreement may also contain provisions about subcontracting, assigning bargaining-unit work to others, or temporarily filling positions.

Review these requirements ***before*** committing to an arrangement with another municipality or regional partner. Depending on the circumstances, the municipality may need to provide notice to the union, discuss the proposed arrangement, or bargain over aspects of the arrangement or its effects.

Municipalities should consult their labor counsel when they are uncertain whether a proposed arrangement creates a collective bargaining obligation. The staff-sharing agreement should also be consistent with any applicable collective bargaining agreement.

Think Beyond the Immediate Need

An unexpected staffing loss can reveal how much a municipality depends on one person's knowledge or skills.

After addressing the immediate need, municipalities may want to ask:

- Who could perform this work if another employee were suddenly unavailable?
- Which neighboring municipalities have employees with similar skills?
- Could employees be cross-trained?
- Would a standing staff-sharing agreement make future responses easier?

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- Are there specialized positions that several municipalities could support together?
- What information should be documented so knowledge is not lost when employees leave?

Staff sharing cannot solve every workforce challenge. But cooperation among municipalities can provide important backup, improve access to specialized skills, and make local government services more resilient. For some communities, a temporary staff loan may be all that is needed. For others, an unexpected staffing challenge may become an opportunity to build a stronger long-term partnership.

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