

**Remarks by
Waterville Mayor Karen Heck
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Everyone wants to hear that their taxes are being lowered but few people understand how that trickles down to the local level.

Everyone also wants to have the fire department show up when their house is on fire, feel safe when they are walking down the street at night, have their tires protected from potholes, and the fields mowed for their kids' soccer, football or field hockey game. No one wants to hear that their taxes are being increased. We've been hearing since Reagan was president that government is bad and taxes are worse. The result of the policies put into effect since that time are now coming to the property taxpayers' homes to roost.

In Waterville, and in every community in the state, property tax payers are picking up the tab for the costs that used to be paid for by taxes that were more fairly distributed throughout the whole population through revenue sharing and the income tax.

An example of the state passing on its responsibility without passing on the revenue to pay for it is the passing of the buck on liquor enforcement. I've been in three meetings in the past 10 days dealing with the fact that some bars in our town are over-serving customers who then walk down Main Street taking out their frustrations on windows, trashcans and each other. The state used to have 14 liquor inspectors monitoring bars' compliance with liquor laws. Now, while they still collect the license money from bars, they no longer have any liquor inspectors. If the city wants to monitor the bars, it's up to us, which we can do without the benefit of the license fee the state continues to collect.

Another example of the tax shift to property taxpayers is happening with roads in our towns and cities designated as "state roads." For 4 years in Waterville, we watched the deterioration of Eustis Parkway, the major connector designated as a state road that runs between Main Street and MaineGeneral hospital and Colby College. The road never made it to the list of roads that the state would repair so we fielded daily complaints from people about its condition. In order for us to get the road moved up on the state's repair list, we agreed to share the cost of fixing it. The result? Property tax payers in Waterville paid for the repairs.

A third example is what happens when the state decides that after 5 years, families are cut off of TANF. Studies have shown that 80% of the people in Maine who are on TANF leave within 5 years. We have one of the model programs for the country. The people who remain are often caring for a disabled family member or are disabled themselves. The people cut off are left with little recourse but to come to General Assistance. GA serves the poorest of the poor. You really can't have any assets to receive it.

Since May, when the first round of TANF cuts occurred, 10 families have applied for GA in Waterville. At \$450/month/family, that is an additional cost of \$60,000 per year and that is only the first round, more are expected throughout the fall and winter. Most of the requests are for housing assistance. Are we going to let families sleep on the street or are we going to absorb the cost through a higher property tax assessment?

In the past 6 years, the City of Waterville has reduced its workforce from 127 to 110 people, including 2 police officers, 4 firefighters and 8 public works employees. We share a fire chief with Winslow, share equipment with surrounding towns, manage the IT needs for Winslow, Clinton and Oakland. We've cut, consolidated and shared and continue to explore ways to reduce expenses. You can bet that since our former mayor is now the governor, expenses were scrutinized daily.

However, as our former mayor used to note, John Baldacci is not a bad guy but he keeps passing on the state's costs. Unfortunately, there's been no change in that policy. The state mandates that Revenue Sharing is to be paid by state at 5.1% but this past year, we received 3.5% - a loss to the city of \$880,000. A mil rate for us is \$600,000. Our budget was increased by a mil after using \$600,000 of our surplus to pay for the kinds of services the city provides and people expect.

While politicians who want to be re-elected might not want to talk about the need to raise revenue and re-examine our tax policy, I'm happy to. I've held community meetings, talked about the issue at Council meetings and responded to everyone who's told me they don't want their property taxes raised, "You need to talk to your legislators, not to me." We need a tax policy that maximizes revenue like the lodging tax - if we're branding ourselves "Vacationland" why in the world are we not taking advantage of the out of state money that is coming here? - and we need a more fair assessment of income taxes.

If people truly want their taxes lowered, they need to pay attention to more than politicians' assertions that that's what they've done for them.