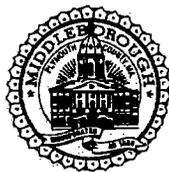


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OF THE WORLD



Town of Middleborough
Massachusetts

CHARLES J. CRISTELLO
Town Manager

508-947-0928
FAX 508-946-2320

TOWN MANAGER'S REPORT
AUGUST 12, 2013

Attached please find correspondence from the office of the Town Manager for your review. Thank you.

Charles J. Cristello
Town Manager



Deval L. Patrick, Governor
Richard A. Davey, Secretary & CEO

massDOT
Massachusetts Department of Transportation

July 30, 2013

Mr. Charles Cristello, Town Manager
Town of Middleborough
10 Nickerson Avenue
Middleborough, MA 02346

Dear Mr. Cristello:

Earlier this year, the Legislature passed a one-year \$300 million authorization for Chapter 90 pending the outcome of the transportation finance debate. In May, I announced, the Administration's release of \$150 million in Chapter 90 local transportation funding for fiscal year 2014 to ensure cities and towns could get a jump on the construction season, pending the outcome of the transportation finance bill. Today, I am announcing that we are releasing a total of \$200 million in Chapter 90 funding for fiscal year 2014, equaling last year's historic amount.

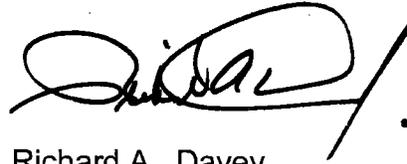
On July 24, 2013 the Legislature enacted transportation finance legislation to reinvest in the Commonwealth's transportation system. The legislation provides additional revenues to address deficits at the MBTA, end the decades old practice of paying for highway operations with debt and also stops the costly practice of arrears funding the 15-regional transit authorities. Additionally, over the next several years limited additional resources to address billions in deferred maintenance and construction needs will be available. As drafted, the bill is a step forward, but it does not provide sufficient resources to address all of the needs outlined in the Administration's *Way Forward* plan. Without sufficient resources, we are not able to fund every project or programs at the levels called for in our plan.

As many of you are aware, the Administration's *The Way Forward* proposal added additional revenues raised through tax reform proposal to provide a 10-year \$300 million annual (indexed for inflation) Chapter 90 program for municipalities. However, the transportation finance bill does not provide sufficient revenues to fund the \$300 million dollar allotment as proposed in the *Way Forward Plan* without cutting or deferring capital spending in other high priority areas such as bridge and highway reconstruction, road paving and improvements to statewide bus and rail services.

Ten Park Plaza, Suite 4160, Boston, MA 02116
Tel: 857-368-4636, TTY: 857-368-0655

Your adjusted allotment for FY2014 is \$875,299. Please contact Matt Bamonte at (857) 368-9151 with any questions you may have regarding the Chapter 90 program.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Davey", with a long horizontal stroke extending to the right and ending in a small dot.

Richard A. Davey
Secretary & CEO

ARTICLE

Municipal Bonds, CDBG Funding at Risk

July 31, 2013

Congress will go into recess soon. While they are in their home districts, local government associations recommend that cities and counties let their members know how municipal bonds and Community Development Block Grants have benefited the community.

Congressmen C.A. Dutch Ruppertsberger (MD) and Randy Hultgren (IL) met with the “Don’t Mess with our Bonds Coalition” on July 30 and emphasized

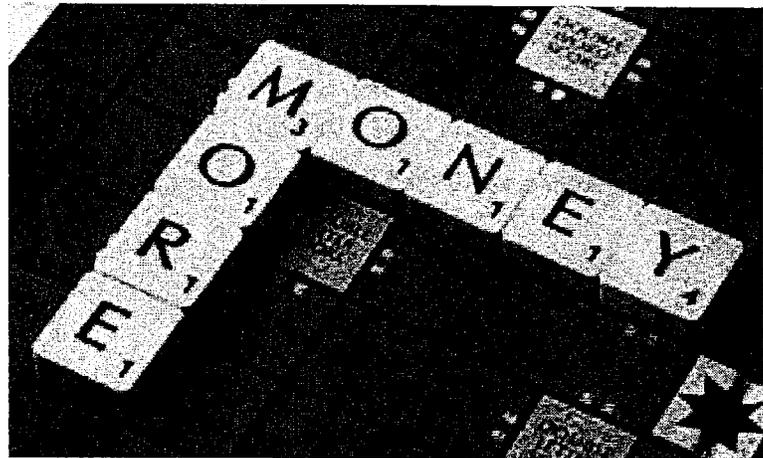
how important it was for local governments to organize field trips to show their representatives the projects that have been financed with municipal bonds. As Congressman Ruppertsberger put it, “Do we believe in ourselves enough to invest in the future?”

The Congressmen sent a letter to the House leadership urging preservation of the tax-exempt status of municipal bonds. It was signed by 69 Republicans and 69 Democrats of the House of Representatives,

Last week, ICMA and numerous state and local government organizations signed a letter urging the Senate Finance Committee to preserve the federal tax exemption on municipal bond interest. The letter reminds the Senate that state and local governments provide three-quarters of the total investment in infrastructure in the United States, and tax-exempt bonds are the primary financing tools that more than 50,000 government entities and authorities rely on to satisfy these infrastructure needs. Over the past 10 years, the tax exemption has enabled state and local governments to finance more than \$1.65 trillion in infrastructure investment. For more information on the importance of the tax-exempt status of municipal bonds, check out the two reports issued this year:

- Protecting Bonds to Save Infrastructure and Jobs
- National Association of Counties: Municipal Bonds Build America.

The President and members of Congress often cite the Simpson-Bowles Commission and/or the Domenici-Rivlin Commission as the basis for capping or eliminating the tax-exempt status of municipal bonds. However, Alice Rivlin has stated that neither commission addressed the consequences for state and local governments should the tax exemption be curtailed. Current budget proposals include:



- Senate FY2014 Budget Resolution: Suggested the possibility of a cap being placed on tax expenditures, which could include interest earned on municipal bonds.
- President's FY2014 Budget Proposal: Proposes a 28 percent cap on the value of certain tax benefits, including interest earned on new and outstanding state and local tax-exempt bonds.

Current discussion on the Hill about CDBG funding includes the Senate debate on the FY2014 Transportation, Housing and Urban Development (T-HUD) Appropriations bill, S. 1243. The Senate T-HUD Appropriations bill includes \$3.15 billion for the Community Development Block Grant (CDBG) program. For the current fiscal year CDBG is funded at \$3.07 billion. The Senate bill's modest increases would help to strengthen the local community and economic development.

However, Senator Tom Coburn (R-Okla.) has filed an amendment, SA 1758, to reduce funding for CDBG from \$3.15 billion to \$2.79 billion.

The House Appropriations Committee funded CDBG at \$1.6 billion for FY2014 – a \$1.47 billion cut.

COMMENTS & RATINGS

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