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## Vermont casts lifeline to towns in wake of Irene

by Nancy Remsen

MONTPELIER -- Halifax Town Clerk and Treasurer Patricia Dow welcomed word Tuesday that her town might be eligible to postpone paying a \$150,000 school funding bill because the community was slammed with \$6.5 million in road and bridge damage from Tropical Storm Irene.

"This is really wonderful," Dow said, noting the entire municipal budget for Halifax -- including money for roads -- is \$800,000.

Halifax is one of 80 towns that collect more statewide school taxes than their schools require and must make twice yearly payments to the state's education fund. These 80 towns are due to pay \$76 million to the state Dec. 1.

Under a plan developed by Treasurer Beth Pearce and supported by the Shumlin administration and legislative leaders, towns among the 80 that document damages and expenses associated with disaster reconstruction will be eligible for a one-time extension of the deadline on all or a portion of their school bills. The revised due date would be Feb. 28.

Pearce noted that legislative leaders have promised to push through a bill in January allowing the deferred payments. The tax-payment extension was one of three forms of financial assistance Pearce announced Tuesday. She said the goal of the aid packages was to assure hard-hit communities they "don't stand alone."

The Treasurer's Office will accelerate distribution of \$125 million in school payments to communities, exclusive of the 80 pay-in districts, that receive education funding to supplement the amount of school taxes raised locally. Those payments usually go out Dec. 10, but Pearce said the checks would be sent this week. Her office also will send \$6.4 million in local highway funding that was scheduled for distribution in mid-January.

In September, the Treasurer's Office accelerated distribution of \$24 million to make sure towns had cash to jump-start storm cleanup and reconstruction. Pearce called the recovery efforts across the state "really amazing and frankly heroic." She noted, however, the financial toll of trying to accomplish so much so fast -- cash-flow stresses as communities wait for federal financial assistance to arrive.

"There is a lot of help that is on the way for the very big job that needs to be done on the municipal level," said Steve Jeffrey, executive director of the Vermont League of Cities and Towns. "The problem is, not all of that is going to be coming today and tomorrow when the bills are coming due."

Jeffrey praised the state for coming up with ways to "tide us over" until disaster aid comes.

Dow in Halifax noted she already has paid \$1.5 million in reconstruction bills. "Our contractors have been very gracious and let us hold off on payments for a limited amount of time," she said.

Christina Moore, coordinator of Halifax's disaster response, added: "Any relief we get on bills to anybody -- that is a huge deal for us."

Secretary of Administration Jeb Spaulding said if towns that defer school payments find themselves in a financial bind when those payments come due at the end of February, "we will be proactive in looking for other ways to help."

Spaulding and Pearce noted that local banks and municipal bond banks might be able to offer short- and longer-term financing assistance.

The Legislature plans to take up a second bill that could ease the burden some communities face. It would allow the state to help communities make up for lost taxes if they grant tax breaks to property owners whose homes or businesses were damaged significantly or destroyed. Normally when municipalities abate taxes, other local taxpayers have to make up the loss.

In promising legislative action, House Speaker Shap Smith, D-Morristown, said, "We know municipalities have faced an enormous amount of pressure as a result of this natural disaster. We need to do what we can to help them out, and we shouldn't put barriers in their way by resisting attempts to help them with their cash flow."

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