

**AGREEMENT TO CREATE THE
CHITTENDEN COUNTY PUBLIC SAFETY AUTHORITY**

This Agreement for the formation of a union municipal district, to be known as the “Chittenden County Public Safety Authority,” is authorized by 24 V.S.A., Chapter 121, and is by and among those municipalities, listed below, that approve the same by action of their respective voters, as provided in 24 V.S.A. § 4863: Burlington, Colchester, Essex, Milton, Shelburne, South Burlington, Williston, and Winooski.

WHEREAS, 24 V.S.A., Chapter 121, provides that the legislative branch of two or more Vermont municipalities may, by agreement, create a joint municipal survey committee to plan for the strengthening of local governments and to promote plans for more efficient and economical operation of local government services within the participating municipalities; and

WHEREAS, a joint municipal survey committee, so created, may, pursuant to 24 V.S.A. § 4832, “make surveys and studies and conduct research programs to enable municipalities to make the most efficient use of their powers by cooperation with other municipalities on a basis of mutual advantage, and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of municipalities;” and

WHEREAS, 24 V.S.A. § 4861 provides that a joint survey committee may approve the creation of a union municipal district and, upon so doing, shall prepare an agreement for the formation of the district and file a copy with the legislative body, planning commission, and clerk of each participating municipality; and

WHEREAS, a joint municipal survey committee, created to plan, study and recommend solutions for an affordable, integrated, and efficient system of cooperative public safety support, specialty and communications services -- and first having sought the consent of the respective legislative bodies of the potential municipal members of the Chittenden County Public Safety Authority -- has approved the creation of a union municipal district to provide public safety dispatch and support services to its Members and others; and

WHEREAS, 24 V.S.A. § 4802, requires submission of a proposed agreement to form a union municipal district to appropriate governmental authorities, including the attorney general, who must approve the same, prior to submission to the voters for approval or rejection; and

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WHEREAS, under 24 V.S.A. § 4883(d), where three or more municipalities are involved in the voting, an affirmative Australian ballot vote by the voters of at least two potential member municipalities is required to enter into an agreement for the formation of a union municipal district, unless the agreement as proposed expressly provides that specific participating municipalities or a minimum number of participating municipalities approve the agreement; and

WHEREAS, by the terms hereof, the Chittenden County Public Safety Authority shall be formed only if the voters in three or more municipalities approve this Agreement;

NOW, THEREFORE, upon approval of this Agreement by the attorney general and the voters of the required number of municipalities, as referenced above, it is hereby agreed as follows:

1. Name.

A union municipal district, known as the CHITTENDEN COUNTY PUBLIC SAFETY AUTHORITY (hereafter “CCPSA” or the “Authority”), shall be formed and become a body politic and corporate, with the powers incident to a public corporation under the laws of the State of Vermont, and with such other powers, duties and responsibilities as are set forth in this Agreement.

2. Purpose.

The purpose of the CCPSA is to provide its members with an affordable, integrated, efficient system of public safety communications services. To that end, the Authority seeks to protect public health, safety and welfare, provide sufficient qualified and trained communications staff to support and facilitate rapid responses by public safety personnel when emergency situations arise, and otherwise meet the dispatch needs of its Members and the public. To improve response times, the Authority intends to operate as a “Public Safety Answering Point,” as defined by the Vermont Enhanced 9-1-1 Board.

3. Duration.

CCPSA shall be established as of the effective date of the affirmative vote to enter into this Agreement by the requisite number of municipalities and continue to exist in perpetuity unless dissolved by its members pursuant to 24 V.S.A. § 4863 and the provisions hereof.

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4. Powers.

(a) The CCPSA shall possess, pursuant to the provisions of 24 V.S.A., Chapter 121, and other applicable provisions of state law, all of the power and authority available to or vested in a union municipal district, including all powers, rights, privileges and immunities incident to public corporations, together with all powers reasonably implied in or incident to the exercise of those powers. The authority granted to the CCPSA by this Agreement is supplementary to any other powers heretofore or hereafter granted by statute for the same or similar purposes.

(b) In furtherance of its purposes, the Authority shall have full power to hold and keep invested, or expend for its purposes, such monies as are appropriated to it by its member municipalities, to establish and adopt budgets, to borrow money and issue evidence of indebtedness, to establish sinking funds, to charge members for services, to establish capital reserve funds, to accept gifts, grants, and bequests, to make payments in lieu of taxes, to contract with banks, insurance companies and other financial institutions, as well as with host communities, private businesses, non-profit corporations and other governments for the provision of services or otherwise. Nothing herein shall be construed to limit the Authority's power to receive, invest and use fiscal resources to advance the purposes of this Agreement in the same manner and to the same extent that such powers could be exercised by any of its member municipalities pursuant to law. The foregoing sentence includes the power to borrow money and issue evidence of indebtedness as provided by 24 V.S.A. chapter 53 (indebtedness) and other provisions of law authorizing general obligations or revenue debt, including applicable provisions of 10 V.S.A. chapter 12 (Vermont Economic Development Authority) and 24 V.S.A. chapter 119 (Municipal Bond Bank).

5. Definitions.

As used in this Agreement:

(a) "Board" means the Board of Directors of the Chittenden County Public Safety Authority.

(b) "CCPSA" or "Authority" means the Chittenden County Public Safety Authority, a union municipal district.

(c) "Director" means the designated or duly appointed representative of a Member, or the duly appointed representative of the Contracting Municipalities, described

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herein. The Directors shall sit on the Board of the CCPSA, represent the Members or Contracting Municipalities, and collectively have authority over and responsibility for the conduct and operations of the CCPSA.

(d) "Members" means those municipalities whose admission to and participation in the Authority has been authorized pursuant to Section 22 of this Agreement.

(e) "Contracting Municipalities" means those municipalities or public safety agencies that have not been admitted to this Authority pursuant to Section 22 of this Agreement, but that have contracted for public safety communications services with the Authority.

(f) "Person" means any natural person, corporation, municipality, the State of Vermont or any department, agency or subdivision of the state, and any partnership, unincorporated association, or other legal entity.

6. Board of Directors.

(a) All power and authority of the CCPSA shall be exercised by the Board, acting by majority vote of the Directors. Meetings of the Board shall be subject to the requirements of the Vermont Open Meeting Law and a quorum of the Board shall exist when more than fifty percent of the Directors are in attendance.

(b) Composition; Delegation. Each member of the Authority shall be represented by a Director. Each Director shall be the municipal manager or in the absence of a manager form of government, the mayor of the Member, or the municipal manager or mayoral designee. In the absence of a municipal manager or mayor, the legislative body of each Member shall appoint a qualified person to serve as a Director. Each Director, acting through the Board and subject to the limitations set forth herein, shall have full power and authority to make decisions and take action to ensure the effective provision of public safety dispatch and support services within the region covered by CCPSA without seeking further authorization from the legislative body of the specific municipality that he or she represents.

(c) Contracting Municipalities; Director. The Directors of the member municipalities shall solicit nominations for and appoint an independent Director to represent all Contracting Municipalities, if any, served by the Authority. Once appointed, the Director for the Contracting Municipalities shall have sole authority to represent the Contracting Municipalities as a member of the Board. The process and terms of

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such appointment, and the scope of the authority of the Director for the Contracting Municipalities shall be delineated in the CCPSA's Bylaws.

(d) Oath of office. All Directors shall take an oath of office substantially similar to the oath taken by public officials under 12 V.S.A. § 5813. Such oath may be administered by any person authorized by law to administer oaths and shall be taken by each Director during the Board's annual organizational meeting or, if a Director is not present during the organizational meeting, prior to the first meeting in which he or she seeks to participate as a Director.

(e) The Authority shall reimburse Directors for expenses as the Board shall, in its discretion, determine.

(f) The Board shall establish, adopt, and adhere to a written Ethics and Conflict of Interest Policy.

7. Organizational meeting.

(a) Annually, on the first Wednesday in April, or on such other date in April as is duly noticed to Members by posting at the Members' municipal offices at least seven (7) calendar days in advance, the Board shall hold its organizational meeting at a time and place designated by the Board Chair.

(b) At the organizational meeting, the Board shall elect from among its Membership a Chair and a Vice Chair, each of whom shall hold office for one year or until a successor is duly elected and qualified. No Director shall be elected Chair for more than three consecutive terms unless he or she receives the affirmative vote of at least a majority of the Members of the Board plus at least one additional member.

8. Resignation; Vacancy.

(a) A Director may resign at any time by notice to the Chair of the Authority and to the appointing authority of the Member that he or she represents or to the Contracting Municipalities, as the case may be. A Director who is a municipal manager shall resign as a Director if he or she is no longer employed by the municipality that he or she represents or, if a mayor, if he or she is not re-elected. The foregoing sentence shall also apply to designees of a municipal manager or mayor in the circumstances described above.

(b) When, for any reason, there is a vacancy on the Board the appointing authority of the Member whose seat is vacant shall, within 45 days, appoint a new Director

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whose eligibility is defined in subsection 6(b). The appointment shall be made by official action of the appointing authority of the Member, and if done by the legislative body, evidenced in its approved minutes. In all cases, appointments shall be certified by the chair or vice chair of the legislative body of the Member to the Secretary of the Authority.

9. Officers.

The officers of the Authority shall be the Chair and the Vice Chair of the Board, the Secretary of the Authority, and the Treasurer of the Authority. There may also be an assistant secretary and an assistant treasurer, as provided below. The Chair of the Board shall have the same duties and authority as the chair of a municipal legislative body under Vermont law. In the Chair's absence, the Vice Chair shall fulfill the duties and responsibility of, and have the same authority as, the Chair.

10. Secretary.

(a) The Secretary of the Authority shall be appointed by the Board and may be a Director. The Secretary, with the approval of the Board, may appoint an assistant secretary, who shall not be a Director. The Secretary or the Board may withdraw any appointment to the position of assistant secretary at any time. The Secretary shall serve at the Board's pleasure and shall perform all of the duties and functions described in the CCPSA Bylaws, including, without limitation, the following:

(1) The Secretary shall have charge and custody of the public records of the Authority and its seal.

(2) The Secretary shall take the minutes of the Authority, in conformance with the Vermont Open Meeting Law, and shall prepare and cause to be posted and published, as required by the Open Meeting Law, all warnings of meetings of the Authority.

(3) Following approval by the Board, the Secretary shall cause the annual report of the Authority to be distributed to the legislative bodies of the Members. The Secretary shall prepare, produce and, as appropriate, distribute any other reports or documents required by the laws of the State of Vermont, including the Vermont Public Records Act, and/or resolutions or rules of the Board.

(4) Such other duties and responsibilities as assigned to the Secretary by the Board.

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11. Treasurer.

(a) The Treasurer of the Authority shall be appointed by the Board and may be a Director. In the absence of the Treasurer, the functions of Treasurer shall fall to Secretary, then Vice Chair, then Chair. The Treasurer shall keep an account of moneys, bonds, notes, and evidences of debt paid or delivered to him or her, and of moneys paid out by the CCPSA. On at least a monthly basis, the Treasurer shall review the accounts of the CCPSA, and shall have the authority to approve disbursement of all payments of the Authority, and report to the Board on each review at the next meeting of the Board, including the total amount of each warrant approved with individual vendor payments, and notations of any payments not approved. The Treasurer, with the approval of the Board, may appoint an assistant treasurer, who shall not be a Director. The Treasurer or the Board may withdraw any appointment to the position of assistant treasurer at any time. The Treasurer shall serve at the Board's pleasure and shall, as applicable, perform all of the duties and functions incident to the office of treasurer of a body politic and corporate, as described in the CCPSA Bylaws and Vermont law.

(b) The Treasurer shall have the custody of the funds of the Authority and shall be the disbursing officer of the Authority. The Treasurer or assistant treasurer shall sign, make, or endorse in the name of the Authority all checks and orders for the payment of monies and pay out and disburse the same. Board Members or CCPSA staff with check signing or fund disbursement authority shall be bonded or similarly insured.

12. Administrative Personnel.

The Board may appoint a Public Safety Communications Director who shall have the authority to employ other personnel as necessary for the conduct of the business of the Authority. The Public Safety Communications Director shall serve at the Board's pleasure and subject to such rules, policies and requirements as the Board may establish.

13. Audit.

The Board shall cause an audit or outside review of its financial records to be performed annually by an independent professional accounting firm or a certified public accountant, either directly or, if financial records and statement development is performed by another governmental entity for the Authority, through contract

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with another governmental entity. The audit, upon completion, shall be shared with the legislative bodies of the Members.

14. Committees.

The Board shall have the authority to establish any and all committees as it may deem necessary, including committees with Membership other than Directors. The Board shall establish an advisory committee comprised of the Members' public safety chiefs or their designees. The Board shall define the mission, term, authority, and appointment process for any committee prior to its establishment.

15. Fiscal year.

The fiscal year of the Authority shall commence on July 1 and end on June 30 of each year.

16. Budget appropriation and assessment.

(a) For the first two years of each new Member's participation in the Authority as a recipient of dispatch services, the Board may vote to allow an alternative budget process which shall substitute for steps (b), (c) and (d), below, as follows: the budget, subject to the approval of the Board, may consist of any funding made available to the Authority from Members and other sources, including but not limited to funding new Members had budgeted to operate their own separate dispatch services, in addition to any funds made available through steps (b), (c), and (d). The details of this process are set forth in Appendix A.

(b) Proposed budget.

(1) Annually on or before the first Monday in October, the Board shall prepare a budget for the Authority for the next fiscal year, which shall include an estimate of the revenue of the Authority from fees and other sources, revenues from each member's assessment, and expenses for the next fiscal year, including operating and planning expenses, debt service, payments due on long-term contracts, payments due to any sinking funds for the retirement of indebtedness, payments due to any capital reserve funds, debt service reserve funds, operating reserve funds, and payments due to any other funds established by the Authority. The budget shall be in such form as deemed most useful and desirable by the Board, and shall be so arranged to show budgeted income and expenditures for the upcoming and current fiscal year and budgeted and estimated or actual income and expenditures from the preceding two fiscal years.

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(2) The Board shall warn an informational meeting of the voters of the Members on or before the second Friday in October each year for the purpose of presenting the proposed budget and inviting discussion thereon. The informational meeting shall be held within the boundaries of one of the Members and shall be warned by a notice published in a newspaper of general circulation serving each Member at least 10 calendar days prior to the meeting. The notice shall contain a summary of the proposed budget, including the specific amount proposed as the Authority's total expenses, and instruction on where a copy of the full budget may be inspected. The legislative body of each Member shall be sent a copy of the notice, together with a copy of the full proposed budget at least 10 calendar days prior to such meeting.

(c) Approval of Proposed Budget.

(1) Following the informational meeting provided for in subsection (b)(2), above, and no later than the first Monday in November, the Board shall review the proposed budget in light of comments received at the meeting, and shall thereupon vote on the proposed budget to be presented to the legislative bodies of each Member for approval or disapproval pursuant to subsection (c)(2), below, with or without changes.

(2) Within 30 days of the endorsement of the proposed budget by the Board, the legislative body of each Member shall act to approve or disapprove the proposed budget. The budget shall be approved if affirmatively voted by a majority of the legislative bodies of the Members and the Director for the Contracting Municipalities, whose vote on the proposed budget shall be included for the purpose of determining whether an affirmative vote of a majority has been achieved. Each Member and the Director representing the Contracting Municipalities shall be entitled to one vote.

(3) Notwithstanding subsection (c)(2), above, if the budget for a future fiscal year is proposed to increase more than one and one half percent (1.5%) in excess of the Consumer Price Index for Urban Areas (CPI-U), or a successor index, over the current fiscal year budget, voting on the budget shall be weighted as follows: There shall be 100 votes with 51 votes constituting a majority. Votes shall be allocated to each Member and the Director representing the Contracting Municipalities according to their two year average call volume allocation in FY 2018, three year average call volume allocation in FY 2019 and thereafter until the long term contribution funding formula is implemented, in which case the 100 votes shall be allocated on the same basis as the long term contribution formula, as set forth in

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Appendix A. The Director representing the Contracting Municipalities shall vote the shares of all of the Contracting Municipalities together.

(4) In the event that the legislative body of a Member or the Director representing the Contracting Municipalities fails to approve a proposed budget, the legislative body or Director shall file with the Board a written statement identifying those specific budget items to which objection is made and any modifications sought. Failure to file such a written statement of objections within 30 days of disapproval by the legislative body or a Member or the Director representing the Contracting Municipalities shall be deemed approval of the budget. Failure by the legislative body of a Member or the Director representing the Contracting Municipalities to act to approve or disapprove the budget within the 30 day period referenced in (c)(2), above, shall likewise be deemed approval of the budget.

(5) If the annual budget for any fiscal year is for any reason not approved as of the beginning of that fiscal year, the District shall implement a budget, and levy assessments according to Section 17, whereby the expenses, net of member assessments, do not exceed those for the immediately preceding fiscal year until a new budget is approved.

(6) Notwithstanding any disapproval of the proposed budget by failure to obtain a majority of affirmative votes from the legislative bodies of the Members and the Director representing Contracting Municipalities, the Authority shall be obligated to pay the principal of and interest on bonds, notes, and other evidence of indebtedness of the District and to satisfy any other obligations relating thereto and to pay obligations under any long-term contracts. To the extent provided by the terms of such bonds, notes, or other evidence of indebtedness, or long-term contracts, each member municipality shall be obligated to pay its share of such indebtedness and obligations under long-term contracts, but only after CCPSA first uses all undesignated fund balances to satisfy such indebtedness and obligations. Unless otherwise provided in a cost sharing formula ratified by all Members, a municipality's share of indebtedness shall be determined by the Board and shall be in an amount proportionate to the actual or estimated calls for service generated by that municipality as determined by the Board.

(d) Budget adoption, appropriations, and assessment.

(1) Annually on or before the third Monday in December, the Board shall vote to adopt the budget approved by majority vote of the member legislative bodies and

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the Contracting Municipalities Director. Prior to such vote, the Board shall have authority to amend the budget on its own motion or in response to a written statement of objections filed pursuant to subsection (c)(4), above.

(1) Once a budget is adopted, the Board shall notify the Members within 15 days and assess each member for its share of the sums so appropriated, less revenues anticipated from the Members and other sources, and adopt a schedule designating when such assessments are due and payable by the Members.

(2) The Members shall include the Authority's assessment as a separate line item on their annual budgets so as to disclose each Member's financial contribution to the Authority.

(3) After adoption of the budget for the ensuing fiscal year, the Authority shall deliver to each Member an invoice for its share of the net cost of operating the Authority, with payments due on September 1 and November 1 of each year.

17. Cost-sharing formula.

(a) The Authority shall have a Memorandum of Understanding (MOU) that defines cost-sharing among member municipalities. The MOU is attached to and made a part of this Agreement as Appendix A.

(b) Following the creation of CCPSA, the MOU shall be signed by the chair of the legislative body for each Member (hereafter referred to as "ratification") following approval by the legislative body, prior to that Member receiving service.

(c) If a Member does not ratify the cost sharing formula at its initial opportunity, that member shall not receive services from the Authority, nor shall Section 20 apply to the Member, until such time as that Member ratifies the MOU as described above.

(d) If a Member does not ratify the MOU within 24 months of request by the Authority, the Member shall lose voting rights on the Board, until such time as it ratifies the MOU; if a Member does not ratify the MOU within four years of voting to become a member, the Member shall cease to be a Member and shall be required to rejoin the Authority under sections 22(b) and 22(c).

(e) A process for amending the MOU shall be defined in the MOU.

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18. Non Payment or Disputes.

(a) Non Payment

(1) If any Member shall fail to pay when due any assessment against it by the Authority, it shall incur, as a penalty, such additional charge as the Board determines to be reasonable. The Board may adopt a schedule of charges that includes penalty assessments for non-payment. However, no such charge shall exceed five percent of any unpaid assessment plus interest. Interest shall be charged at a rate equal to one percent per month or fraction thereof, for the first three months, and thereafter one and one-half percent per month or fraction thereof, from the due date of the assessment.

(2) Payment in arrears over 60 days shall be grounds for suspension or termination of service to a Member. Prior to suspending or terminating service, the Authority shall provide a delinquent Member at least 30 days advanced written notice, via certified mail.

(b) Disputes

(1) As further described below, disputes between Members and CCPSA shall be settled by way of the following process and in the following order of precedence: a) the Public Safety Communications Director; b) the CCPSA Board; c) negotiation, d) mediation; and e) arbitration.

(2) Should a Member dispute its assessment, it shall pay its assessed amount as outlined in this Agreement and in Appendix A. Any changes in the assessment made as a result of settlement of the dispute shall be remedied by including funding necessary for reimbursement in the next budget process, subject to the timeline described in Section 16, above.

(3) All claims or disputes arising out of or related to this Agreement or any assessment or action of the Authority or any action of a Member or its Director shall first be referred to the Public Safety Communications Director for resolution. Any decision or action of the Public Safety Communications Director may be appealed by the aggrieved party to the Board, by written notice of appeal filed with the Director within 30 days of the date of decision. Failure to appeal a decision of the Public Safety Communications Director within 30 days of the date of decision shall render the Director's decision final and binding.

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(4) In the event of a timely appeal to the Board, applicable provisions of the Municipal Administrative Procedures Act, 24 V.S.A., Chapter 36, for the conduct of a contested hearing, shall apply. Appeals from a final decision of the Board shall be taken by written notice of appeal filed with the Board within 30 days of the date that a final decision is rendered. Such appeals shall proceed as provided in subsection (b)(5), below. Failure to appeal a decision of the Board within 30 days of the date of decision shall render the Board's decision final and binding.

(5) In the event of a timely appeal from a final decision of the Board, the parties involved in the dispute, which may include the Board or its representative, shall first negotiate in good faith in an effort to resolve their differences. Should negotiations fail, any party may give notice to the other party (or parties) of intent to require mediation. The claim or dispute shall thereafter be mediated within sixty (60) days of said notice using such mediation procedures as the parties may agree upon. Should mediation fail, the dispute shall be decided by binding arbitration, held in Chittenden County, Vermont, by a single arbitrator to be mutually determined by the parties. In the event that the parties are unable to agree on an arbitrator, then each party shall select a single arbitrator and together those two arbitrators shall select a third arbitrator, who together shall constitute a arbitration panel to hear and decide the matter in dispute. The Vermont Arbitration Act, 12 V.S.A., Chapter 192, shall apply to any arbitration between the parties. Should any claim or dispute be resolved through arbitration, the arbitrator shall have discretion to award the substantially prevailing party, in addition to any other remedy, recovery of its costs and fees, including reasonable attorney fees, to be paid by the non-prevailing party or parties.

19. Limitations of appropriations.

(a) Appropriations made by the Board through the budget process, as defined in section 16 of this Agreement shall be expended only for funding allocated for items outlined in the budget; however, by majority vote of Directors, the budget may be amended from time to time to transfer funds between or among such budget items.

(b) The amount of any deficit at the end of each fiscal year shall be included in the next proposed operating budget and paid out of the appropriations for that budget year. Any unencumbered balance may be placed in a designated fund balance, reserve fund, used for cash flow to avoid short term borrowing and cover expected operating expenses (to the extent they are anticipated to be incurred and paid prior

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to payments received from municipal Members), or returned to the Members, at the exclusive option and discretion of the Board.

20. Assessment.

(a) The cost of debt service or of payments under a long-term contract shall be included in the annual budget of the Authority, and shall be allocated among the Members as provided in section 17 of this Agreement for the calculation of the annual budget assessment.

(b) The applicable provisions of 24 V.S.A. chapter 53 (indebtedness) or other enabling law under which debt is incurred or long-term contracts authorized shall apply to the issuance of bonds or other evidence of indebtedness by the Authority and for that purpose the Authority shall be deemed a "municipal corporation," the Board shall be deemed a "legislative branch," and the Treasurer shall be deemed a "municipal treasurer" within the meaning of that chapter.

(c) Bonds or other evidence of indebtedness and long-term capital contracts shall be signed by the Treasurer and Chair of the Board.

21. Withdrawal of a municipality.

(a) Withdrawal prior to bonding by the Authority

Subject to the provisions of subsection (a)(1) of this section and the requirements of 24 V.S.A. § 4863, a Member may vote to withdraw from this Agreement in the same manner as it votes to adopt the Agreement if one year has elapsed since the Authority has become a body politic and corporate and the Authority has not voted to bond or otherwise borrow for construction and improvements.

(1) The "financial obligations" of a withdrawing Member, as used in 24 V.S.A. § 4863, shall include a proportionate share of all ongoing costs and assessments of the Authority, including all costs arising under long term contracts, until the withdrawing Member has entered into a written agreement satisfactory to the Authority Board, and in a form acceptable to the Authority's counsel, that at a minimum obligates the withdrawing Member as follows:

(a) to pay its budgeted assessment for the first full fiscal year following the vote of withdrawal;

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(b) to pay its proportionate share, based upon its assessment for the next full fiscal year following its withdrawal vote, of the defense costs and any money damages judgment rendered in legal action brought against the Authority arising or accruing in any year during which it was a Member of the Authority, to the extent that those costs and damages are not otherwise covered by insurance or liability indemnification;

(c) to pay its share, based upon its assessment for the next full fiscal year following its withdrawal, of all unbudgeted costs and expenses of the Authority arising out of the activities of the Authority during the withdrawing Member's term of Membership which have not been otherwise allocated to the Member through the budgeting and assessment process, regardless of when such costs and expenses may be discovered; and

(d) to pay all of these additional costs in installments at such times and in such amounts as required by the Board or, at the option of the withdrawing Member, in a lump sum.

(2) Nothing herein shall be construed to limit the authority of the CCPSA and the withdrawing Member to enter into an agreement containing such other terms and conditions for the settlement of the withdrawing Member's financial obligations as are otherwise reasonable and consistent with law.

(b) Withdrawal after bonding by the Authority.

(1) As provided in 24 V.S.A. § 4863, Members are prohibited from voting to withdraw from the Authority after the Authority has voted to bond for construction and improvements. Notwithstanding this prohibition, Members may vote to "Withdraw from Receiving Service" from CCPSA following a bond vote. A Member that affirmatively votes to Withdraw from Receiving Service shall enter into a written agreement consistent with subsection 21(a)(1)(a)-(d) and, additionally, such Member shall:

(aa) continue to pay its share of all debts incurred by the Authority for the remaining terms of all bonds and capital contracts in existence at the time when the vote to withdraw was taken (although its share of debt or capital contract costs may be paid in a lump sum at the request of the Member);

(bb) lose voting rights on the Board immediately following the approved vote of Withdrawal from Receiving Service; and

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(cc) cease to be responsible for liabilities or responsibilities related to operations after completion of the steps outlined under subsection 21(a).

(2) After all requirements under subsections 21(a) and 21(b)(1) have been satisfied, the Member that has authorized and obtained an approved Withdrawal from Receiving Service vote, shall have to no further obligations to the Authority.

22. Admission of municipalities.

(a) Provided their respective legislative bodies approve this Agreement and vote to warn an annual or special meeting to enter into an agreement for the formation of the Authority, the municipalities of Burlington, Colchester, Essex, Milton, Shelburne, South Burlington, Williston and Winooski shall hold citizen votes on initial Membership on Town Meeting Day 2018. Membership shall be determined by a majority of voters in each municipality. The Authority shall be created if and only if voters in three (3) or more of these municipalities approve Membership. After this initial opportunity, new Members shall only be admitted through the process outlined in section (b) below.

(b) The Board, following the affirmative vote of at least two-thirds of the Member legislative bodies, may authorize the inclusion of additional Member municipalities in the Authority upon such terms and conditions as it shall deem to be fair, reasonable, and in the best interests of the Authority, and additionally subject to the ratification of the MOU as outlined in Section 17.

(c) Any Board authorized additional Member municipality shall comply thereafter with the approval procedures specified in 24 V.S.A., Chapter 121, as applicable. If a majority of the Directors of the Board authorize an additional Member municipality, and those voters present and voting at a duly warned meeting of such municipality vote to approve this Agreement and the terms and conditions for admission, the Secretary of the Authority shall confirm the result of the vote with the clerk of that municipality, by receipt of certification or other appropriate means, and thereafter the municipality shall be a Member.

23. Dissolution of the Authority.

(a)(1) Upon the affirmative vote of Directors representing at least two-thirds of all votes entitled to be cast on behalf of all Members and comprising at least two-thirds of the Directors present, the Board may prepare a plan of dissolution for submission

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to the voters of the municipal Members of the Authority at meetings of the municipal Members of the Authority duly warned for such purposes.

(2) If a majority of the municipal Members of the Authority, authorized by the actions of the voters of municipal Members of the Authority, vote to dissolve the Authority, the Authority shall cease to conduct its affairs except insofar as may be necessary to complete a plan of dissolution and to conclude its affairs.

(3) The Board of Directors shall cause a notice of the plan of dissolution to be mailed to each known creditor of the Authority and to the Secretary of State.

(b) The plan of dissolution shall be developed using the process outlined in section 21 of this Agreement, and in Appendix A, to the maximum extent feasible and at a minimum shall:

(1) identify and value all assets of the Authority;

(2) identify all liabilities of the Authority, including contract obligation;

(3) determine how the assets of the Authority shall be liquidated and how the liabilities and obligations of the Authority shall be paid, to include assessments against municipalities of the Authority; and

(4) specify that any assets remaining after payment of all liabilities shall be apportioned and distributed among the Members according to the same basic formula used in apportioning the costs of the Authority to the Members.

(c) When the plan of dissolution has been fully implemented, the Board shall certify that fact to the Members whereupon this Agreement and the Authority shall be terminated.

24. Amendment of the Authority Agreement.

(a) This Agreement may be amended in whole or in part. Any proposed amendment shall first be adopted upon the affirmative vote of Directors representing at least two-thirds of all votes entitled to be cast on behalf of all Directors. Any meeting for the consideration of an amendment shall be warned by the delivery to each Director, at least fifteen (15) days prior to the date of the meeting, of a notice stating the time, place and date of such meeting and including a full text of the proposed amendment or amendments.

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(b) If such a proposed amendment is adopted by the Board, it shall then be submitted to the legislative bodies of all of the Members. Such proposed amendment shall become effective upon its adoption by a majority of the legislative bodies of the Members. Member legislative bodies that do not vote on a proposed amendment within sixty (60) days from receipt of the amendment from the Authority, shall be deemed to have approved the amendment.

(c) No amendment shall substantially impair the rights of the holders of any bonds, notes or other evidence of indebtedness or substantially affect any obligations under long-term contracts of the Authority then outstanding or in effect, or the rights of the Authority to procure the means for payment, continuation, or termination of such contracts.

25. Ratification.

(a) This Agreement shall take effect upon the approval by the voters of three or more initially participating municipalities, at their annual meeting as outlined in Section 22.

(b) The legislative bodies of the Members may transfer responsibility for public safety communications services in their respective communities as the CCPSA is prepared to assume responsibility for and operate such services and, once transferred, the Members shall cease independently providing public safety communications services, except to the extent approved by the Authority.

Pursuant to the affirmative vote of the voters in each of the following municipalities on March 7, 2018, the Agreement to Create a Union Municipal District to be known as the “Chittenden County Public Safety Authority” is hereby approved, to consist of those municipalities executing this Agreement, together with any additional municipalities lawfully joining thereafter.

ACKNOWLEDGEMENT OF ARBITRATION

Applicable to All Parties to this Agreement

I understand that this Agreement To Create the Chittenden County Public Safety Authority contains an agreement to arbitrate. After signing this document, I understand that the municipality for which I have been authorized to sign will not be able to bring a lawsuit concerning any dispute that may arise that is covered by

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the arbitration agreement, unless it involves a question of constitutional or civil rights. Instead, I agree, on behalf of the municipality for which I sign, to submit any such dispute to an impartial arbitrator, as provided herein.

DATED at _____ this ____ day of _____, 2017.

City of Burlington

By: _____

Its duly authorized agent

DATED at _____ this ____ day of _____, 2017.

Town of Colchester

By: _____

Its duly authorized agent

DATED at _____ this ____ day of _____, 2017.

Town of Essex

By: _____

Its duly authorized agent

DATED at _____ this ____ day of _____, 2017.

Town of Milton

By: _____

Its duly authorized agent

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DATED at _____ this ____ day of _____, 2017.

Town of Shelburne

By: _____

Its duly authorized agent

DATED at _____ this ____ day of _____, 2017.

City of South Burlington

By: _____

Its duly authorized agent

DATED at _____ this ____ day of _____, 2017.

Town of Williston

By: _____

Its duly authorized agent

DATED at _____ this ____ day of _____, 2017.

City of Winooski

By: _____

Its duly authorized agent

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Reviewed and Approved this ___ day of _____, 2017, pursuant to 24
V.S.A. § 2802(a):

State of Vermont Attorney General

By: _____

Thomas J. ("T.J.") Donovan,

Or His Duly Authorized Agent

Appendix A to Agreement to Create the Chittenden County Public Safety Authority

MEMORANDUM OF UNDERSTANDING (MOU) ON COST SHARING

A. Introduction.

This Memorandum of Understanding (MOU), appended to the Agreement to Create the Chittenden County Public Safety Authority as Appendix A, describes the agreed cost-sharing mechanism among Members. Each Member shall separately ratify this MOU as a condition of receiving dispatch and other services from the Chittenden County Public Safety Authority (the "CCPSA"). Terms used in this MOU shall have the same meaning attributed to them in the Agreement.

B. Initial Contributions. There is an Initial Contributions Phase which shall commence upon the effective date of the Agreement and continue until all Members have received dispatch service from CCPSA for two (2) full fiscal years. During the Initial Contribution Phase:

- (1) Member communities shall contribute those financial resources budgeted by their communities to provide dispatch operations, plus any additional funds a Member is willing to contribute for the benefit of CCPSA.
- (2) Since not all Members presently have separate and distinct dispatch budgets, the CCPSA budget during this Initial Contribution Phase shall be substantially comprised of discretionary contributions by Members. For Fiscal year, 2015-2016, these costs have been developed, agreed to and disclosed as Direct Costs of Dispatch by members of the Joint Survey Committee for the Chittenden County Public Safety Authority, on behalf of their member communities.
- (3) The Members anticipate that during this Initial Contribution Phase the CCPSA budget will grow annually at the approximate rate of dispatch budget growth in the Member municipalities.
- (4) It is further anticipated that for up to the first two years in which dispatch services are provided by CCPSA, costs will be funded from already approved municipal budgets.

If all Members have not received service for two full years after the initial two year period of CCPSA dispatch service operations, subsequent initial funding shall be budgeted by the CCPSA Board in a manner such that any increase in a Member's initial contribution in comparison to its current dispatch budget will be approximately equal to the average increase in Member municipal dispatch budgets

generally. Any percentage increase shall be applied equally to all Members during the extended initial funding period.

- (5) Any deficits that accrue during the Initial Contributions Phase prior to the implementation of the Long Term Contributions shall be equitably apportioned among those Members to which CCPSA provided dispatch services during the Initial Contributions Phase.

C. Long Term Contributions.

1) Contribution Formula

After the Initial Contributions Phase (i.e., when all Members have received dispatch service from CCPSA for two (2) full fiscal years), the Long Term Contributions formula set forth below shall commence and continue unless and until modified by the Board.

- (a) Step 1: Following the first one (1) full fiscal year in which all Members have received dispatch service from CCPSA, determine net costs of the CCPSA, aggregating all CCPSA operating expenses, capital expenses, capital reserve contributions, grant revenues, public safety answering point (PSAP) revenues, contract revenues, excess initial contribution repayments and any CCPSA deficits or liabilities.
- (b) Step 2: Determine the three-year rolling average of calls for service in each Member community (regardless of whether the Member received service from CCPSA during that period) expressed as a percentage:
 - (1) "Calls for service" in member communities shall be defined as: Calls for any emergency service agency (including non-municipal agencies serving the community) in a community including police, fire, and rescue services. Calls for service shall be counted per agency responding, and not per incident, shall include agencies responding to mutual aid calls, and shall include any call that causes a public safety employee to take an action or expend agency resources, whether agency-initiated or citizen-initiated.
 - (2) To avoid a charge back through the County tax, the Chittenden County Sheriff's Department shall not pay for calls.

(c) Step 3: Apportion Step 1 net costs based on Step 2 percentages, as defined above. For example: If the CCPSA's net cost for a fiscal year after the Initial Contributions Phase is \$3.1M and the three-year rolling average of calls totals 143,652, and the Town of Colchester has 16,373 average annual calls for service during the same time period, Colchester's proportional share of the net costs would be 11.4%, or \$353,328.

2) Reimbursement for Excess Initial Contributions

Member communities that provide contributions toward startup and operating expenses beyond their base Initial Contributions (i.e., "excess initial contributions"), shall be entitled

to reimbursement from those communities that did not make Excess Initial Contributions. Such reimbursement may occur over a five to ten year period, based on an individual Member community's contributions and all Members' shares, utilizing the steps described below.

(a) Step 1: Determine aggregate Excess Initial Contributions of all Members.

(1) Excess Initial Capital Contributions may include contributions of "capital equipment."

(a) Capital equipment shall include, but is not limited to, the following:

Computer aided dispatch software purchase and license fees, including alteration thereof to serve more than one member of regional dispatch in linking to 911; GIS; law enforcement records management; fire records management; station alerting; NCIC/VCIC and related databases; voice logging and recording systems; facility improvements; electrical, telecom or IT wiring; telecom equipment; furniture; servers and IT network infrastructure; radio equipment; PSAP equipment, including design or engineering costs related to any of the above.

(b) To qualify for reimbursement under this section, the contributed capital equipment must have had more than a one year useful lifespan or a value greater than \$5,000 at the time of purchase. Multiple single items contributed contemporaneously must have an aggregate value of more than \$5,000.

(c) Capital equipment contributions must have been made and the equipment must be in use by regional dispatch before long term funding contributions by Members are required.

(d) Capital equipment purchased prior to July 1, 2017 shall not be eligible for contribution. All equipment purchased prior to such date which is usable and desired by CCPSA shall be contributed as a part of local dispatch transition at no charge or cost to CCPSA.

(2) Qualifying excess contributions are contributions that exceed (1) the municipally budgeted operating costs or (2) assessments paid by the Member municipality as Initial Contributions. Such contributions may include, but are not limited to, funding earmarked for new CCPSA dispatch resources such as managers, trainers, an executive director, or IT staff or for specific operating costs such as rent, utilities, consulting and other related costs and fees.

(3) Credit for making Excess Initial Contributions must be requested by the contributing Member within 90 days of the creation of CCPSA (if the contribution was made prior to the creation of CCPSA) or within the 60 days prior to the contribution, if it is made after the expenditure and following the creation of CCPSA. CCPSA's Board shall consider such requests and provide

written notice to the contributing Member regarding eligibility for reimbursement under this subsection within 60 days of such notice. In the event that a Member is aggrieved by a determination of the CCPSA Board regarding the eligibility of a contribution for reimbursement, the aggrieved Member may appeal to the Board within 30 days of the date of such notice. If an appeal is submitted, the Board shall hold a hearing on the appeal as provided in the Agreement.

- (b) Step 2: Allocate the aggregate Excess Initial Contributions among all Members based on a three year rolling average of call percentages to determine the first year's net costs.
- (c) Step 3: Determine payback for, or contributions required to pay others back for Excess Initial Contributions based on actual contributions of such resources, as designated and acknowledged by the CCPSA Board.
- (d) Step 4: Combine formula funding with payback of excess initial contributions to determine net funding, and determine payback period such that reimbursement occurs over the shortest possible time without triggering the "Smoothing Formula," described below. Reimbursement for Excess Initial Contributions shall be accomplished in ten years or less.

3) Smoothing Formula

Notwithstanding the above, if the Long Term Contribution formula, after accounting for reimbursement for Excess Initial Contributions, will increase any Member's contribution requirement (including operating and capital expenses) by 5% or more in the first year such formula is employed, the Members agree:

- (a) The Long Term Contribution formula shall be implemented over a period not to exceed six years; the goal being to implement the formula in as short a period as possible, so that the impact of the formula on any single Member community will increase its contributions by no more than 4.9% annually.
- (b) This Smoothing Formula shall only apply to Member communities for which CCPSA was providing all dispatch services in the year before the formula is implemented.
- (c) For all eligible communities, the following steps shall apply.
 - (1) Step 1: Determine whether net funding plus reimbursement of Excess Initial Contributions for the upcoming fiscal year will cause any Member community's budgeted contribution to increase by 5% or more.

- (2) Step 2: If any Member community would pay an increase of 5% or more in the first year of transition from Initial Contribution to Long Term Contribution, to the extent reasonably practicable and consistent with the limitations set forth above, the Long Term Contribution formula shall be adjusted as needed to modify the year-over-year increase in budgeted contribution to no more than 4.9%. However, this Step shall not be implemented if it causes additional Member communities to incur an increase of more than 4.9%.
- (3) Step 3: When the Smoothing Formula may be implemented, calculate each affected Members' adjusted funding obligations by:
 - (a) Converting the increase in contribution to a dollar amount;
 - (b) Determining the percentage of calls in all Member communities, excluding other Member communities subject to smoothing, by totaling calls in such communities.
 - (c) Multiply the figure derived from (a) above by (b) above to determine the financial contribution of each non-smoothing Member community to the formula.
 - (d) Add smoothing funding to net funding to obtain adjusted funding

D. MOU Adoption and Amendment.

- (1) This MOU shall be approved by an affirmative vote of the majority of the CCPSA Board.
- (2) Each community wishing to be a Member shall, by action of its legislative body, ratify this MOU before the Member community may receive services from the CCPSA.
- (3) Following initial adoption and ratification, this MOU may be amended by an affirmative vote of the majority of the CCPSA board, subject to ratification by the legislative bodies of those Members who comprise said majority. All amendments or modifications to this MOU shall be in writing.