

April 29, 2025

## **Testimony on H.397 by Nicolas Storellicastro, Barre City Manager Senate Government Operations**

### **Introduction**

Barre was hit particularly hard by the floods of 2023 and again experienced flooding impacts exactly one year later in 2024. We strongly support H.397 because it addresses critical needs the entire state will have time and time again. We do not want any communities in Vermont to feel the pain we, along with many neighboring cities and towns, experienced and continue to experience because of these inevitable disasters.

### **Voluntary Buyout Program**

I understand the concerns raised by Vermont Emergency Management about potential duplication. However, the fact that Vermont currently administers buyouts across multiple programs is exactly why this dedicated statutory provision is necessary.

Right now, buyouts often must compete directly against other critical flood-mitigation projects within existing programs, such as the Community Resilience and Disaster Mitigation (CRDM) fund and the Flood Resilient Communities Fund (FRCF). These programs have broad scopes, and towns are forced into difficult choices, as buyouts are often placed in direct competition with culvert repairs, floodproofing, and infrastructure upgrades. After the devastating floods of 2023 and subsequent flooding in 2024, the need for a focused buyout effort has become clearer than ever. Thousands of homes and businesses across Vermont were damaged, many of them repeatedly, and municipalities like Barre urgently need the clarity that a statutory buyout program would provide.

FEMA-funded buyouts, while helpful, are not sufficient on their own. FEMA's Hazard Mitigation Grant Program typically takes years to complete buyouts, sometimes five years or longer. After Tropical Storm Irene in 2011, some Vermont homeowners waited multiple years for FEMA buyouts, remaining stuck in damaged homes or rebuilding because they couldn't wait any longer. FEMA's strict rules also mean many affected homeowners never qualify. Vermont has repeatedly faced funding gaps when federal assistance was delayed, insufficient, or simply unavailable. Without a dedicated state program, residents are left stranded. This is precisely why states like New Jersey established permanent, statutory buyout programs. Since creating its Blue Acres buyout program, New Jersey has successfully purchased over 700 repeatedly flooded properties, removing them permanently from harm's way. Similarly, Virginia and North Carolina enacted statutory programs to speed up buyouts after repeated federal delays. Importantly, establishing this statutory program does not create additional administrative burden or immediate financial obligations. Vermont Emergency Management already administers buyouts through existing temporary programs. Codifying buyouts in statute simply provides clear policy guidance and long-term stability. It reduces administrative confusion, ensures burden. It's a common-sense approach that aligns with Vermont's values, recent experiences, and climate resilience needs.

### **Other Supported Provisions**

#### **Grand List Stabilization**

- The Grand List Stabilization is critical to prevent tax base erosion after property buyouts.
- Barre stands to lose approximately \$121,000 in property tax revenue from all the buyouts we have approved.
- This provision will ensure financial stability as we rebuild.

### **Local Option Tax and PILOT Fund**

- I am in strong support of increasing the municipal share of local option taxes to 75%
- Barre relies significantly on PILOT payments due to large share of tax-exempt properties. It is the primary funding source for our Capital Improvement Plan.
- Based on the last full year for which we have data in FY24, the City kept \$909,273 in LOT. Had this provision been in effect, Barre would have received \$974,221, nearly \$65,000 more. This means more culverts repaired, a new Zamboni, and, yes, more paving.
- Even after this adjustment, the PILOT fund would still maintain a surplus. We often hear the refrain about there “not being any money.” In this case, the money is already there. This is an easy way to send resources directly to your communities.

### **Muni weather alerts**

- During any natural disaster, communication and timely alerts were essential, however, we could only rely on data from a river gauge in Montpelier and extrapolate what water levels in Montpelier may or may not mean for Barre..
- We have asked the state over and over again to install a river gauge in Barre. Our current river gauge is spray painted river depth lines on a granite block with a happy face at 4 feet and a sad face at 6 feet.
- Streamgaging began in 1889. The first river gauge in Vermont was established in 1912. I trust we all agree that we can do better than graffiti art to try to make life-and-death decisions. .

### **Financial flexibility**

- Barre’s experience after the recent floods showed clearly that municipal flexibility with budgets and borrowing authority is essential. Being able to quickly access funds and manage emergency expenses without undue constraint helps us meet the urgent needs of our residents.”
- Barre took out a line of credit and applied for emergency funding to preserve cash flow. Fortunately, we did not need to use those resources because we had a fund balance, and have since been reimbursed by FEMA. However, it was good to have these tools in our toolbelt in case the scale of our response had surpassed our rainy day reserves.

### **Flood reimbursement extension**

- Extending the timeline for flood reimbursement programs directly benefits Barre residents and businesses still recovering financially from the floods of 2023 and 2024. Our board of abatement is still providing relief to residents, so this is still relevant and needed.
- Municipalities can make adjustments to account for abatement of municipal taxes by seeking non-tax revenue or cutting budgets. It’s important that the burden be shared with the education fund for the education portion of abatements so that an abatement decision does not hit a municipality twice.