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## State offers recovery funding options

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MONTPELIER — Gov. Peter Shumlin and other state officials outlined a plan Tuesday to make sure Vermont towns slammed by Irene have the short- and long-term financing they need to make repairs.

“We all know that all recovery is local and we want to give our local communities, our select boards, our road foremen and women, our hardworking road crews, all of the active partnership that they need in the state of Vermont to help them get the miles and miles of roads, bridges and culverts back up and running as quickly as we can,” Shumlin said during an afternoon news conference.

Shumlin, state Treasurer Beth Pearce and officials from the Vermont Municipal Bond Bank and the Vermont Bankers Association unveiled a four-pronged approach that includes having the state forward towns \$24 million earlier than usual. The state gave towns \$6.2 million in highway funds on Monday that typically would be sent out Oct. 15. In addition, \$12.3 million in current use payments will be sent this week instead of Nov. 15, officials said. And another \$5.8 million in payments in lieu of taxes — sent to towns with state-owned property — will be delivered “shortly” instead of Oct. 31. The money is not new revenue for towns, but an earlier delivery should help towns continue repair work, officials said.

The announcement highlights the cash crunch some towns have faced as they spend heavily and quickly repair major road damage left by the Aug. 28 flooding. Numerous towns have taken out lines of credit with local banks, ranging from a few hundred thousand dollars to several million dollars.

Christopher D'Elia, president of the Vermont Bankers Association, said the state's private banks have enough capital to help towns stay afloat.

“Banks have the necessary capital today to meet the needs of municipalities,” D'Elia said. “However, it is unclear what the total demand will be over the days and weeks to come.”

If any of the association's banks run out of money, they could rely on the Vermont Municipal Bond Bank or a loan pool the banks have organized for additional short-term capital, officials said. Bond bank officials said its traditional long-term bonds will also be available for towns. In addition, the state has asked the Federal Emergency Management Agency to initiate its Community Disaster Loan program to assist towns with low-interest loans.

“So what we are trying to do is accomplish quite a series of options for communities that can opt for all, none, or part of those options, beginning with short-term financing all the way through long-term borrowing,” Pearce said.