ACCOUNTABILITY

As dull and unimaginative as finance may seem, the realm of numbers and calculations serves an important role in the world of management. You can tell a lot about a municipality from its financial statements: what its priorities are, how well it plans for the future, how well it manages its resources, and what kind of resources it has.

Taxpayers approve a budget and hold the municipal government accountable for proper management of that budget and the resources that fund it. If you don’t know where those resources are going, or if they are being used to accomplish the goals of your taxpayers as represented in the budget, you’ve failed in your role as steward of public funds.

The best way to be accountable is to know your way around your budget and your financial statements. Finance officials should be able to provide all three documents discussed below – Budget Report, Statement of Revenues, Expenditures and Changes in Fund Balance, and Balance Sheet - to managers and board members. Accounting software allows you to provide both annual and monthly reporting, with budget reporting on a more frequent basis. Managers

(Continued on Page Seven)

VLCT PACIF Completes Renewals Amid Uncertain Insurance Market

ACHIEVES 100% RENEWAL RATE FOR 2002

The VLCT Property and Casualty Intermunicipal Fund (PACIF) recently mailed out renewal notices to its 243 members, each of which had notified PACIF of its wish to continue municipal coverage in 2002.

“This successful renewal, along with our continued growth in new members, is a welcome sign that we are doing a good job,” commented VLCT Group Services Director Dave Sichel. He added, “This renewal season has been particularly challenging due to the events of September 11 and their effects on the reinsurance industry.”

VLCT PACIF was fortunate in its own reinsurance renewals and avoided the worst of the tightening insurance and reinsurance markets. Sichel gave much credit to the National League of Cities Mutual Insurance Company (NLC MIC), which provides PACIF with reinsurance coverage. “While other reinsurers were raising prices and

(Continued on Page Nine)
FROM THE EXECUTIVE DIRECTOR –

In the wake of the Vermont Supreme Court’s decision to deny the defense of qualified immunity to snowplow operators (see Legal Corner on Page 4), the Vermont League of Cities and Towns has received a lot of questions from municipal officials regarding the need for an Employee Indemnification Resolution. The intention of such resolutions is to provide protection for municipal employees who are sued personally for actions arising out of the course and scope of their employment.

Although protecting the personal assets of municipal employees from litigation costs and damage awards through an Indemnification Resolution may well be a laudable goal in terms of employee “peace of mind,” and labor relations, municipalities considering doing so should ask themselves several questions before acting.

1. Is it necessary? Most municipalities have insurance coverage for employees in the event of a lawsuit – as long as the employee’s alleged negligent act occurs while the employee is acting within the course and scope of his or her employment. Thus, before considering the adoption of an Indemnification Resolution, you should first consult with your insurance carrier to determine who is covered and under what circumstances.

2. Do you understand all of the possible consequences of adopting such a resolution? An Indemnification Resolution has inherent pitfalls, and therefore you should ensure that your municipality has a clear understanding of the exact nature of its exposure in the event that its employees are sued. For instance, a blanket resolution would require the municipality to pay any legal expenses or damage awards over and above an amount that may already be covered by insurance. Likewise, if the municipality were self-insured, it would be required to pay for all legal fees and damage awards. There is a great deal of uncertainty in litigation, and you should consider whether your taxpayers would be willing and/or prepared to absorb a significant, unanticipated damage award.

3. Are you covering people for any acts that are not done in good faith, outside their scope of employment, or activities that are illegal? For instance, the VLCT-PACIF coverage document contains coverage exclusions for certain types of employee acts. You may not want to provide coverage for acts your insurance does not cover.

4. Have you had your municipal attorney review the exact language of the resolution? If you do decide to adopt a resolution, you must make sure that you consult with your municipal attorney so that there is careful scrutiny of the resolution’s language. There should be a clear understanding between you and your employees as to the precise nature and extent of your defense and indemnity obligations.

VLCT encourages all municipalities to explore all appropriate means to assure that their employees are free from unnecessary risk or worry about being able to perform their public service. An Indemnification Resolution may be one of many ways to accomplish this. However, before doing so, you should understand all your options and all the potential consequences of your actions.

- Steven Jeffrey, VLCT Executive Director
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MUNICIPAL EMPLOYMENT & PERSONAL LIABILITY; CHANGING LAW RETROACTIVELY

TOWN SNOW PLOW OPERATOR IS NOT IMMUNE FROM SUIT IN A PERSONAL INJURY ACTION

Recently, the Vermont Supreme Court held that a town employee operating a plow truck was not immune from suit in a negligence action (see Morway v. Trombly, 2001 WL 165182 (Vt. 2001)). Although at first glance the Morway decision may seem like a drastic change in the law, it really constitutes a reaffirmation of the Court’s 1993 ruling in Hudson v. Town of East Montpelier, 161 Vt. 168 (1993).

East Montpelier, 161 Vt. 168 (1993). In Hudson, the Court concluded that a town highway employee was not immune from a personal injury suit stemming from alleged improper repair of a town road. In extending the principles of Hudson to the Morway case, the Court reached the same conclusion in the context of town employees who engage in winter highway maintenance. In short, however much the League may disagree with the Morway decision, it really changes nothing in terms of the circumstances under which town employees may be exposed to personal liability.

So how can certain town employees be individually exposed to liability when other employees and their employers are not? The answer lies somewhere between the Court’s interpretation of legislative intent and the purpose behind qualified immunity. The Court has reasoned that the Vermont Legislature has, through the passage of certain laws, indicated its intent to preserve sovereign immunity for municipalities. In contrast, it has “done nothing to protect lower-level municipal employees from tort suits in situations in which the town is immune from suit.” Morway v. Trombly, 2001 WL 1658182 (Vt. 2001).

In addition, qualified immunity is designed in part to shield government employees who exercise discretion regarding matters of public policy from “a judicial system that is ill-suited to assess the full scope of factors involved in such decision-making.” Hudson, supra, 161 Vt. at 172. Thus, municipal employees who make policy decisions that are based on factors such as availability or allocation of public resources or public acceptance are immune from suit. Id.

Because town highway workers engaged in road maintenance are not engaged in discretionary decisions that require a weighing of the type of policy considerations outlined above, they are not entitled to the defense of qualified immunity.

What does this mean for highway employees or similarly situated workers? Just as before the recent decision, it means that they can be sued individually for negligently performing their duties and that it is unlikely that they could assert the defense of qualified immunity. Nevertheless, a plaintiff in such a suit must still prove negligence against the employee. For those municipalities that are part of the VLCT Property and Casualty Intermunicipal Fund (PACIF), liability coverage for the employee will typically be afforded (barring any unusual coverage circumstances). If your municipality is not a member of VLCT PACIF, you should check with your insurance carrier as to coverage for your employees when performing their duties.

The Vermont League of Cities and Towns will continue to monitor this important issue. In the event that the Legislature addresses the matter, the League will be ready to represent the best interests of our member municipalities. If you have any questions or thoughts on this subject, please give us a call at 800/649-7915.

- Sue Ritter, VLCT Staff Attorney

RETROACTIVE PROVISION OF TAX AMENDMENTS STRUCK DOWN

In Burton v. Town of Salisbury, Docket Nos. 99-560, 561 and 569 (Dec. 2001), the Vermont Supreme Court ruled that the provision of a 1995 bill that made amendments to the tax appeal process retroactive to 1991 is unconstitutional. The provision of the bill that is in question addressed the issue of what the listed value of property on the grand list will be if the Board of Civil Authority (BCA) does not substantially comply with its obligation to issue a timely decision on a tax appeal.

Under 32 V.S.A. § 4404(c) as amended in 1995, if the town does not substantially comply with the requirements for issuing a decision in a tax appeal, and the appeal is not withdrawn, then the “grand list of the appellant for the year for which the appeal is being made shall remain at the amount set before the appealed change was made by the listers; except, if there has been a complete reappraisal, the grand list of the appellant for the year for which the appeal is being made shall be set as at a value which will produce a tax... (Continued on next page)
liability equal to the tax liability for the proceeding year.” The change to this statute in 1995 clarified that when there has been a complete reappraisal, a taxpayer is only entitled to a rollback to the grand list value for the year for which the appeal is being made. Moreover, the bill made this change retroactive to January 1, 1991.

Prior to this amendment, Vermont Courts had ruled that the rollback applied to multiple years other than the year for which the appeal is being made. Specifically, the Vermont Supreme Court had previously ruled that the taxpayer in Burton was entitled to a roll back of the value of the property in question for multiple years under the prior version of 32 V.S.A. § 4404(c).

The taxpayer in Burton argued that it was unconstitutional for the legislature to invalidate previous rulings of the judicial branch of government by making this legislative amendment retroactive. The Vermont Supreme Court agreed. In its decision, the Vermont Supreme Court stated that:

In making § 12 of the act retroactive, the legislature implicitly reversed a final judgment from this Court. Such legislation violates the constitutional principle of separation of powers. Id at 3.

As a result of this decision, municipalities should be aware that the 1995 amendments to 32 V.S.A. § 4404(c) are no longer effective retroactive to January 1991. Going forward, it is clear that rollbacks may only apply for the year for which the appeal is being made. The decision also clarifies that municipalities may not include retroactive provisions in their own zoning bylaws or ordinances that take away a vested right.

-Jon Groveman, Director, VLCT Municipal Law Center
Questions asked by VLCT members and answered by the League’s legal and research staff

PETTY CASH; CHECKS W/ RESTRICTIONS; PRIVATIZING DELINQUENT TAX COLLECTION

Our recreation committee sometimes needs money for small purchases and cannot wait until the selectboard meets to approve the expenditure. Can the selectboard adopt a blanket resolution authorizing the town treasurer to issue blank checks for the committee’s use?

We do not believe that the selectboard has the authority to authorize blank checks drawn on municipal accounts. Twenty-four V.S.A. §1623 is very specific in terms of what the selectboard may do to draw orders on the treasurer if the entire board feels it cannot meet to approve such orders.

Under 24 V.S.A. §1623 there are two ways for the board to draw orders without meeting to do so:

1) Authorize one (or more) of its members to examine and sign orders. If this is done “orders shall state definitively the purpose for which they are drawn....” We interpret this provision to mean that selectboards cannot just pass a blanket resolution that says certain town officials can be handed a blank check. If authorized, the one board member would then have to approve orders on an individual basis and document what the order is for.

2) Submit a certified copy of the selectboard minutes to the treasurer, signed by the clerk and chair or by a majority of the selectboard, showing in detail to whom and for what purpose payment is to be made. This is a further indication that blanket approvals to disburse checks cannot be made by the board. Each order must be approved individually and records must be kept describing the specific purpose of each payment.

In our town we have adopted the policy recommended in VLCT’s Handbook for Collectors of Delinquent Taxes that partial payments of delinquent taxes be allocated proportionally among the principal, interest and penalty due. Recently, a taxpayer submitted a partial payment and indicated on the check that the entire amount should be directed to paying the principal. The check was cashed and the taxpayer claims that we are prohibited by law from allocating the partial payment in accordance with our policy. Is this true?

Unfortunately, yes, it is true. According to the Vermont Division of Banking and Insurance, under the Vermont Uniform Commercial Code, if the person issuing a check places conditions on the check, and the check is cashed, the person who cashes the check is deemed to have accepted the conditions. See 9A V.S.A. § 3-311, Note 2. Accordingly, the town accepted the conditions of allocating payment when it cashed the check presented to the town to ensure that the entire amount should be directed to paying the principal.

To address this kind of situation, however, some towns utilize a petty cash system, controlled by the town treasurer and available to authorized town officials such as the town recreation committee for small purchases. Before resorting to petty cash, however, town officials are encouraged to use vendors with whom the municipality has an open account. If this is not possible, they are required to submit receipts for payment to the treasurer and are then reimbursed from the town’s petty cash fund. Generally, the petty cash fund is small - $100 or so – and would periodically be replenished and expense coded to the appropriate town accounts.

In our town we are interested in hiring a collection agency to collect delinquent taxes instead of electing a collector of delinquent taxes. Is it legal to do so?

Not in our opinion. It seems to us that the statutes are fairly clear that either the town elects a collector of delinquent taxes (DTC) or the constable becomes the DTC. There are also statutes that clearly delineate the penalty for being delinquent on your taxes and how the DTC is compensated. Given these provisions, absent a charter provision, we don’t think that a town has the authority to hire an independent collection agency in lieu of the DTC.

- Gail Lawson, VLCT Associate, Legal and Membership Services

- Jon Groveman, Director, VLCT Municipal Law Center
and boards should be monitoring these reports on a regular basis, looking for signs of any potential problems. Remember: proactive financial management is the best way to prevent financial disaster and will protect your taxpayers from having to raise taxes to fund deficits.

Below is a brief overview of what is found in municipal financial statements. Next month, we will look at how to monitor and evaluate these statements. In March and April, look for articles in our Tech Check column on using Microsoft Excel to calculate ratios and to perform trend analysis and forecasting – all important building blocks for accurate and useful financial statements.

**FINANCIAL STATEMENT BASICS**

The first step in analyzing financials in a meaningful way is to have a good understanding of their basic structure. And the first important rule in municipal accounting is: **Assets = Liabilities + Fund Balance.**

Assets are what you own, and Liabilities and Fund Balance are how your Assets are divided up between your debt (all Assets that are financed, i.e. Liabilities) and what you own free and clear (Fund Balance). To go a step further, your Fund Balance can be calculated by taking the total of your Assets and subtracting what you owe (your Liabilities).

Fund Balance can be divided up into a couple of categories: Reserved and Unreserved. Reserves are funds that are set aside for a specific purpose and have some sort of legal basis, such as taxpayer approval, or state or federal mandate; these cannot be used for any other purpose. Unreserved funds are those discretionary funds that are left and will generally be carried over into the next budget to reduce taxes or to just leave as a contingency or to use in another fiscal year.

Every year when you complete your annual financial reporting, you find your ending Fund Balance by taking your Beginning Fund Balance, adding your Revenues (what you’ve earned), and subtracting your Expenditures (what you’ve spent). This will increase your current Fund Balance or decrease it depending on whether you had a surplus or a deficit for the year.

**THE REPORTS**

Your financial reports give you a snapshot of where you are financially at any given point in time. The **Budget Report**, or to use your auditor’s terminology, the **Budgetary Basis Report**, will show you how well you did against what you budgeted. It is a report of revenues collected and appropriations expended with a column for the variance - how much you were either over or under what was budgeted (Budget minus Actual).

The **Statement of Revenue, Expenditures, and Changes in Fund Balance** is exactly what it says it is. It details your revenues and expenditures, and at the bottom shows the difference between the two, either a surplus if you had more revenue, or a deficit if you had more expenditures. It then shows the beginning fund balance and adds the surplus (or subtracts the deficit) to give you the ending fund balance.

The **Balance Sheet** shows all of your assets, then looks at those assets in terms of the amount that is debt (Liabilities) and the amount that isn’t (Fund Balance). The Fund Balance should of course match the ending Fund Balance from your Statement of Revenue, Expenditures, and Changes in Fund Balance.

**Assets consist of:**
- **Cash and Investments** – Petty cash, checking and savings accounts, certificates of deposit, money market accounts, and all forms of investments.
- **Receivables** – Taxes, penalties, loans or any other bills owed to you, as well as interest that has accrued on investments but hasn’t yet been paid to you.
- **Interfund Receivables** – (Due From Other Funds) – In Fund Accounting you have a situation where one fund, the General Fund, pays all the bills for other funds that may be accounted for separately, like a Fire Fund or Sewer Fund; every time cash is received in the General Fund for one of these other funds, an Interfund Payable is set up to show that the other fund owes the General Fund for that transaction.
- **Prepaid Expenses or Deferred Costs** – Payments you’ve made for expenses that won’t actually be incurred until after the current budget year; an example would be insurance that’s paid for prior to the new fiscal year, or costs that may be paid in the current year but allocated to future years to offset revenues that will be received against them.
- **Property, Plant and Equipment** – The cost of these less depreciation.
- **Amount to be Provided for Long-Term Debt** – An offset to the funds you have to provide to pay off bonds or other long-term obligations; this kind of debt requires a commitment from your taxpayers and that commitment is recorded as an asset to offset the debt liability.

**Liabilities consist of:**
- **Payables** – Any bills, payroll and tax withholdings, or short-term loans and leases that you owe and haven’t yet paid.
- **Interfund Payables (Due to Other Funds)** – Similar to Interfund Receivables. The General Fund receives all cash from revenues for other funds that may be accounted for separately, like a Fire Fund or Sewer Fund; every time cash is received in the General Fund for one of these other funds, an Interfund Payable is set up to show that the other fund owes the General Fund for that transaction.
- **Deferred Revenue** – Revenue you received this year that is really for next year’s budget (such as taxes).
- **Compensated Absences** – What you owe your municipal employees for leave such as vacation and sick time accrued and not yet used.
- **Bonds, Notes and Capital Leases Payable** – All your long-term (over a year) debt that is owed (offset on the asset side by the Amount to be Provided for Long Term Debt).

**Fund Equity consists of:**
- **Contributed Capital and Retained Earnings** – These categories occur in Enterprise (such as Sewer and Water) and Internal Service Funds and refer to capital that is contributed to the fund to become permanent equity, and earnings that are retained in the fund including the net investment in property, plant and equipment.
- **Fund Balances** – Both reserved and unreserved balances; unreserved may also consist of both designated and undesignated funds (designated funds are funds set aside by management to be used in the future for some specific purpose, as opposed to reserved funds which are set aside with taxpayer or by other legal mandate).

**WELCOME**

The VLCT Municipal Law Center has a new voice on the phone. **Peter Stein** started earlier this month as the Center’s new spring intern.

Peter is a third year law student at Vermont Law School. He comes to Vermont from San Francisco. Peter will work with Law Center staff to answer your legal questions, and research special topics for the Center. Welcome Peter!
Defensive Driving

Safety-conscious drivers prevent accidents

Defensive driving is driving to prevent accidents, in spite of the incorrect actions of others or adverse weather conditions. Drivers who are safety-conscious have developed good habits and practice them daily. And every time they get behind the wheel, they remember these important points:

- Keep alert and focus on your driving. Keep your mind free of distractions and concentrate on the road. Road hazards can pop up in a split second, and you may not catch them if you're fiddling with the radio, talking on your car phone, scanning the newspaper headlines, or mediating a back seat argument over a toy.

- Obey all traffic laws. Pay attention to changing speed limits and other posted warnings. Make a full stop at stop signs. And remember, a yellow light means slow down and prepare to stop, not speed up and try to beat the red light.

- Be courteous to others. Give other drivers a break. Road rage leads to accidents. Defensive drivers take it easy and get home safely.

- Adjust your driving to suit weather conditions. Driving on wet or slippery surfaces is not the same as driving on dry surfaces. When the weather is bad, slow down and adjust to the road conditions.

- Stay a safe distance from the vehicle ahead of you. One vehicle length for each 10 mph is the standard rule. This will give you time to apply your brakes gradually so that you don't go into a spin or grind to a stop so quickly that the driver in back of you runs into you.

Anticipate traffic problems. Defensive drivers constantly scan the road and look for potential problems - for example, curbside vehicles pulling out into traffic without warning, drivers running stop signs and red lights, unexpected stops and turns by other drivers, drivers changing lanes without signaling.

When you get behind the wheel of any vehicle, remember that defensive driving is a full-time job. The most dangerous mile you have to drive is the one directly ahead of you.

- Patrick Williams, VLCT Deputy Director, Group Services

Remember to mark your calendars for the VLCT PACIF-sponsored Stevens Advanced Drivers Training School. The one-day classes will be held Tuesday, May 14 - Saturday May 18, 2002, at the Knapp Airport in Berlin. The second session is Monday, August 12 - Friday August 16, 2002 at the Hartness Airport in Springfield. For information about these sessions, or any risk management issue, please call the VLCT PACIF Risk Management Department at 1-800-649-7915.
PACIF RENEWALS  -
(Continued from Page One)

running away from covering the risks that became so evident on September 11,” Sichel commented, “NLC MIC stepped up to provide terrorism coverage and kept rate increases moderate.”

PACIF’s reinsurer success, combined with its good loss history and consistent approach to pricing and underwriting, resulted in no increase in property and casualty rates for 2002 in a market where increases of 50-100% were not uncommon. Workers’ compensation rates rose overall by 10%, though members will not feel this equally due to adjustments for different payroll classifications.

PACIF member municipalities will also benefit in 2002 from the Board of Directors’ decision to issue distribution credits from prior years. Credits from the 1996, 1997 and 1998 fund years totaled $469,518 and were applied to this year’s renewal costs (PACIF distributions from prior years are a result of surplus dollars arising from lower than expected losses in those years). PACIF distributions to date total $7,200,000.

- Katherine Roe, VLCT Communications Coordinator

WELCOME NEW PACIF MEMBERS

Along with its 100% renewal rate for 2002, VLCT PACIF welcomed many new members in 2001. Since March of last year, the following municipalities have chosen PACIF to meet their coverage needs:

- East Randolph Fire District
- Huntington Volunteer Fire Department
- Randolph Center Fire Department
- Southern Windsor Regional Planning Commission
- Town of Bennington
- Town of Calais
- Town of Grand Isle
- Town of Leicester
- Town of Manchester
- Town of Pittsford
- Town of St. Albans
- Town of Westminster
- Town of Whiting
- Unincorporated Towns and Gores of Essex County
- Village of Old Bennington
- Village of Randolph Fire Department

HEALTH TRUST UPDATES

- For Health Trust members who added sections to their Blue Cross Blue Shield (BCBS) plans effective January 1, 2002 and submitted the information to us after December 1, 2001, your new insurance cards will be delayed. Please instruct your employees to use their current BCBS cards until you receive your new ones. BCBS will adjust the bills as they are received from providers.

- REMINDER: Employee additions, employee deletions and changes in primary care providers take effect the first day of the month. We must receive your paperwork at least one week prior to the first of the month so BCBS can process the change prior to the month’s end.

- The next open enrollment period is July 1, 2002.

UNEMPLOYMENT TRUST UPDATES

- Trust members recently received their Annual Wage Report for 2001. Please fill it out and return it to VLCT no later than February 28, 2002. The report should be filled out accurately as we will use it to determine your 2003 rates. Thank you!

- The Trust has extended the deadline for nominations to the Board to February 28, 2002. Nominees must be a municipal official whose municipality is a member of the Unemployment Trust. Please call or e-mail Niki White, Group Services Administrative Assistant (800/649-7915, nwhite@vlct.org), for a nomination form.

OSHA UPDATE

The Vermont Department of Labor and Industry recently revised the Workers’ Compensation Form 1 (First Report of Injury) so that use of the OSHA Form 301 is no longer necessary. All the information on the OSHA Form 301 is now captured on the Workers’ Compensation Form 1. The revised form is available at http://www.state.vt.us/labind/wcforms/form01.pdf.
she felt she knew just about everyone in town, and was ready to run for a seat on the selectboard.

“I ran against two Barnet natives, and ended up being the first woman elected to the board,” she recalled. “To the credit of her opponents and the citizens of Barnet, the issue of being a “flatlander woman” never came up in that first election, and hasn’t since then, Mona noted. “In fact,” she added, “we now have two women and one man on our board.” Mona chairs the board, and her female counterpart also serves as Barnet’s road commissioner.

On the selectboard, Mona has concentrated on safety issues around town and on improving the quality of life for Barnet’s elderly. “With my EMT experience,” she said, “I have a pretty good idea of where all the stupid things happen on our roads.” It has, however, been a challenge to find the funds necessary to fix and maintain town roads. “The selectboard has tried to support our school by level funding our budget for some years,” she commented. This year, however, the board will be forced to raise the town budget to pay for a few projects that have recently languished on hold.

The selectboard has also just completed a grant application for construction of a senior center. “Our population is 1,690 and many of them are old,” Mona commented. Younger residents commute to St. Johnsbury, the Barre-Montpelier area and to Hanover, New Hampshire for work.

Mona is especially proud of a recent project that serves all Barnet residents – the transformation of an old schoolhouse into the town’s new library. “With grants and financial support from members of the community, we were able to renovate an old town building,” she explained. The local historical society has exhibit space in the library, which Mona hopes will attract children and interest them in the town’s history.

With the role of selectboard member just becoming a comfortable one, Mona was faced with more challenges in 1995 – her divorce and the sale of the general store – and again in 1997 when she was diagnosed with breast cancer. 1997 brought a good challenge too – she took the leap and remarried, to a man who was her “rock” during her cancer treatments. “Chemotherapy, a bone marrow transplant, and radiation – I went through it all,” she remembered. She is excited to be coming up on five years cancer-free this year – a special milestone for cancer survivors, as it is then that the medical community considers their cancer cured.

Ready for the next series of challenges, Mona also began a new career with the Vermont Department of Health, Northeast Kingdom Human Services Division. Now she is anxious to learn more about politics at the state level through her service on the VLCT Board of Directors.

“I would like to know how Montpelier operates and what the small towns can do, if anything, to influence what happens there,” she commented. Smiling, she said, “I would like to believe that what’s important for the state is paramount up there!” Given her personal experience with being critically ill, Mona will be keeping an eye out on health issues, as well as the traditional town issues such as highway funding and education finance.

As a VLCT Board member, Mona said she would like to see VLCT work harder to make sure small towns are aware of our services. “We need to keep our communities up to date on what we have available for them,” she noted.

Looking back, it is not readily apparent that Mona’s Vermont life has been as simple as she might have hoped. Quieter up there in Barnet, yes, but simpler, well, the jury is still out on that one.

Welcome to the VLCT Board Mona – we hope you will enjoy your latest challenge!

- Katherine Roe, VLCT Communications Coordinator

**WHY SERVE ON THE VLCT BOARD OF DIRECTORS?**

Last fall, in the course of developing VLCT’s new mission statement and strategic plan, members of the VLCT Board were asked “What is it about VLCT that made me want to serve on the Board?” We share a few of the Board members’ answers here:

Dealing on a statewide basis rather than a local basis and dealing with developing policy rather than implementing it.

We have a balanced board that reflects the diversity of our municipal members. Such diversity provides new insights into solving problems.

I think that the League and the people in the towns are committed to the importance of local government. We want to espouse its importance.

Issues go beyond any one community’s borders.

I wanted to strengthen the power of local government, the most important government.

I get a statewide perception of what is good for towns and what services we should provide them.
Do you know how a dry hydrant operates and whether you need one in your town? Do you know what your town’s Insurance Services Office (ISO) rating is? If not, you should contact the Vermont Rural Fire Protection Task Force.

The Task Force can tell you what your town's rating(s) is and, more importantly, it can help your town lower your rating if it is high, or your firefighters need training or equipment. (An ISO rating is an evaluation of a community's ability to fight fire, and is reflected in the premiums charged for fire and homeowners insurance.)

The Task Force has administered the successful Dry Hydrant Grant Program since 1998, resulting in over 200 dry hydrants being installed in rural communities. Funding for these dry hydrants has come from the Vermont Legislature and the United States Forest Service. (A dry hydrant is a non-pressurized pipe system permanently installed in a body of water, providing a year-round, dependable, quick and safe water supply for tanker trucks to access during emergencies.)

Task Force staff is available to work with rural fire departments to locate and map out water resources, often helping to spot new locations for dry hydrants.

In 2000 and again in 2001, the Task Force administered the Jeffords Fire Safety Equipment Grant Program. Nearly $1 million in federal grant money was distributed to almost 200 rural fire departments for the purchase of badly needed personal fire protection equipment, such as helmets, boots, gloves and breathing apparatus. These grant monies, coupled with the local fire departments’ matching contributions, have put into use well over $2 million of personal fire protection equipment.

The Task Force continues to sponsor workshops to educate rural fire departments about the ISO rating schedule. Improved fire protection planning has enabled many Vermont communities to improve rural fire protection and, in turn, provide home and business owners with lower insurance premiums.

If you or your community have questions about how to improve fire protection and fire fighter safety, contact the Vermont Rural Fire Protection Task Force, in care of: Northern Vermont RC&D Council, 17 Comstock Road, Suite 2, Berlin, VT 05602, tel., 802/828-4595, e-mail, beth_ann.finlay@vt.usda.gov or George D. Aiken RC&D Council, 1538 VT Rte 66, Randolph, VT 05060, tel., 802/728-9526, e-mail, kenneth.hafner@vt.usda.gov.

- Josh Hanford, Vermont Rural Fire Protection Task Force

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MUNICIPAL RAPID RESPONSE PLANS

(Editor’s note: In last month’s issue of the VLCT News, the state asked municipalities to make sure they have a local emergency management director. This month the topic is the municipal Rapid Response Plan.)

As we enter into a new year, it is vital that all Vermont towns and cities review and update the Rapid Response Plan (RRP) on file with Vermont Emergency Management. The RRP lists local points of contact, local emergency operations centers and local shelters. In the event of an emergency, state managers and planners use this information to contact town or city officials. It is vital that the Rapid Response Plans be current and continuously updated.

Governor Dean wrote to all communities on January 14, 2002, asking each town to review its Rapid Response Plan. He stated: “If we can learn anything from the tragic events of September 11, it is that planning and coordination are key to a successful emergency response. Last year the Vermont Division of Emergency Management asked your town to fill out a ‘Vermont Rapid Response Plan’ form. ... As we begin the new year, I urge you to review your town’s emergency response plan.”

This review should include representatives from law enforcement, the local fire department and emergency medical services, the local emergency management director, the public works supervisor, the selectboard, the town clerk’s office and any other officials viewed as critical to building an effective emergency plan.

Once community officials receive this mailing from the Governor’s office, please review and update your Rapid Response Plan, and forward a copy to Vermont Emergency Management, 103 South Main Street, Waterbury, VT 05671-2101; fax, 802/241-5556; e-mail, rschell@dps.state vt.us. If you require any assistance in completing the Plan, contact Robert Schell, Chief of Emergency Field Operations, tel. 800/347-0488.
Recent visitors to the VLCT web site (www.vlct.org) will notice a new look and the addition of new resources.

First published in 1997, the web site was long overdue for an overhaul, especially in light of the web industry standard of annual “makeovers.” We hope the changes will make the site more useful and more fun to look at.

Favorite features from the old site were retained – VLCT board and staff listings, the Weekly Legislative Report, the VLCT News and the Municipal E-directory. A new section was created on Vermont Local Government, and more information was added about how VLCT works – now included are our mission statement and strategic plan, organizational chart and bylaws. These sections should help members of the general public who visit the site better understand how local government works, and how VLCT serves local government.

Two VLCT Municipal Law Center favorites were added to the site – the Topical Index to Municipal Laws and the Municipal Calendar of important election, tax and Town Meeting dates.

For companies that do business with VLCT, advertising information for our newsletter is now on the site. Information for companies interested in exhibiting at Town Fair 2002 will be posted once it is ready.

While not noticeable to site visitors, important work was also done behind the scenes to make most of the site accessible to VLCT staff for updates. This will go a long way toward keeping the site accurate and up to date.

The next phase of site improvements will include forms for signing up for VLCT workshops, and an update of the entire Group Services section. Please let us know your ideas for future content, and for changes to the existing site. While we don't want the site to replace the personal service VLCT staff is so proud to deliver, we do want it to provide the information and service you expect.

- Katherine Roe, VLCT Communications Coordinator

**DON’T FORGET THIS VLCT-SPONSORED PRODUCT - GovOffice Webcreator**

Your local government wants to build a web site to communicate with citizens, explain its services and efforts, and encourage community feedback and involvement. But the site has to be affordable, interactive, and easy to maintain. Where do you begin?

GovOffice Webcreator can help. All you need is a computer, an Internet connection, and a browser - no software or confusing installation. The cost is based on population, with smaller municipalities paying less. It’s the easy-to-use, interactive, and flexible web site development tool created for municipalities, by municipalities.

For more information about GovOffice Webcreator, contact Tyler at Avenet, toll-free, 877/564-4979, or e-mail: info@govoffice.com. You may also visit the GovOffice web site (www.govoffice.com).

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**Schema**

- VLCT News
- January 2002
Spam (the junk e-mail kind, not the 1960s lunchtime staple) is an annoying problem for many e-mail users. Recently, some valuable anti-spam tips have been circulating amongst Vermont’s Muninet listserv users, and with the kind permission of the authors, we summarize them below for the benefit of all. Also included is a note about a related issue, computer viruses.

Advice from Chuck Hafter, City Manager, South Burlington:

Spam comes in all sizes and shapes and it will get much worse in coming years as it costs the same to send out one million e-mails as it does to send one. Three things you can do:

1. Your e-mail reader probably has a filter. Use it to discard mail with headings such as “cash, money, hot sex, etc.”
2. You may have hidden programs on your computer that report all your activities on the web to marketing companies and the like. There is a terrific free program called Ad-aware that you can download and run to remove these programs from your computer. (My kids continually download these programs, such as Comet Cursor, without informing me. They come as hidden programs with other downloads you do want.) Ad-aware goes through the registry and the hard drive to identify all the spyware on your hard drive. You can then eliminate it. The address for the program is http://www.lavasoftusa.com/; the latest release is 5.62. You may be amazed at what is hidden on your computer, especially if you have posted to web sites or newsgroups. I found over 40 spyware components on my home computer the first time I ran Ad-aware. (Read the Ad-aware instructions carefully, as some programs, such as Kazaa which downloads music, require the spyware to operate.)
3. Create a new phony e-mail address for posting to web sites or newsgroups, etc. Then all the spam will be sent to this new e-mail address you never really use.

Advice from Craig Donnan, IS Project Manager, UVM Center for Rural Studies:

Dealing with unwanted e-mail spam is a constant issue that comes with the information age - much like unwanted snail mail.

The best thing is to complain to the Internet service provider (ISP) that provided the user with the account that sent the mail. Most ISP’s will cut the spammer off. Go to: http://spamcop.net/ to report.

Web author Michael Banks suggests that you forward the spam, including headers, to the ISP with a polite note asking them to stop such mailings. Direct the request to “postmaster” at the ISP host, for instance, postmaster@sover.net. If you get no response, the spammer may have his/her own domain name or a fake domain name; check the headers to find the message source.

You can also check the ISP’s home page to see if there is a special address to send such requests to. ISPs and online services with special addresses for handling spam: AOL (abuse@aol.com), Netcom (abuse@netcom.com), and InterRamp (abuse@interramp.com).

For more spam information, check out http://www.elsop.com/wrc/nospam.htm.

Advice on viruses from Mike Gilbar, VLCT Director of Administrative Services:

Some of you may have fallen victim to the recent sulfbk hoax, deleting a Windows file that you shouldn’t have. Those of us who have experienced the havoc a virus can wreak are particularly jumpy when we receive virus alerts from trusted e-mail senders. Always keep in mind that viruses and hoaxes can be forwarded like wildfire through very credible sources. The best way to deal with these threats is to remain as vigilant and suspicious as an old Vermonter.

Get anti-virus software if you don’t have it and keep the virus definitions updated; set it to automatically check all e-mails, do a routine scan of your files, and download new virus definitions daily if possible.

Jill George, VLCT Technology Specialist, suggests that you visit the following web sites for details and as a handy helper when you get VIRUS WARNING messages:

McAfee pages:
http://vil.nai.com/VIL/hoaxes.asp
http://vil.nai.com/VIL/newly-discovered-viruses.asp
http://vil.nai.com/VIL/recently-updated-viruses.asp

Symantec general page:
http://www.symantec.com/avcenter/vinfodb.html

Montpelier IS Manager Fred Skeels says “I subscribe to notifications from Computer Associates, McAfee and Symantec, and to a separate listing from Dr. Watson. All of these gurus report them at different times. I also link up with the Symantec hoax page because I get various notifications from my users or friends of theirs and I like to nip the broadcast warnings in the bud if possible.”

There’s also http://www.vnmyths.com/, a more glitzy website that provides virus and hoax information. Just ignore the ads and banner when you explore this.
The Vermont Department of Environmental Conservation’s (DEC) Environmental Assistance Division recently created a program designed to provide Vermont municipalities with environmental regulatory assistance. The Municipal Compliance Assistance Program (MCAP) can provide your facilities with a no cost, on-site compliance review.

John Daly, the MCAP Compliance Assistance Specialist, can come to your town and provide your facilities with the free on-site review. Violations discovered during the on-site can then be voluntarily corrected. Two violations frequently found at municipal garages involve floor drain discharges and Spill Prevention Control and Countermeasure (SPCC) plans.

SPCC is a federal program run by the U.S. Environmental Protection Agency (EPA). An SPCC plan is required for facilities that have more than 1,320 gallons of above-ground oil (fuel) storage in total and/or more than 660 gallons of above-ground oil storage in a single tank. Do any of your facilities have a 1,000-gallon, above-ground fuel tank? For SPCC it is not how much oil is stored on site, but rather how much oil storage capacity you have. Because an SPCC plan is quite involved and costly, most towns would be better served by reducing their storage capacity so an SPCC plan is not triggered.

Municipal garages have been found to have floor drains discharging to rivers, leachfields and to the ground surface. Under the federal program, all of these discharge points are illegal for floor drains in a vehicle service operation. Floor drain discharges must be treated by an oil/water/grit separator prior to going either to a wastewater treatment facility or to a holding tank for transport to a treatment facility. Future Vermont regulations will be similar to the federal requirements.

Please contact the MCAP if you have any questions about floor drains at your DPW facility, or the need for an SPCC plan. For your town to receive free compliance assistance from the MCAP simply contact John Daly through the Environmental Assistance Hotline at 800/974-9559. John can also be reached at: Vermont Agency of Natural Resources, Environmental Assistance Division, 103 South Main Street, Waterbury, VT 05671-0411; fax.: 802/241-3273.

- John Daly, Compliance Assistance Specialist, Vermont Agency of Natural Resources

**State Offers Carrot for Environmental Compliance**

Back in September, two officials from the U.S. Environmental Protection Agency visited St. Johnsbury to inspect the town’s Department of Public Works garage and water/sewer garage. The problems they found prompted Manager Mike Welch to contact John Daly for assistance. Mike was very pleased with the state’s response: Daly quickly pulled together the necessary DEC staff for a single, comprehensive site inspection. Following the inspection, he issued a detailed written report, helped the Town draft an RFP to remedy the problems, and even reviewed the proposals that came in. Mike praised Daly’s work in a recent letter to him. In Mike’s words:

"Before the EPA ever visited our community a local resident had informed me about the MCAP and had suggested that I seek a voluntary inspection to identify any potential problem areas. … I should have taken her advice. If I had contacted John Daly in advance of the EPA inspection, 90% of the issues they raised could have been easily corrected.

… I deeply appreciate the fact that services such as the Municipal Compliance Assistance Program are available to our communities. This is exactly the way that Vermont – and the EPA – should be working with communities to assure compliance with the myriad of environmental rules and regulations that apply to our municipal operations.

Mike is very willing to discuss his experience with the MCAP with other municipal officials. You can reach him in St. Johnsbury at 802/748-3926.

**St. Johnsbury: “Been There, Done That” Strongly Recommends MCAP to Others**
BOOK REVIEW

A Local Official’s Guide to Developing Better Community Post Offices; 2001; $15.00; 42 pp. For ordering information, please contact VLCT.

Released late last year in print form (having been available on the web since mid-summer), this Guide is a rare gem: clear, concise, easy to read and understand, and chock full of helpful experience and guidance. Published as a joint venture between VLCT, the Preservation Trust of Vermont, and the Vermont Division of Historic Preservation, this book successfully blends the expertise of each into a useful compendium for citizens and town officials alike.

Why is this book needed? Post Offices in Vermont are more than just places to mail letters or packages. As noted in the book, “The Post Office is a traditional gathering place for the community,” and is an integral part of community heritage and identity. It is an essential service and anchor tenant in successful mixed-use downtowns. Keeping the Post Office downtown is consistent with ‘smart growth’ strategies to prevent sprawl and strengthen a community’s character and historic heritage.

Clearly, Post Offices have their own fiscal and operational needs that may require more space than is available in current facilities. This book gives fair treatment to those needs and conditions, and then offers specific ideas and strategies for meeting those needs while also meeting the needs of our communities.

Case studies of three Vermont towns (Arlington, Westminster, and Morrisville) provide helpful examples of ‘on the ground’ success stories that may be modeled or adapted by other communities.

All in all, this is a very useful publication. It offers a perfect blend of background information, legal issues, and opportunities for community action. It is based on a refreshing foundation: rather than being a ‘call to arms’ of how to fight against the Post Office, this Guide offers strategies and suggestions as to how communities can work with the Post Office to achieve mutual goals.

Finally, this book is written in a comfortable style that lends itself to easy, quick reading. Why is this important? A book that’s this simple and informative will actually be read, and thus used. Make no mistake — this book will provide great help for many communities throughout our state and the nation.

Bravo!
- Lee A. Krohn, AICP, Planning Director, Town of Manchester

TELECOMMUNICATION TOWERS

NEW STRATEGIES FOR NEW TECHNOLOGIES

On Tuesday, February 19, 2002, VLCT will host a roundtable meeting of local officials to discuss strategies for taking a regional approach to the siting of telecommunication towers. In Vermont, companies interested in siting telecommunication towers are proliferating at the same time that technologies are changing in ways that may require far more towers than local officials anticipated just a few years ago.

Who looks at coverage on a regional or multi-town basis? How can local governments promote communication among themselves to assure that coverage is being considered on a regional basis? What should telecommunications providers submit in order to make their long term plans clear in a given geographic area? How does Act 250 handle applications on a cumulative basis?

Please join your fellow VLCT members for a discussion of actions we can take to improve local understanding of the telecommunications industry’s eventual build-out.

There is no charge for the meeting, which will take place from 9:00 a.m. - noon in Montpelier City Hall’s Memorial Room. Please contact Jessica Hill, VLCT Conference Coordinator, to pre-register.
HELP WANTED

Public Works Director. The City of Lebanon, NH (pop 12,700) is seeking a highly motivated individual to work in a team environment for the position of Public Works Director. The department consists of five divisions: operations & maintenance, utility operations, solid waste management, engineering administration and resource management. Candidates should be prepared to assist the City Manager in the review and the possible transition of this position to a Municipal Services Director, which will entail the possibility of absorbing two additional departments, Community Development and Preservation. Bachelor’s degree in Engineering, Business Management, or Public Administration, a Master’s degree preferred. At least 7-10 years of progressively responsible experience in public works or engineering administration. Salary: $53,552- $74,995. DOQ with a competitive, flexible benefits package. Resumes and applications will be accepted until 4:00 p.m. February 14, 2002. Send to Mitzi Baron, Human Resources Division, City of Lebanon, 51 North Park Street, Lebanon, NH 03677 or by e-mail in Microsoft Word or Word Perfect to Human.Resources@lebcity.com. No fax transmissions accepted. Visit our web site at: www.lebcity.com. An Equal Opportunity Employer, M/F/D/P.

Workshop for Vermont’s Moderators. Thursday, February 21, 2002, Suzanna’s Restaurant, Berlin. The VLCT Municipal Law Center is sponsoring this annual workshop for town meeting moderators. Sessions will include the moderator’s role; Robert’s Rules of Order and Vermont law; and a comprehensive review of Robert’s Rules. The final session will be a Q&A opportunity for attendees, facilitated by VLCT staff. For registration information, contact Jessica Hill, VLCT Conference Coordinator, tel. 800/649-7915 or jhill@vlct.org.

Town Officer Educational Conferences. Thursday, April 4, 2002, Lyndon State College, Lyndon; Wednesday, April 10, 2002, Rutland Holiday Inn, Rutland; Tuesday, April 16, 2002, Lake Morey Inn, Fairlee; Wednesday, April 24, 2002, Hampton Inn, Colchester; Thursday, May 2, 2002, Mt. Snow Resort, Dover. Save these dates and watch your mail early in March for registration materials.

NEW PLANNING TOOLS AVAILABLE

With USDA funds administered by the UVM Center for Rural Studies (CRS), new tools have been created for Vermont’s planning community: a dynamic Build-out Program and the web-based Town-County Profiler and GIS Viewer.

For a schedule of presentations on these new programs, which are being held around the state in February, March and April, contact Chip Sawyer, Research Data Specialist, CRS, tel. 802/656-0892; e-mail, wsawyer@zoo.uvm.edu.