

**2005**

**FEDERAL ISSUES PAPER**

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**Maine Congressional Delegation  
Meetings  
March 15, 2005**

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**MAINE MUNICIPAL ASSOCIATION  
60 Community Drive  
Augusta, Maine 04330-9486  
(207) 623-8428  
Website: [www.memun.org](http://www.memun.org)**

## **Maine Municipal Association Executive Committee**

- President:** Dana Lee, Town Manager, Mechanic Falls
- Vice President:** Ryan Pelletier, Town Manager, St. Agatha
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Gordon Paul, Council Chair, Sanford  
Janet White, Chair of Selectpersons, New Portland  
Jeffrey Robinson, Sr., Mayor, Bucksport

### **MMA Staff Contributing to the MMA Federal Issues Paper and Arrangements for Meetings with Maine Congressional Delegation:**

Christopher Lockwood, MMA Executive Director  
Theresa Chavarie, Executive Associate  
Michael Starn, Director, Communications & Educational Services  
Antoinette Mancusi, Research & Technical Specialist, MMA Legal Services  
Geoff Herman, Director, State & Federal Relations  
Kate Dufour, Legislative Advocate, State & Federal Relations  
Jeffrey Austin, Legislative Advocate, State & Federal Relations  
Laura Veilleux, Secretary/Assistant, State & Federal Relations

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# MAINE MUNICIPAL ASSOCIATION

## 2005 FEDERAL ISSUES PAPER

### INTRODUCTION

The Maine Municipal Association Executive Committee expresses appreciation to the members of Maine's Congressional Delegation for your work in representing Maine at the federal level. We appreciate your understanding and respect for the role of municipal governments in our intergovernmental system.

The array of issues facing the Congress is daunting. We recognize the significant pressures on discretionary programs important to municipalities stemming from the Administration's proposed permanent tax cuts and social security reform, as well as the continued war in Iraq and the President's promise to cut the federal deficit in half. At the same time, we believe it is important to recognize the value of successful programs such as the Community Development Block Grant (CDBG) program and the critical role of federal funding for transportation and homeland security, and the direct impact on local property tax payers for under-funding federal commitments for education mandates.

Whether at a time when the federal government is facing record deficits, or as in 2001 when the Congressional Budget Office was projecting a federal budget surplus of \$128 billion, we believe the following guidelines provide a framework to assist members of the Delegation in evaluating domestic legislation and budget priorities:

- **Fund Existing Commitments & Mandates** – Before establishing new programs, or granting tax cuts, ensure that current programs and requirements are fully funded.
- **Determine the Appropriate Federal Government Role** – As legislation is considered, ask what, if any, role is appropriate for the federal government. Is the issue more appropriately handled at the state or local level? Often the most important contribution from the federal government would be financial assistance, without cumbersome requirements.
- **Allow for Flexibility** – Clearly one size does not fit all.
- **Respect State and Local Government Authority and Processes** – The state legislature and local elected officials are close to their citizens. We have a solid record of establishing effective programs and processes. In recent years, the federal government has increasingly intruded upon, and in some significant cases, preempted state and local authority.
- **Rescind Mandates Rather Than Shift Costs and Responsibilities** – Unfunded and under-funded mandates corrode intergovernmental relationships and camouflage the parties responsible for tax increases and shifting priorities. If the federal government is not in a position to fund a mandate, the mandated program or requirement should be curtailed.

In this paper we have identified a number of policy issues that are also included in the 2005 Advocacy Agenda for the National League of Cities. We have also identified issues more specific to Maine, such as the on-going effort of the Delegation to address truck weight limits, the “Phase II” storm water regulations that are beginning to affect more rural states like Maine, and the base closure review process. We look forward to the opportunity to discuss these issues with you.

## **COMMUNITY DEVELOPMENT BLOCK GRANTS**

Maine's Community Development Block Grant (CDBG) program provides funding and technical support for projects that achieve local community and economic development objectives, while principally benefiting people of low to moderate income. This program is only available to Maine towns, cities and counties for the benefit of Maine residents.

Maine receives CDBG funds through two avenues. The first is the direct funding for Maine's “entitlement” communities of Portland, Bangor, Lewiston and Auburn, South Portland and Biddeford. The second avenue is through statewide block grants. Maine's statewide CDBG funds are administered through the Maine Office of Community Development (MOCD). Its website ([www.meocd.org](http://www.meocd.org)) provides detailed information about the program and the projects assisted.

MOCD recently announced 2005 CDBG grants in the areas of public facilities and infrastructure. Almost \$2 million was awarded for eight public facilities in 2005. Some of the projects include a community health facility in Boothbay Harbor, a Head Start center in Unity and a facility for developmentally challenged persons in Bath.

An additional eight projects will receive approximately \$3 million dollars in infrastructure grants which are primarily focused on improvements to water systems in Aroostook, Washington and Franklin counties. In 2004, almost \$5 million was awarded for a variety of housing programs statewide.

### **Troubling Trends**

Maine's CDBG funding has been flat for five years. The non-entitlement portion of Maine's CDBG allocation has dropped from \$24.4 million in 2001 to \$23.7 million in 2005. Total funding, including that given directly to the entitlement cities, has also held flat, going from \$31.1 million in 2001 to \$31.7 million in 2005.

In addition, the President has proposed a new “Strengthening America's Communities Initiative” which combines 18 direct grant programs, including CDBG, into one within the Economic Development Administration (EDA). At \$3.71 billion, the new program (which combines 18 programs) is nearly \$1 billion less than the current CDBG program alone.

**The Maine Municipal Association believes the CDBG program has been successful and should be maintained as a separate and distinct program. CDBG is one of the few remaining federal programs available to assist Maine communities in their efforts to create jobs, provide affordable housing, eliminate blight, and generate new economic development.**

As the Portland Press Herald reported on February 9, 2005:

*“In three decades of existence, the grants have presented an opportunity for communities to improve the quality of life for lower-income residents and boost the economy – an even more valuable commodity in today’s era of property tax reform and tight municipal budgets.”*

The federal government should not abandon its commitment to assist communities with crucial infrastructure investments, often required to meet federal regulations. To do so will only increase the existing burdens municipalities must now shoulder.

### **CDBG Case Studies For Northern Maine**

#### Northern Aroostook Wells & Septic Program – St. Agatha, Maine 2003 Innovative Housing Assistance Grant

CDBG Funds:	\$377,500.00
Leveraged Funding:	<u>\$175,877.49</u>
Total Allocation:	\$553,377.49

The Northern Aroostook Wells & Septic Program is a multi-community and multi-jurisdictional project that assists low-income families within 33 communities in Northern Maine.

Acting as the lead community, St. Agatha provides project administration and oversight to the program. During the last round of funding, a total of 43 contaminated or dysfunctional well systems were repaired or replaced to provide safe and potable drinking water. In addition, 62 failing septic systems were also replaced, removing serious threats to health and safety as well as the environment. This project assisted a total of 57 low-income households within the region.

Without CDBG funds, this project would never have been possible and the other funding sources would not have contributed without the CDBG funding in place.

#### Aroostook Starch Company – Fort Fairfield, Maine CDBG Business Assistance Grant

CDBG Funds:	\$ 400,000.00
Leveraged Funding	<u>\$6,000,000.00</u>
Total Allocation:	\$6,400,000.00

Aroostook Starch Company with headquarters in the Netherlands would not have moved to Fort Fairfield if it were not for CDBG funding. The project has created 40 jobs with at least 51% of those jobs going to low-income individuals. In addition, the local tax base was increased by \$5,000,000. The project was recognized in 2002 by the World Trade Group as an outstanding investment into the Maine Economic Environment.

## TRANSPORTATION

### Reauthorization of TEA-21

Federal investment in highways and transit helps strengthen our nation's economy and homeland security. This is clearly the case in Maine.

As members of the Congressional Delegation are well aware, transportation investments help raise productivity, improve quality of life, and strengthen the economy. Transportation investments do not drain the federal budget because a dedicated and continuous source of money from federal fuel tax receipts replenishes the federal Highway Trust Fund, which finances core transportation projects. A long-term, well-funded bill helps control costs because transportation investments require long-term planning and funding stability.

Federal transportation programs currently operate under an extension of the *Transportation Equity Act for the 21<sup>st</sup> Century* (TEA-21), which originally expired on September 30, 2003. The current extension, the sixth enacted to date, expires on May 31, 2005. **MMA joins the National League of Cities in urging Congress to make transportation reauthorization a top priority this year.**

### Interstate Weight Limits

MMA appreciates the diligent efforts of the Maine Congressional Delegation to address a serious public safety issue – namely, the diversion of trucks weighing in excess of 80,000 pounds off the Interstate Highway system onto local roads and bridges. Incrementally you have been successful in obtaining authorization for these heavier vehicles to travel on sections of the Maine Turnpike and Interstate 95, however serious problems remain for many communities, such as Freeport, Brewer and Bangor.

The most recent action authorizing vehicles in excess of 80,000 pounds to travel on the stretch of the Maine Turnpike – I-95 north of Augusta to the newly constructed “third bridge” provides a solid case study to support an extension of this policy to other sections of Interstate Highway in Maine. Based on a preliminary analysis prepared by the Augusta Police Department, the incidence of traffic accidents has dropped significantly on Augusta's two traffic circles and the connecting arterials since the opening of the third bridge in November 2004. Informal observation suggests a noticeable shift in heavy truck traffic to I-95 and the third bridge, taking this traffic off of the local roads through the center of Augusta. The City plans to compile a more complete analysis, which will be shared with members of the Congressional Delegation.

The recent experience in Augusta supports the findings of a Maine Department of Transportation study of the impacts caused by the federal weight limit. As cited in a resolution adopted by the Bangor City Council in September 2004, this study convincingly documents the safety issues resulting from this policy and the additional maintenance costs borne by the state and local communities as a result of heavy loads traveling on non-interstate routes. The use of state highways and local roads often adds time and distance to truck routes, thus increasing costs to truckers and those for whom hauling is being done and further contributing to environmental issues associated with these vehicles. The study notes the Interstate Highway System is designed to carry such traffic in a safe and efficient manner on a roadway capable of handling such loads.

**MMA urges members of the Congressional Delegation to build on recent efforts to address the concerns related to the issue of truck weight limits.**

## **EDUCATION**

As members of the Congressional Delegation are well aware, the cost of K-12 education has a direct connection to local property taxes. Over the years both the state and federal governments have established extensive requirements on local school systems, with commitments to share the costs of these mandates. Unfortunately, all too often the state and federal funding levels fall short of the commitments, while the program mandates remain in place.

In 2001 when the “No Child Left Behind” (NCLB) legislation was under consideration, MMA had called upon Congress to fully fund its existing education commitments, particularly for the Individuals With Disabilities Act (IDEA), before establishing any new education programs. This did not take place. Congress proceeded to enact the No Child Left Behind legislation and opted to use a phased approach to “ramp-up” funding for IDEA.

**MMA appreciates the efforts of the Maine Congressional Delegation to accelerate and guarantee funding for programs such as IDEA. We support renewed efforts in this regard, similar to the Hagel-Harkin amendment, which fell short of the necessary votes in the Senate in 2004.** We also appreciate the enactment of legislation last year to provide more authority and flexibility to local school systems with regard to IDEA. School officials report these changes are providing improved educational outcomes for students with disabilities and a less adversarial relationship between parents and school officials. Some of the most important changes included:

- Due Process – The reauthorized IDEA does not eliminate litigation, but makes the process less cumbersome and less expensive by encouraging out-of-court mediation, clarifying the authority and requirements of hearing officers, and lessening the procedural requirements for school districts.
- Individual Education Plans (IEP’s) and Paperwork Reduction – A pilot project to make the process of developing and administering Individual Education Plans for each identified student more flexible and less bureaucratic. IEP’s members may be excused if both parties agree, written documents to amend or change IEP’s are permitted if both sides agree, and flexibility is now provided as alternative means of participation such as conference calls.
- Discipline – Local school districts now have the authority on a case-by-case basis to determine if the student should be removed from the classroom and placed in an alternative setting, pending the determination of whether the behavior is a manifestation of the disability. School personnel can now remove a child who violates a code of student conduct from his or her current placement for up to 10 days without a hearing.

**MMA urges members of the Congressional Delegation to pursue a similar approach with regard to No Child Left Behind.**

We appreciate the appointment last year of the Task Force by Senator Snowe and Senator Collins to review federal and state requirements associated with NCLB and Maine Learning Results. **MMA hopes the report of the Task Force will contain recommendations that the Congressional Delegation might pursue to alleviate the extensive requirements of the No Child Left Behind legislation.**

## **HOMELAND/HOMETOWN SECURITY**

### **Funding for First Responders**

Local officials in Maine share the concerns expressed by the Director of the Maine Emergency Management Director and Maine Public Safety Commissioner regarding the potential effect of the President's proposed budget on Homeland Security and public safety efforts in Maine.

Maine's Homeland Security funding could drop significantly (preliminary estimates indicate a possible drop from \$15.2 million in the FY 2005 budget to under \$5 million in the President's proposed FY 2006 budget). In addition, the proposed budget shifts more funding to the Urban Areas Initiative. No area in Maine qualifies for such a designation, yet Maine continues to face an array of Homeland security challenges as a border state and with an extensive coastline and ports.

The President's budget also eliminates or cutbacks funding for a number of separate programs (e.g., Law Enforcement Terrorism Prevention Program, Critical Infrastructure Protection grants, FIRE grants, etc.). The result of these proposals will place even greater pressure on the remaining Homeland Security funding.

Local officials have worked with Maine state government representatives to develop Maine's Homeland Security Plan. A key component of that plan is to train and equip first responders across the state to handle any serious incident, ranging from an accident involving hazardous materials to an attack with a weapon of mass destruction. The President's proposed budget would seriously impair these efforts.

**The Maine Municipal Association urges members of the Congressional Delegation to work for enactment of an authorization bill that improves funding for first responders and assures sufficient funding for Maine to continue our efforts to meet our Homeland Security challenges.** The following summary of South Portland's use of homeland security grant funds underscores the value and importance of these efforts.

### **Homeland Security Funds At Work In South Portland**

The City of South Portland received \$361,635 in homeland security grant funds in late 2003. These funds have significantly improved emergency preparedness and homeland security preparedness in South Portland. We have undertaken the following projects and preparedness measures:

- Updated and improved our All-Hazards Emergency Response Plan.
- Improved security around our Public Safety complex, through addition of new fencing and gates, installation of a new high security access control system for the complex, and hardening the front entrance of the complex.
- Improved our ability to respond to weapons of mass destruction (WMD) events by providing over \$100,000 to our Fire Department. The 65 full-time members of the South Portland Fire Department now possess the equipment and the training to respond to any type of radiological, biological or chemical event. Every full-time South Portland firefighter is trained through the Hazardous Materials Technician level, the only department in the State of Maine to have trained all its employees to this level. The benefit of recently acquired equipment and enhanced training was realized in early December 2004 when the Fairchild Semiconductor manufacturing facility in South Portland experienced a truck based hydrogen explosion, which required massive response by South Portland police and fire responders.
- Improved security around our Public Works complex by adding new fencing and a new gate, which helps protect our fuel depot and other key public works assets.
- Improved overall response to WMD events (and by default to natural hazard events) by providing training to our firefighters in nationally offered training programs at Texas A&M University and the National Fire Academy in Maryland.
- Hired a fulltime Director of Emergency Management to develop, implement and oversee emergency preparedness and homeland security efforts within the city and between the city and our regional and state partners.
- Improved overall response capability by participating in several drills and exercises, including joint exercises with the City of Portland, and Towns of Cape Elizabeth and Scarborough.

The City of South Portland anticipates receiving over \$500,000 this year to continue our emergency preparedness and homeland security efforts, including:

- Building a CCTV surveillance system that is capable of looking at critical facilities within the city, and feeding video directly to an enhanced digital CCTV management system in our 911 center at the public safety complex.
- Improving security and safety at our schools in South Portland through enhanced security measures such as security cameras, security access control systems and other measures.
- Implementing other security enhancements and improving emergency preparedness infrastructure through projects such as conducting a regional traffic management and evacuation study with the City of Portland and the Town of Cape Elizabeth, expanding our access control system into other municipal and school buildings, and providing improved shelter capacity and shelter management training to municipal employees and others.
- Enhancing public outreach and implement additional measures to better alert and notify the public in any type of emergency.

## **Public Safety Communication and Interoperability**

The lessons of 9/11 and other emergency situations underscored the vital importance of reliable and interoperable wireless communications for first responders to protect life and property.

**The Maine Municipal Association joins the National League of Cities in asking Congress to enact a bill that improves emergency communication for first responders by setting a firm date for broadcasters to return radio spectrum, creating a one-stop shop grant program to enhance interoperability of communications, and establish a clearinghouse of best practices.**

## **HOUSING – SECTION 8 VOUCHERS**

### **Low-Income Rental Assistance: The Housing Choice Voucher Program (Section 8)**

All municipalities in Maine are required to administer a General Assistance (GA) municipal welfare program. Housing assistance is the highest General Assistance expenditure that municipalities across Maine confront. In fiscal year 2004, total GA housing expenditures were approximately \$6.7 million representing 78% of total GA expenditures, which were \$8.6 million. The program has experienced similar statistics in the last several years. Housing costs in many areas of the state are becoming (or have become) unaffordable to many of Maine's citizens.

The Section 8 program known as the "Housing Choice Voucher Program," plays a vital role in helping place low-income persons (many of whom are working families with children, senior citizens, and people with disabilities) into decent and affordable rental units. Section 8 was created to allow very low-income (defined as 50 percent or less of the local median income) families and individuals to rent on the private market using vouchers that cover a portion of the monthly rent. Eligible persons are usually responsible for paying 30-40 percent of their monthly income in rent and utilities; and the local housing authorities pay the difference (up to an allowable level) directly to the landlord each month.

The President's budget proposal requests approximately \$16 billion for the Section 8 Housing Voucher program, which is an increase of \$1 billion over fiscal year 2005. The budget also proposes to continue "reforms" of the program begun in fiscal year 2005 to convert the Section 8 Housing Voucher program to a block grant program.

Among the proposed changes, the Administration seeks to modify the basis for determining the vouchers from one that is based on the actual rentals costs, adjusted on a quarterly basis, to one that is based on a capped dollar amount. The Administration seeks to codify this change in legislation. Current estimates indicate that this shift will produce shortfalls in assistance for tens of thousands of low-income families across the country.

The Administration was able to secure changes in the Section 8 Voucher program last year, over the objections of members on the authorizing committee, by inserting language in the Omnibus Appropriations bill. The National League of Cities expects that the Administration will continue to use the appropriations process to secure these proposed programmatic changes to Section 8 Vouchers.

**The Maine Municipal Association joins the National League of Cities in opposing efforts to further transform the Section 8 Voucher program from a cost-based to a capped dollar-based program. MMA and NLC urge Congress to fully fund Section 8 Vouchers in a manner that covers the actual rentals costs, adjusted on a quarterly basis.**

### **Municipal Studies**

**Auburn:** Auburn's Housing Authority administers approximately 590 Housing Choice Vouchers. According to Dorothy (Dot) Meagher, Welfare Director, the vouchers go to really low-income residents, many of which have no income. Any decreases in Section 8 voucher availability will necessarily mean more clients would be eligible for General Assistance. In addition, Auburn currently assists a number of applicants that are on a waiting list for Section 8 vouchers. Without the help of the Section 8 program, the City would possibly be providing GA housing assistance to many clients indefinitely. If the Auburn Housing Authority voucher program is cut by the rumored \$60,000 a year, 20 households stand to lose the assistance they desperately need.

**South Portland:** Jack Roberts, Welfare Director, explains that there are 10,047 housing units in the City of South Portland. Single family homes total 6,467 and rentals total 3,580. Of these rental units, 389 units or 11%, are currently subsidized by the Section 8 program. According to Jack, families in the area pay approximately \$900 for a 2-bedroom unheated unit. Families subsisting on minimum wage, or Federal assistance programs other than Section 8, already have to apply for General Assistance in order to keep a roof over their head. As a result, any reductions experienced by the Section 8 program (or any housing program for that matter) will have a direct and immediate impact on South Portland's GA budget.

**Lewiston:** Sue Charron, Welfare Director, reports that 5,500 out of the total 8,075 renter households in the City are extremely low, very low and low-income families. The City's General Assistance Program spent \$260,392.00 on housing costs for fiscal year 2004 (7/03-6/04). Housing costs for fiscal year 2005 are expected to increase by approximately \$100,000. Sue fears that "Lewiston will see an increase in families facing evictions due to the high cost of rentals." She adds, "Any reduction in Section 8 funding will further increase GA costs. This in turn will have a direct impact on the taxpayers, many of whom are struggling to maintain their own homes."

### **FEDERAL TAX REFORM**

In light of the President's stated priority of federal tax reform, MMA encourages members of the Congressional Delegation to evaluate any proposed federal tax code changes within the context of the overall intergovernmental system of tax and finance. Clearly any proposals that would affect the deductibility of state income taxes or local property taxes could have dramatic negative effects on Maine citizens. Likewise, any change to the favorable treatment for tax-exempt bond financing could result in significant increased borrowing costs for capital projects for roads, water and sewer, and other infrastructure needs.

**The Maine Municipal Association joins with the National League of Cities in requesting Congress to:**

- **Preserve those elements of the tax code that protect the economic health of cities and towns throughout the country and taxpayers from additional tax burdens, including:**
  - **The deduction for state and local income and property taxes;**
  - **Tax-exempt bond financing;**
  - **Favorable tax treatment for government sponsored pension plans;**
  - **The exclusion of state and local government bond interest; and**
  - **Community development tax incentives and housing tax incentives.**
  
- **Reject tax reform proposals that result in new unfunded mandates for local government.**

### **WATER QUALITY ISSUES**

This Federal Issues Paper, similar to those in the past, continues to focus on the issue of abating the problems associated with Combined Sewer Overflows (CSOs). Combined Sewer systems have one pipe that transports both sewage and stormwater to the wastewater treatment plant. During periods of heavy precipitation, the stormwater entering the system overwhelms it and causes overflows. These overflows contain not only stormwater but sewage as well. CSO events are serious environmental concerns.

CSO is an issue nationwide, but an especially difficult issue for Maine. According to the Maine Waste Water Control Association, Maine has more than 40 CSO communities. This is the most in New England and almost double the number in our neighboring State of Massachusetts.

The Maine Department of Environmental Protection's most recent Wastewater Facility Needs Report indicates that Maine faces approximately \$280 million in needs over the next five years. Almost \$125 million of that is for CSO abatement alone. Communities on the list include Bangor, Bar Harbor, Bath, Belfast, Biddeford, Brewer, Bucksport, Cape Elizabeth, Dover-Foxcroft, Fairfield, Hallowell, Hampden, Kittery, Lewiston, Lisbon, Machias, Madawaska, Mechanic Falls, Milo, Orono, Paris, Portland, Rockland, Saco, Sanford, South Portland, Westbrook and Yarmouth.

Maine is poised to release a bond package that provides some assistance, but it is less than \$15 million, much of which is in the form of loans and not grants. Federal assistance is greatly needed.

Just last month, a council meeting in the City of Belfast illustrated the problems created by CSO costs. The following is taken directly from materials presented to a council meeting in January.

*Mathews Brothers, the venerable, long-time Belfast window manufacturer, is looking to expand its Perkins Road facility and increase its employment base. It would be helpful for them to do that if the city would extend its sewer on Route 1, Northport Avenue, to the Perkins Road. The company could extend its own septic*

*system, but they would prefer to be on public sewer, which would be beneficial for both the company and the city. . . .*

*While this is a worthwhile project, and the city should indeed go forward with it, we need to recognize also that the city will be looking at other, required sewer work later this year and in future years. The city has completed a substantial amount of sewer and sewer treatment improvements – amounting to millions of dollars of investment—but we still have more to do. The city remains under a compliance schedule with the Maine Department of Environmental protect to complete its CSO (Combined Sewer Overflow) requirements that are part of our licensure conditions.*

Lastly, CSO is not the only water quality issue facing Maine communities. The EPA’s National Pollutant Discharge Elimination System Phase II Storm water Permit Program has become the law in Maine. Phase II permitting is being administered by the Maine Department of Environmental Protection (MDEP).

Phase II applies to Municipal Separate Storm Sewer Systems in U.S. Census urban areas with a population greater than 50,000 and a population density of 1,000 per square mile (MS4 communities). Twenty-Eight municipalities in Maine are included in this definition. The program mandates that the MS4 communities do the following:

1. To develop, implement and enforce a stormwater management program designed to minimize the discharge of pollutants into receiving waters.
2. To ensure that the program includes provisions to address six minimum measures to promote pollutant load reduction:
  - Public Education – This includes the distribution of educational materials and performing outreach to inform citizens of reasons to control stormwater runoff.
  - Public Participation and Involvement – This includes providing opportunities for citizens to participate in stormwater program development and implementation.
  - Illicit Discharge Detection and Elimination – This element includes developing and implementing a plan to detect and eliminate illicit discharges to the stormwater system.
  - Construction Site Run-off Control – This includes developing, implementing, and enforcing a sediment and erosion control program for construction activities.
  - Post-Construction Run-off Control – This element includes developing, implementing, and enforcing a program to address discharges of post-construction runoff and specifies appropriate stormwater treatment practices (STPs).
  - Pollution Prevention and Good Housekeeping – This includes developing and implementing a program with the goal of preventing or reducing pollutant runoff from municipal operations.

3. To identify appropriate STPs with measurable performance criteria.

Managing this issue has been daunting for both MDEP and the regulated MS4 communities. MDEP derives approximately half of its funding from the federal government. While these issues may seem a bit out of the mainstream, the *Bangor Daily News*, recently reported on the impact of the proposed budget and noted that, “Several [MDEP] programs will be affected by the cuts, but the hardest hit is expected to be the block grant for Clean Water Act programs.”

Many of the MS4 municipalities have been pooling their resources and working together to solve their common challenge; however, even with the savings associated with this collective effort, merely preparing for the NPDES challenge is costing thousands of dollars.

**MMA urges the Congressional Delegation to advocate for continued federal financial support to assist communities in dealing with these major challenges. It is critical for the federal government to maintain a strong financial partnership to meet this nation’s environmental management goals.**

## **SECONDARY MIGRANT/REFUGEE FUNDING**

As members of the Delegation are well aware, Maine has had a significant influx of immigrants in recent years, particularly in the cities of Portland and Lewiston. These cities have worked closely with Catholic Charities of Maine to meet the needs of the refugee populations. The following outline was prepared by Lewiston Assistant City Administrator Phil Nadeau to assist the Delegation in understanding some of the unique challenges currently facing Lewiston and Portland, and which could extend to other communities in Maine. The outline particularly relates to the Department of Health and Human Services - Office of Refugee Resettlement budget.

- The Office of Refugee Resettlement (ORR) budget for refugee resettlement programs has only increased approximately 8% over the last 5 years.
- Some secondary migrant populations require on-going levels of programming and services such as English for Language Learners (ELL); health care for a wide variety of physical and mental health needs; cultural skills education; job training; education services; child care; transportation; translation and interpretive services; etc.
- Federal funding for on-going program and service needs for some secondary migrant and primary resettled refugees is problematic for small cities like Portland and Lewiston given that the federal government provides most refugee funding for only the first year in-country.
- ORR funding has always assumed that the U.S. refugee resettlement strategy of initially locating most refugees in large metropolitan areas provides greater availability of resources (corporate, non-profit, community) for Volags or volunteer (refugee resettlement) agencies (like Catholic Charities) to leverage to support for social service and other special needs. This strategy is largely negated when refugees leave their community of resettlement (first year funding does not follow the refugee to the next

community) and relocate to cities like Lewiston and Portland that must often provide on-going program/service needs beyond the first year in country. Example: Lewiston believes that the rate of unemployment amongst Somali adults is higher than 50% and that current data management practices and programming for adults is insufficient to deal with current and future job training needs or programming development and assessment.

- FY2004 refugee resettlements were 70%+ above FY2003 numbers – resettlements are trending towards pre -9/11 levels which will generate more secondary migrant relocation to our cities and generate more need for service and programming.
- In Lewiston, current secondary migrant relocation and primary resettlement activity are producing immigrant population projections of some 3,000 (from the current 1,600) by 2007.
- Lewiston public school ELL enrollments are up 35% over 2002-2003 school year--8% of student population. Given current population projections, that number could be as high as 12% – 14% by 2007.
- The ORR funding approach fails to recognize the disproportionate fiscal pressures secondary migrant relocation (and on-going service needs some primary resettled refugees require after their first year in country) places on small towns given its assumption that communities can utilize existing resources to fund on-going programs—something that may work for larger cities but is significantly marginalized in smaller communities with much less fiscal capacity and fewer non-profit/corporate/public resources.
- There is no federal fiscal obligation associated with the program/service needs of political asylee applicants and their families (approvals can take a year or more)—another federally mandated burden shouldered completely by state and local governments.
- A more pro-active and common-sense approach for secondary migrant, political asylee applicants, and resettled refugee programming support for small communities is needed if the federal government remains committed to current levels of resettlement for refugee populations that require extended social service programming needs. The absence of community resource equivalents found in large metropolitan areas places small cities at a significant fiscal disadvantage. The cities of Lewiston and Portland would like to explore some conceptual ideas on this issue with the delegation at a future date.
- A case study by Lewiston Assistant City Administrator Phil Nadeau entitled: “The Somalis of Lewiston: Community Impacts of Rapid Immigrant Relocation into a Homogeneous Maine City” (available in electronic form-- contact Phil Nadeau at: [pnadeau@ci.lewiston.me.us](mailto:pnadeau@ci.lewiston.me.us) or 207-784-2956, Ext. 114) provides some background information on the complexities associated with the rapid relocation of secondary migrants and the fiscal constraints encountered by a small city with limited resources.

## **BASE CLOSURE PROCESS**

The base closure process is clearly one of the most major federal issues facing Maine. While it is clear the loss of the Portsmouth Naval Shipyard or the Brunswick Naval Air Station would have a major effect on Maine's economy, the Maine Municipal Association appreciates and supports the efforts of the Maine Congressional Delegation to make the case for the strategic value and importance of the Portsmouth Naval Shipyard and the Brunswick Naval Air Station. Local officials stand ready to assist in this effort.

# **A PROFILE OF HOW FEDERAL ISSUES AFFECT A MAINE COMMUNITY**

*Prepared by Linda Pagels  
Calais City Manager*

## **Overview**

With a population of less than 4000, the small city of Calais serves as the largest regional service center in Maine's easternmost Washington County. Positioned on the international boundary defined by St. Croix River, Calais is the eighth busiest port on the United States/Canadian border. The city's 2003 full value tax rate of 26.55 mills generated \$3.1 million in property taxes, the major local funding source for municipal and K-12 education services.

## **Transportation**

Calais is a significant crossroad for commercial and visitor traffic. Routes 1 and 9 are the two arterial highways serving the city. Route 1 connects Calais to points north and south and Route 9 is the City's transportation link to Bangor and Interstate 95. Calais has two international border crossings and a third, which if funding permits, will be completed in 2007. Currently funding is in place for the Canadian portion of the bridge project and funding for the required Customs Station is included in the President's budget. However, only half of this bridge is funded until the United States government approves funding for the remainder of the bridge. We expect funding to be included in the upcoming Transportation Bill. Traffic congestion within Calais as a result of traffic waiting to go through Canadian Customs is a significant problem, particularly during the summer months. During the summer, especially on Canadian and American holiday week-ends, traffic can come to a halt on North and Main Streets such that it can take two hours to travel one mile from North Street to the border. International commerce comes to a halt during this time. Trucks sitting in traffic represent added transportation costs which can not be recovered. The new bridge will decrease the heavy truck traffic in the downtown by routing it to the industrial park to the north of the city center. Trucks will then be able to connect easily with Route 9, a major east-west corridor. Trucks also travel the Route 1 corridor through Calais to pick up forest products from mills in Baileyville and deliver shipments to the port of Eastport 45 miles to the south.

## **Education**

The city of Calais is a member of School Union 106, which includes Calais plus four additional towns. The School Union maintains its own school system with 5 buildings and approximately 150 employees. The Calais School Department serves approximately 700 students from K-12 in two of these buildings.

During the past two decades state and federal financial support of local education has declined and over this period mandates, including No Child Left Behind have increased. With the trend of the past two decades, additional local funds are required just to maintain the present level of instruction. Education accounts for the largest percentage of local budgets. If this pattern continues, our communities may not be able to continue funding education at the necessary level of service to support important programs.

## **First Responders**

The Fire Department is staffed by 5 full-time and 25 volunteer positions. It has written mutual-aid agreements with St. Stephen, New Brunswick and Washington County, but also responds to calls neighboring towns. One of the Department's concerns is the number of trucks carrying hazardous materials and chemicals traveling through Calais. Shipments of caustic soda, liquid asphalt, bunker fuel, butane fuel, gasoline, kerosene, pesticides, herbicides, potassium chloride, hydrogen peroxide and various other chemicals are transported by commercial carriers through Calais. The city has a mutual aid agreement with the County hazardous materials response team to respond to any emergency caused by a chemical spill.

Regional ambulance service is provided from the Calais North Street Station and a full time Police Department is also maintained at that location by the city. Since 9/11 these departments have worked closely with all county, state, and federal law enforcement agencies with a Local Emergency Preparedness Effort to receive training and build regional capacity to respond to possible incidents affecting national security.

## **Wastewater Funding**

Since 1969, the City has operated a municipal wastewater collection and treatment infrastructure that provides sanitary sewer service to about 1250 connected users representing an estimated population of about 3100 people. The treatment plant is now thirty-six years old. Many of the City's sewers date back over one hundred years and consist of vitrified clay pipe with open joints allowing ground water infiltration, which coupled with wet weather events, cause combined sewer overflow discharges of untreated sewage into the international waters of the St. Croix River. Most recently the City has undertaken \$1.5 million in improvements and another \$1.5 million has been identified as priority projects. The City must also complete the proposed improvements to stay in compliance with its wastewater discharge licenses.

## **Water Funding**

In August 2002 the City of Calais turned on the tap of the newly developed City water source. For the first time in the 150-year history of the city, Calais now has its own water source. For decades, the City of Calais had purchased its water from the Town of St. Stephen NB Canada. Due to federal regulations the City could no longer obtain water from Canada and was forced to develop its own source.

To date Calais has successfully developed a new water supply source and an associated treatment system; however, the City's water distribution system consisting of many old cast iron pipes is in poor condition. As a result the City of Calais has been addressing problems associated with poor water quality caused by these pipes throughout its municipal water system. The City has previously borrowed almost \$2 million for source development and construction of a new water treatment plant. The City has reached its borrowing capacity for water projects. A recent evaluation of the system identified an additional \$2.5 million worth of high priority improvements.

## **Community Development Block Grant Funding**

Federal CDBG funds granted in the State of Maine from 1982-2004 to non-entitlement communities amounted to approximately \$314,000,000. Of this total the small community of Calais was able to successfully compete for nearly \$7 million in CDBG funds to undertake needed infrastructure improvements.

In Maine CDBG often represents the only "GAP" funding to allow communities such as Calais a chance to fund such needed projects as water/wastewater, downtown revitalization, the Downeast heritage center, low income housing improvements, economic development and planning. Over the years funds have been used to partner with the Drinking Water Program DEP, MDOT, USDA-RD.

## **Housing - Section 8 Vouchers**

Calais has several facilities and developments that serve low and moderate income housing needs as well as special needs population and a high percentage of elderly population; however, data from the 2000 census indicate that at least 33% of renters and at least 16% of homeowners are paying greater than 30% of their monthly income on housing. There continue to be waiting lists for these facilities. The Section 8 Program is an important tool to filling the gap in the communities housing resources.

## **Summary**

The City of Calais is continuing its efforts to provide needed services to its citizens, businesses and visitors. Our local tax rate and user fees place a strain on our ability to maintain these services and comply with state and federal requirements. We hope this profile helps to illustrate the importance of the value of successful programs such as the Community Development Block Grant program and the critical role of federal funding for transportation, drinking water and water quality, and homeland security.