



**TOWN COUNCIL  
SPECIAL MEETING MINUTES  
SEPTEMBER 17, 2010**

Michael Bowie, Chair District 2 2012  
Gina Mason, Vice Chair District 1 2010  
Fern Larochele, Jr., At Large 2010  
Roger Cote, At large 2011  
Mark Lunt, District 1 2012  
Dale Crafts, District 2 2010  
Lori Pomelow, At Large 2012

**CALL TO ORDER & PLEDGE TO THE FLAG.** The Chairman, Michael Bowie, called the meeting to order and led the pledge of allegiance to the flag at 6:30 PM.

**ROLL CALL.** Members present were Councilors Bowie, Mason, Crafts, Larochele, Cote, Pomelow and Lunt. Also present were Stephen Eldridge, Town Manager; Rick Graham, Dot Fitzgerald, and John Wierzbicki, Budget Advisory Board; Mike Cote, Code Enforcement Officer; Miriam Morgan-Alexander, Board of Appeals; Roger Therriault, Town Attorney; and approximately 80 citizens in the audience.

**PUBLIC HEARING - NONE**

**CONSENT AGENDA-NONE**

**COUNCIL ORDERS, RESOLUTIONS, & ORDINANCES-NONE**

**OTHER BUSINESS**

**A. FUTURE TAX BILLING DISCUSSION**

Councilor Bowie said I will let the Town Manager give us an overview of what happened and allow us to lead into some discussion.

Mr. Eldridge said let me explain the process of what the Council and the town goes through to get to a tax commitment. We go through a lengthy budget process. We generally start in December and end in April, May, or June. This year and for the last few years, because of the difficulties in the budget and the economy, it took until the end of June to come to a decision based on the data that we had and based on what we thought the tax rate would be, the Council approved a budget. Prior to that time, after April 1, the Assessor takes all of the data from permits, etc, and sends out letters of declaration of personal property to all the businesses. The Assessor used a database that we have in the Economic Development office, which has a listing of all our businesses. He sent a letter to all of our businesses requesting they submit a declaration for equipment that they have; that is a standard procedure done by all Assessors. Mr. Eldridge said that caused quite an uproar in town. We got our lists in; they staggered in up until mid-August.

Mr. Eldridge said in the meantime the Assessor and his staff, who is part-time, and Beth, our Assistant Clerk, helped enter data into our software system, which is new this year. It's a standard system called Trio Software; it is used in almost every municipality, especially the smaller municipalities in the State of Maine. You enter in the data. If you are entering in new data off the cards in our files and the system enters the value you put in. In this case, for personal property, you enter in when it was purchased and what the purchase price was. The computer depreciates it according to a schedule. So, that is the process we go through before we get to tax commitment.

Mr. Eldridge said we lost our IT person this year through odd circumstances. The Assessor was entering data in as fast he could, making sure it was accurate. He went to commit taxes. We were very late, because we were waiting on some stuff to get it into our system. We were a little bit behind, as you all know. You were looking for your tax bills, your mortgage companies were looking for your tax bills. He ran some preliminary tests, which is standard with this software before you commit to make sure the data is correct. We had a few personal property accounts that were not coming up, based on the numbers that we had on the cards. We called the software company to try to figure out why there was a discrepancy.

Mr. Eldridge said we found out that one problem was that, since our IT person was gone, a regular update had not been put in the system yet. We downloaded the update and everything was fine except for one account. That one account showed a value of approximately \$21 million; on the card, there was a value of \$32 million. We went back and checked all of the data to make sure everything was entered correctly. We doubled checked these three or four times. We talked to Trio. We talked to the company that this equipment belonged to, to make sure we had all the correct data that they provided; this is their data not our data. From what we could see, the computer had all the correct information, it depreciated the equipment, and there was a loss in value between \$10 and \$11 million.

Mr. Eldridge said the process is that once we have an approved budget and approved revenue stream from the Council, the Assessor commits taxes. We used the data we had; we felt comfortable that it was accurate. We ran our tax bills and they are what you received. That is the process. The Assessor is an agent of the State, even though he is on our payroll. He is under my management. He is a licensed agent. Towns have to have somebody who is licensed from the State of Maine. He is a licensed Assessor. Every municipality has one, at least a part-time person; we've always had a full-time Assessor here.

Mr. Eldridge said that is where the tax bill discrepancy is, that's where you saw a major increase besides the budget increase. We were up 3% over last year. Our expenses were mostly driven by increases in our water hydrant fees, increases in our bond debt because the public approved several bonds. One bond was for the Route 9 project, which we legally had to fix the water supply up there. The other was for matching funds for a trail. The Council had no idea, none of us did, that we would see this drop in valuation. It was unexpected.

Mr. Eldridge said we hired a separate CPA to validate the numbers. We were comfortable that the numbers in the system were correct. He spent quite a bit of time going through the records and he said he felt the methodology used had some errors. He felt that the values from our computer were correct. So, that is the explanation as to why there is such a larger increase than this Council or any of us expected, because of the loss in valuation.

Mr. Eldridge said we lost revenue from another company here in Lisbon, \$1.7 million in value, which we were anticipating. That company was Knight Celotex, we knew we were going to lose that value, because they are gone, they went bankrupt. We anticipated that. We did not anticipate the other drop in value. I hope that explains why your tax bills are what they are.

Councilor Crafts said what was the reason for the drop in valuation over last year to this year for that one business? I still don't have an explanation why that depreciated different than it did the following year.

Mr. Eldridge said I am not an assessor and I am not an accountant. I will read you the letter that he provided me: "After extensive review the personal property files of the company from 1989 to the present, I have concluded that the value stated on the assessor's card are overstated. This conclusion is based on the observation of the methodology used by the Assessor in determining the taxable value for any given year. The methodology excluded detailed analysis of additions and deletions and no perpetual record was maintained to actually account for the assets and their

related depreciation. The most glaring flaw in the methodology was the way the depreciation was calculated. The Assessor understated depreciation each year because he used depreciated basis that his methodology changed each year rather than the cost which is the appropriate basis."

Mr. Eldridge said he has exhibits here that show that the 1999 assets were under depreciated, "This caused an overstatement of the assessed value, which resulted ultimately in the taxpayer being overcharged. This is the case in all asset additions when assets were removed from the amount, it was less than it should have been. The result of this methodology is an overstated taxable for the taxpayer." Mr. Eldridge said the consultant that we brought in has offered to come before the Council. He could not be here tonight, but he can be here Tuesday.

Councilor Crafts said so what you are saying is, what that is saying, is that we had an inaccurate data entry in the past that led us to this problem. Is that what he is saying? Mr. Eldridge said I wouldn't call it data entry, because it was being done manually. The calculations were being done manually. You didn't have the software, at that time, for the last ten years that did the calculations automatically. Councilor Crafts said so there was a dip in the depreciation chart that we used from the new software from the old depreciation. Mr. Eldridge said no, as far as I know the depreciation was done the same way, but again, I'm not going to talk to you about depreciation. I'm not an expert on depreciation.

Councilor Crafts said I'm just trying to find out. The math calculation was calculated wrong. I still don't clearly. Mr. Eldridge said the letter said, "the Assessor's methodology excluded detailed analysis of additions and deletions and no perpetual record was maintained to accurately account for the assets and their related depreciation. The most glaring flaw in the methodology was the way depreciation was calculated."

Councilor Mason said with all that said I have a question. It has been the most glaring question for six of us that sit on this Council for the past week and a half. As a Councilor, I represent many people that sit in this audience. I'm embarrassed to sit here and tell you I didn't know this was going on. My question to Steve and Mike is why as six Councilors that are just equal to the seven, why weren't we told about this before the tax bills were sent out. The only reason I knew is because I received my tax bill and I happen to live on Route 9. I get rural mail. My mail is generally a day to two days later than in-town people get it. I was a bit behind on it all. I received my bill, set it aside, didn't pay attention to it. I got a call the following morning. A citizen asked me what is happening. I took my bill out and I was appalled. That's when I contacted Steve and Steve sent me the email, which I have a copy of tonight, telling me that there was an \$18 million dollar shortfall from Dingley Press in their personal property tax. Councilor Mason said, as someone who represents this town, I can't believe I didn't know about this before taxes were committed.

Councilor Pomelow said I want to add to that that this information we have reason to believe was available. Not only did the tax bills go out with that information not present and available to all of us Councilors, but we have reason to believe that it was available, there was, at least, knowledge that there was a problem before we committed taxes in this town. I would venture to say that the issue might have been known as early as April before we voted on a budget without valid information. I, too, am embarrassed to sit on this Council, representing the people of this town, having voted, again, without having adequate information available to me.

Mr. Eldridge said I don't know where you got your information, Lori, but I know because I saw the list come in from Dingley Press and the date on the fax was mid-August. We had no idea in April that this was an issue. We did not anticipate this. Generally, in most communities, you trust the data that you have. You think that all of the information is being managed correctly. You put that information into computers, you enter the data into the system that the company provides you with and that is exactly what we did. It is the Assessor's job, he's an agent of the state, to take the data, put it in the system, and do the tax commitment. He came to me when we were looking at the data, before we printed the bills, to try to validate some of the numbers. We looked to make sure that all

of the data he put into the system was correct information compared to the data from the year before. It was correct. We knew we had the right values and the right years of purchase.

Councilor Pomelow said at approximately what point did the Assessor come to you and let you know that there was a discrepancy. Mr. Eldridge said maybe three or four days before; we were behind in the commitment. Councilor Pomelow said was that before this Council voted on the commitment. Mr. Eldridge said you don't vote on the commitment. Councilor Pomelow said we committed taxes at one of our meetings, August 17 or 20. Mr. Eldridge said you just vote on the budget. Councilor Pomelow said, but you were aware the first of August that there was a problem with that assessment, is that correct? Mr. Eldridge said no. I did not say that. I said that the sheet came in from the company in probably the second week in August. They faxed it to us. He put it aside when it came in because we have not had problems from what we have on record. He completed some of the other work he was doing. He went to enter the data probably the third or 4th week before we committed. He started putting in data.

Councilor Mason said I also have an email here that was sent to Mike Bowie on the first of September. In this email, it is telling Mike that the tax bills are going out today, etc. The billing reflects a 10% increase across the board of over just \$6 million in new value. Also, we've seen a drop in our personal property value that totals \$19 million and some dollars. Steve, that was on Sept. 1. Obviously, somebody had to know. I'm not an Assessor myself, but to calculate that and have the bills printed and ready to go, somebody had to know before Sept. 1 that there was a \$19 million difference. I have a concern with the timeframe. If we are talking about something happening one to two days time, yes then it's a small amount of time, but I would hope that things were calculated before the day the taxes went out. It is physically impossible to get out 3,000 plus tax bills, finding something out in the morning, printing the bills, calculating them, and having them out in the afternoon; that is impossible.

Mr. Eldridge said no, if you saw the staff doing the envelopes; they have an automatic letter folder. We discovered on Thursday that we had issues with the software, as I said. We had to download updates, that was part of what we were doing, thinking that might have been the problem. I had three or four staff people stuffing envelopes to get the tax bills out because we were behind.

Councilor Crafts said the issue boils down to this. You did have time, any way you cut this. Mike did get an email. The last sentence says, "I could use some direction on how the Council wants to handle this." I am wondering why the Town Manager, who is the most responsible to communicate with seven Councilors, not just one, who didn't communicate with us, but did communicate with the Chair who, also, didn't communicate with us, that's the problem I have. That's why we are all sitting here trying to figure out what happened because we didn't have proper communication. I've been in your office how many times in the last two years saying there are seven Council members. How many times did I say, Steve, this is a seven Council member board, not a one or two. I really thought you took care of it, I really did. I was really getting my confidence in you that you were communicating with all of us.

Mr. Eldridge said there are many times, Mr. Crafts that I deal with just the Chair. That is the structure. Councilor Cote said that's the problem. Mr. Eldridge said no, that's the protocol. That's the way it's done. Secondly, these are extremely sensitive issues. You do not want to be out on the street, legally, because I didn't know at the time what the legal ramifications are; you've been overtaxing a client.

Councilor Crafts said you are saying you shouldn't have made us aware of this. Is what you are trying to tell me is that you shouldn't have made us aware of this? I want an answer. I want to know what your thinking and reasoning was for why you didn't, at some point, let us know what was going on, when I had to find out when I got my four tax bills.

Councilor Cote said what I want to know is why this has been going on for two years with me. Mrs. Pomelow showed me another email she got recently that all of the other Councilors were emailed on and I'm deleted from it. Mr. Eldridge said Roger, I don't know why that is happening.

Councilor Cote said I know why it's happening. I can tell you right now, Steve, I've been on this board for two years, it started out with Chief Brooks coming in here and running his mouth for two hours and this man never stopped it. They put me down as much as he could. We wanted a special meeting. They went to a special meeting the very next night. We didn't have to wait four days for you to call the press. We went the very next night. We went into executive session. All the cops sat out here waiting. We went in there and you were going to remove me and our own town lawyer told you that everything that that man had was a lie, an untruth and there was nothing they could do against me and they'd better leave me alone because they'd open this town up to a multi-million dollar lawsuit. It has not changed in two years. I don't get emails. I don't get any respect at all from this Council. Mr. Bowie will stop me from speaking any time he can. I personally am sick of it. If I had to tell everybody in this audience and all over this town to not pay their tax bill to get this to light, this is what I had to do. I hope that something comes out of this to change the direction of this town. Last year, what did we do two tax bills? We cannot afford to do one, but we're going to do two; this, year this. What's next year? It's a constant on-going thing. Personally, I know what I want to do.

Councilor Mason said I have a question. As the Vice-Chair of this board, I've been called in numerous times on sensitive matters. We've brought it to Council and it's been taken care of in executive session. I am just curious why this time I wasn't also consulted. I think all Councilors should have been, but if there was another person that could have chimed in, not because it's me, but because of the position, I think the Vice-Chairman should have known. That bothers me a little bit, because I sit in Mike's seat when he is not here, and I act as Chairman, and anybody else who might become Vice-Chairman, would do the same. It concerns me that the information was withheld and as has been said several times, we sit here looking like a bunch of dummies when we don't know what is going on.

Councilor Cote said it's what you call control. I'm sick of control. This is not Russia or Cuba. This is Lisbon, Maine in the United States. We're going through hard times and two people in this town are not cutting it. We need to open this up.

Mr. Eldridge said I need to comment since the finger is going to get pointed at me. First, when I first got hired, seven people hired me. They told me that I was coming in to help straighten out some of the issues that they knew existed throughout the whole organization; that's why they did some of the things they did. Some of those systems were, for one, we brought in new computer software across the board for every office. One of the things this town has done over the years is to use over \$500,000 every year in the past to offset the tax bills. Basically, that is artificially offsetting taxes so you keep them flat by not having to raise that money. You've gone from a very healthy undesignated fund balance to a minimum fund balance so that if you had to borrow money now in that kind of quantity, you wouldn't have enough money to get through the year to pay your bills. That's why you have an undesignated fund balance. The bond bank and your auditor have made recommendations not to do that and it still was done by previous administration and was approved, not by these Councilors, but by other Councilors.

Mr. Eldridge said, also, when I came into this town, you had buildings that were falling apart and deteriorating. Public Works wasn't even handicap accessible. It was illegal, but each time the townspeople voted down to fix that building. Campus Street School had leaking roofs that if they weren't taken care of the building wasn't going to be worth anything. Luckily, we were able to get rid of it to a place that is going to be renovated. You had the MTM building that the school abandoned because it wasn't fit for the children, but the town thought it would be fine to put a recreation program in there, which is wonderful. You had to invest some money, which you did,

and we've got more grant money going into that building and it is a very busy place. But, initially that may not have been very smart.

Mr. Eldridge said now let's talk about personal property tax in this town. You have 251 personal property accounts in this town. We sent out above and beyond, 240 extra personal property bills that had never been submitted before. That's over half of your businesses in this community that have not been paying personal property tax. Guess what, State law says you have to treat everybody fair and equitable so not one person or one group of people are paying to offset taxes. It's everybody. It's called fairness and equity. That wasn't happening here. Now, it's being done properly. You had houses here, trailers that were valued at 100% when we were at 67% and 56%. If you don't think so, ask some of the people on the Advisory Board. One person came in to see us about that, because he knew the value of his house was being valued at 100% of value when everybody else in town was at 56% of value; that's fairness?

Mr. Eldridge said this Council has come after me, you Roger are one of them, because Code Enforcement wasn't managed properly here. Not everybody was being treated fairly. I'd like to think that that has changed. It doesn't change overnight; those are some of the things that we have inherited and we are trying to straighten out. It doesn't happen overnight. It takes time. We've brought in some new people. We've let some people go. We're down 15% in staffing in the last two years. We've been fortunate that it's been through attrition. We haven't filled those positions. When you come in to pay your taxes or get your car registered, I bet you are standing in line a little bit longer and people don't like that very much, or when you go to get your road plowed this winter, you might not have it plowed as quickly as you are used to because we are down another person this year in Public Works.

Mr. Eldridge said but let me talk about some of the good things that are happening in this community. Your high school is being fixed. We've got a well problem on Route 9 that we've had to pay for. We've been fighting with the State for over a year on that. Dale can say that, he's been in the Governor's office trying to get them to pay, it's their road. We're under contract with them, but we didn't get money from the State to cover that. We lost probably close to \$350,000 more dollars from the State in Revenue Sharing, so our revenue is down. You've gone from \$3.4 million in the last few years down to \$2.8 million. Those are difficult numbers to try to draw from. You also have your buildings being fixed. You have one of the best trails systems in the State of Maine. And you all agreed to pay for those and I think that's smart. More businesses have grown in this community than probably any of the surrounding communities from the hard work of a lot of the staff here.

Mr. Eldridge said I would like to give credit. If the Council is going to point fingers at me and Mr. Bowie, let them point fingers. We're trying to do the best we can with what we have. We're trying to keep you out of lawsuits. That is one of my biggest concerns when all of this stuff hit the fan. How is it going to impact us legally when somebody finds out that they've been overtaxed by \$10 million? You want to have to pay that back, to the tune of close to a quarter of a million dollars or more. We don't have the money in the coffers to do that.

Mr. Cielinski said no one's answered the question why weren't all the Councilors notified. Mr. Eldridge said one; it's not the Councilor's job to set the tax rate. It's the Assessor's job. He's the agent of the State. Mr. Cielinski said who's in charge? Mr. Eldridge said when it comes to setting the tax rate, the Assessor's in charge. That is State law. Mr. Cielinski said who told him to increase mine by 16% and somebody else's 10%. How did he come up with that, that's what we want to know. Mr. Eldridge said everybody was increased and brought up to 80% across the board based on. The audience member said how, he didn't come to my house. How did he know that. I've asked a question on the Assessor, I have never got an answer on that. Who told the Assessor to value my house at that value? Can you tell me that?

Mr. Eldridge said yes, I can. We agreed, Council agreed, to bring everything up to 80% of value. The audience member said I thought the Council had nothing to do with it. You said they had nothing to

do with assessing. Mr. Eldridge said they don't set the tax rate, but we talked. We had a consultant come in, Mr. Van Tuinen, who is very well respected in the State of Maine, to look at our land values. His advice to this Council, he gave three different scenarios during a workshop, and each one of them would bring the value of property up to 80%. He told us how and he worked with the Assessor to do it.

Lisa Bosse said he is asking how you decided to bring it up to 80%. Someone said I can't sell my house for what you are taxing it at 80%.

Mr. Eldridge said let me explain something to you. Mr. Cielinski said without seeing the property you can't give it a value. Mr. Eldridge said you had a value on your home that valued at 56% of value. That's what your tax bills have been for whatever number of years. Everybody's house has a value on it based on the work that's been done by previous assessors. Across the board, based on what the value was last year, at 56% we used a factor that would bring everybody's value up to 80%. That's a very common practice in municipal government done by Assessors. The most accurate way to get a real accurate value on your home is to do a revaluation. Bringing it up to 80% is not a revaluation. You need to have people go out to your homes, talk to you, measure, ask how many bathrooms you have, see if you have a porch or deck that wasn't there last time they were out there.

Lisa Bosse said don't you think that's the way to start, not taxing and guessing. Mr. Eldridge said it's not guessing. Ms. Bosse said you haven't seen the house. Mr. Eldridge said when you bring it up to 80%, you had a value or a mil-rate of \$25.50 last year. Because we brought the value up to 80%, the mil-rate dropped down to \$21.60. The man in the audience said you said that had nothing to do with our value. Mr. Eldridge said it has to do with the total value that brings down the tax rate. The woman in the audience said the last time these houses were assessed was when they were built. When Code Enforcement came in and approved the house, after building permits were taken out, correct? That's the last time. So in between then and now, that home is going to have depreciated. It could have increased, you're right, but because it has not been checked yet, you can't just send out a fictitious tax bill guessing that you've gone from 56% to 80%. Mr. Eldridge said it's not fictitious. It is based on the value at 56%. It is a mathematical correction. If you want to have your home valued and every home done individually, you have to pay to have a revaluation done. Ms. Bosse said which is what should have happened before taxes went up or down. That is the first step.

Councilor Larochelle said when I came on the Council close to four years ago, one of the first things that we were looking at, and I was very green, was the idea of working with the Assessor who had a very tough challenge because it was at 56%. The State would like to have you over 70%. Just to give you an idea why, the reimbursements for homestead and for tree growth are based on the percentage of what the town gets taxed. The lower your percentage is, the less money you get back on homestead. One of the first duties I had as a Councilor was to put information together to try to get the voters to approve to borrow money for a reassessment, which would have been a very expensive process. It's something between \$300,000 and \$400,000. We've tried to do that a couple of times, but due to the economy even three or four years ago, it went out to vote and was voted down. It isn't that four years ago the town wasn't trying to reassess. It wasn't that four years ago we weren't trying to put in the computer systems that we have now, it was strictly a financial decision not to do it. As time went on, we sat here as a complete Council, it was explained to us that instead of actually spending \$300,000 we may be able to get more homestead back for our residents by adjusting our valuation up from 56% to 80%. With that, we've all seen the average home that was \$100,000 or \$200,000, when you bring your value up to 80%, if you don't increase your expenditures, your mil-rate drops evenly so there is really very little tax difference.

Councilor Larochelle said what I am trying to get across is that the town has been trying for many years to reassess, but it is tough to do it without the funds to do it. Secondly, the tax bill that you have, the increase that you are seeing, the fraction of it going to 80% is a very small difference in your tax bill. We are talking, when we as a complete Council, we have seen documentation where a \$150,000 home, there was less than a \$26 to \$30 difference. As you increase the valuation and the

town is not spending more, the mil-rate comes down evenly. It's a tier, it's like a teeter totter. That was the information that the Council based it's decision on. We all got together and the 80% was not to hurt the town, believe me, all of us pay taxes in town. It was trying to get back more money from the State that deserve for tree growth and homestead. It wasn't to abuse anybody. It wasn't to generate more revenue. It was strictly to bring up the valuation so we can drop the mil-rate. Again, it's a balance.

Councilor Laroche said unfortunately, this year we had about six different variations in what happened to change the rate. If you look at it and you read the letter that shows it went up to 80% of valuation, it's the biggest thing that you see that changed it, but it really didn't. As a Council, we worked with the budget this year. For the last three years we've worked with the budget and it hasn't been easy. I don't think anybody here likes the process. Every year we've cut services to try to maintain a good budget. Every year we've cut services. We have less police, less public works. We've been cutting services every year to try to keep a level budget. This year we worked hard to keep it a 3% increase. If you look at all the expenditures that went up. As a Council, I'm not going to say everyone agreed, but the majority of the Council agreed that we had a pretty fair budget. So going into this, you've got to realize it isn't the valuation that messed people up, hopefully it is going to help us. In the long term do we have to do a full revaluation, no doubt about it. The only fair way to have a true valuation is to have every house looked at, measured. The only fair way is to look at each house, apples to apples.

Mr. Cielinski said what you just said is wrong. My taxes went up 15%. You said your budget went up 2%. How does that compute? Councilor Laroche said I've visited Steve many times because I brought in dozens of bills, how does this calculate out. We were comparing them. The biggest difference in our taxes isn't the valuation difference, it's not the increase in our budget, the biggest problem with our taxes is that we lost revenue. We lost our revenue. If two or three businesses in town go away, our taxes are going to go up three or four more times than what it did this year. We used to have a town that had mills. Someone called me the other day to say they had broken down by the mill and I had a good idea of where they were because there aren't many left in town. We used to have five or six mills in town that generated revenue. Look around, there's no more mills. We have one or two businesses in town that generate revenue over and beyond what we have. So, if we have a budget and you lose your income, you have to pay more. Basically, that's what happened. It's a shame and we feel sick about it, but we had no control. We set a budget based on what we felt was best for the town. When the budget was set, just like if you are going on vacation, you put aside \$2,000 and at the end of the day you find out your vacation is \$2,500. Someone in the audience said then you don't go. You cut back. Stay home.

Councilor Crafts said I want to simplify this. When we moved the tax rate from 56 to 80%, that's not what made your taxes go up. You've got to understand that. When you see the value of your house a lot higher, it has nothing to do with your taxes going up. The increase was from a 3% increase on the budget that we passed. Then at the last minute we found out we lost a bunch of valuation and that drove it up to the 10 or 15%. Don't let the 56% to 80%; it's so complicated, but that is not where your taxes increased. Just throw that right out of the picture.

A man in the audience said you had a budget of 3% and it went up to 15%? Councilor Crafts said when they did the depreciation on one big business in town, we lost all of that valuation which equals revenue. We lost all that revenue. So the Assessor took our budget that was passed and when we do the math calculation we end up with that tax increase. But it has nothing to do with the 56% and the 80%. An audience member said why do we get punished all in one year. Why couldn't that come a little bit of a step? Councilor Crafts said that's exactly what I'm upset about because if the Council would have known about this before we set the mil-rate, I would have said, and several of us would have said, let's go back into the budget and cut it some more and keep taxes down.

Councilor Crafts said instead we were left out of the process and once you set the mil-rate you can't go back in and cut taxes. My question to the public is this, do you want us to start laying off and

cutting now and setting that money aside so when the next tax bill comes, we can offset taxes or do you want to live with your increase? I say we start cutting now.

Councilor Cote said in fairness, for years the Assessor in this town was dictated to very heavily, by previous Councilors, and before that they had Selectmen, to not go after personal property tax and to work with businesses to keep the businesses in town. What ends up happening, and you speak to anyone who knows a little something more than this microphone, if you tax businesses too much, they're going to go elsewhere or they're going to fold up. And that's why the personal property tax was the way it is. But, because of greedy individuals that wanted more money in their departments in this town, and I think we know who they all are, we had to go after more money and they hired an incompetent Assessor to come in here and do what they did, that's the bottom line. Now, you can't tell me you are going to go back against the Assessors that were before and not know that, because this is facts. It was the way it has always been. I can sit right here and list businesses that are leaving this town and have left this town because this town does not want to work with them. Driving this personal property tax down their throats is just saying good bye. People are going to do the same thing with their homes. The less homes you have the more taxes we are going to have. The bottom line is we are going to have to make cuts and we are going to get people in here that are competent and get rid of the ones that are not.

Dorothy Fitzgerald said the former Assessor is here and he has been badmouthed. I would like to hear from him.

Councilor Larochelle said could we finish discussing this ourselves and then we'll hear from you. Jerry, I definitely want you to have a turn, but one of the things that is really tough, the facts that come across is that if you look through the town, you see the budget that we do. Hopefully people pay close attention to it, because to be honest, I've lived in town all my life and before I started on the Council I had no idea what happened in this town when it comes to budgets. You don't realize how tough it is. I run a budget for a small business. I found that is easy at the end of the year when you go through a budget of a town because it is very difficult. The downfall is that it is easy to cut budgets. Then at the end of the day you ask the Librarian, okay what part of your library do you not want to have? What days do you want to close? You have someone say no, we have to have the library. Then you go to the school. This year they lost 30 teachers, 30 staff. They worked and got a great budget, but it was still an increase. The town voted on an increased school budget this year to try to save the integrity of the school because they were still losing positions. As a town, do you say you're right, we're going to cut a half a million dollars out of the school, let's get rid of the sports, because they can't get rid of any more teachers.

Councilor Larochelle said you look at every department in the school or the town to try to determine what you want. We're at a point now where, Steve was right, you talk to Buttons and we can't take anymore people out of their staff. So it's easy to say you are going to start cutting, but you've got to look at it across the board as to where you are going to cut and what service do you want and which ones you don't. It's easy to say let's cut the budget, but it takes us months to look at the budget and to balance it. Believe it or not, we've cut the budget every year in the sense of just cutting staff. I watched the news the other night where the administration in town was a three or four million dollar budget. It is amazing how much we have cut in this town over the last few years. You are starting to see fewer services. Unfortunately, what is the balance you have to get to. I agree that you have to cut costs, but on the other hand, you have to keep the integrity of this town. I think we went through it and maybe I'm wrong but if you look around, I know that some people had disagreements with this year's budget, but as a whole, as a Council, we voted on what we thought was the best budget to go forward. We worked weeks trying to cut another \$30-40,000. You have to realize for every \$30,000 to \$40,000 you cut out of a budget you're talking about a position. If you want to cut around \$100,000, you look around and find three or four people you don't want to work. Someone in the audience said why does it have to be a teacher, why can't we start with the police department?

Councilor Cote said let's be honest, Fern. You're doing the same thing the school did. The first thing we're going to attack is the art program because that's the nearest and dearest thing to the kids. Let's go beat up on the kids. Let's go beat up on the library. Why don't we go where the real money suckers are and get rid of half of this police force. Why do we need the fire station that we have? My God Almighty, you've got towns in this state with the same amount of people. Standish, Maine. They pay \$480,000 a year for policing. What does Lisbon pay \$1.4 million. Why? If there's anything important that happens they're going to get the State Police. If there's a drug bust it's going to be Rockland that does it. So, what is the big deal?

A man in the audience said why weren't all the Councilors notified? Councilor Crafts said you still haven't answered that. Do you think that we should have been notified before you set the mil-rate? I want you to answer that, just yes or no. The Council who worked for months on a budget, thinking that we had somewhere between a \$1 to \$1.50 mil-rate increase. That's what we were told over and over. Do you think we should have been told? The public wants to know.

Mr. Eldridge said should I have notified the whole Council. Maybe I should have. The Assessor sets. Councilor Crafts said that's not the question. Mr. Eldridge said I'm not passing the buck, it's State law. What Mr. Cote is asking this town to do violates State law. Personal property tax is what got you in trouble in the first place. You were willy-nilly; saying we're going to tax this person but not that person. We notified the Chair. We were late getting our bills out. The Assessor committed taxes.

Larry Fillmore said you said we are increasing the businesses in this town and the rest of the Council said we're losing it. Don't you guys know what is going on in this town? You're supposed to know. How can you sit there and say we're getting businesses into town, which means that our property taxes shouldn't go up, because they should be paying some of the burden. Then a member says we're losing business. What's the difference. You can't have it both ways. Choose.

Dorothy Fitzgerald said can Jerry get up to the mic? Dawn King said Mr. Larochelle was saying about the integrity in Lisbon. The integrity we as taxpayers voted for each one of these Councilors, because we trusted them with the sensitive information that Mr. Eldridge did not see that they were competent for and only to Mr. Bowie. Mr. Bowie should have contacted them all and if Mr. Bowie didn't, then it's up to the Town Manager with the competent people that we elected to get the information. It goes right back to him. Councilor Cote said it's called control.

Councilor Lunt said I'd like to ask Mr. Bowie why he didn't inform the rest of us. Councilor Bowie said to be honest with you, I got this email on September 1 at 9:56 a.m. to my home email address. I was working so therefore I didn't get it. I don't get home until 5:30 p.m. or 6:00 p.m. September 1 was Thursday. Councilor Pomelow said Wednesday. Councilor Bowie said I don't always read my email every night. I'm sorry, but I do not. Mr. Eldridge can attest to that because I don't answer him; I don't answer Council's emails all the time when they send them to me. Councilor Cote said maybe we need a Chair that does read his emails. Councilor Crafts said in fairness to Mike, in this email we all have a copy of, it talks about the staff folding the bills and putting them in the mail the same day he sent this to Mike.

Councilor Crafts said my question to Mike is did he have any other information before this email that we have this problem. Councilor Bowie said no. Councilor Crafts said that's what I wanted to ask him, did you know anything other than, prior to this email, because that was sent the day they were folding them and putting them in the mail. That's not much of a notice.

Councilor Cote said in all honesty, Dale, we went through the budget system and the Town Manager sat there and he was completely and totally unaware of what was going on and Mike was telling him what to do. We went into executive sessions and Mike takes over and runs the whole executive session because the Town Manager, Mike is running the town. I don't know why we're paying a Town Manager, why don't we just have the Chair. I've seen this happen over and over and over the last two years.

Councilor Larochelle said I can tell you if you get really active. I'm like Mike, if you are a business person, you work, just like Dale and everybody else, it's not a full time job, but you try to keep on top of things as best as you can. I had a concern same as everybody else, when we saw the commitments come out. There was an email that came that the tax rate was going to be x amount the same day it came out, which I was trying to figure out like everybody else. The mil-rate was here, and once you change the valuation there, really what did that mean. You had the information, but you almost needed to decipher it. I came in, I was really concerned. On my dinner break one or two times a week I'll stop in and ask Steve what's going on, I like to have a bit of an idea. I don't believe Mike's running the town, if you are, you need to get paid more. The problem is even if you go back. How many people here voted on the school budget. When was that done. Long time ago, right? Almost two months ago. The problem is when we go through the budget season there is an order in how we do the vote. I am learning this as I go and will probably get it perfect right before I leave, but you vote on a budget. Almost two months ago, the townspeople voted on a school budget. The school budget is part of the tax bill that you are seeing. Awhile back, the Council voted on the town budget. These things have already been voted on. Even if we got the mil-rate, and that's my concern, how do we back up from here. It's really hard because once school starts and you have the bus drivers in place and the teachers in place, it is hard to go back and change it because we've already voted on it. The town has voted to approve that budget. The only thing we don't have control of is the revenue coming in. Even if Mike, the minute he got this, told the Councilors, we still couldn't go back and correct your tax difference. Legally we cannot go back and re-vote on the school budget; it's done. It's the State law. We can't go back and renege on what we did as a Council in voting the budget. Even if we could, even if some special way, we still couldn't go back and change one of the biggest dollar values which is our school budget. There's a lot of things that happen in town and the way they vote in order.

Councilor Crafts said I'd just like to say I agree partially with what Fern had to say. The school budget would be hard to go back in because the school budget was voted on, but the municipal side of it was voted on by us, so we could go back if we hadn't set the mil-rate. You can put off setting the mil-rate for several months. I found that out. We did not, by law, have to set that mil-rate that particular date. It could have been put off. Council could have come back in. Council could have looked at the budget on the municipal side and found some money and lowered the taxes. Because we were not told, because it was set, we can't go back into the municipal side now by law.

Councilor Bowie said but Dale, just to clarify, we could not go back and reopen the budget once we voted on it. There's nothing that allows us to go back and do that. We checked on could we go under a special emergency surplus requirement so we could make an adjustment. We all talked about that. We were told that legally we cannot go back and open up that municipal budget once it has been set. Councilor Crafts said once they've been billed. Councilor Bowie said no, once we voted on our budget in June. We voted on June 18 or 25 or whenever it was, we did check into that. We were informed by legal counsel that we could not reopen that budget. That was one of our first questions, how could we minimize this impact. Could we go back in, take money out of surplus, even though we might not have wanted to, to offset the impact of this tax.

Councilor Crafts said the way that I understood the attorney was that once you committed you can't go back and change it. Councilor Bowie said I will ask our attorney Mr. Therriault, but I believe that we could not go back legally and open up the budget. Mr. Therriault said the problem is with the Charter. It tells you after the budget is adopted there are only a couple of things you can do, and one on them is not go back and re-do it. You've also got another problem that you have a situation that allows a special town meeting to be called if the citizens don't agree with all or part of the municipal budget. That has time frames and that has gone by as well. You can't at this point in time go back and change all of that and restart that whole process.

Councilor Bowie said one of the things we have to learn from this unfortunate experience is that we have to work on making sure we know what the tax rate is going to be set at, trying to do our whole

valuation process earlier, so that we know what our valuation property is so that when we decide to project revenue and we figure out what our expenses are going to be and before we vote on that we will have an upfront knowledge of what that is going to do to taxes, how that's going to change our mil-rate and what impact that will have. It's unfortunate that we had to learn that lesson this way. It's unfortunate, for whatever reasons that occurred, that we lost the revenue from the personal property tax, which is the main driver of this. This personal property tax loss, and we've all asked Steve to look at it 16 ways from Sunday, that's why he brought in somebody to take a look at our numbers, did we make a mistake, did we handle the TIFFs right, we went through all of that discussion. It's unfortunate that we lost that, but you could lose all that revenue, you could almost eliminate the town budget, that \$7 million budget that we have, and the taxes still would have gone up because we lost \$11 or more million dollars of valuation to be taxed on.

Jerry Sampson said I have a short letter then I have a couple of short questions about what went on tonight. I'll just read the thing. The Town Manager has stated repeatedly that the increase in the rate this year of approximately \$3, which is what this, amounts to, \$3 per \$1,000 which is what you are paying more, is due to a mistake on my part of \$18 million in personal property. I will play the devil's advocate and say that happened. The property in question is in a TIFF district, which means we give half the tax amount back to the taxpayer, so in fact, the \$18 million now becomes \$9 million, of course, tonight it became \$5 million, but anyways, in actual value in this context it is \$9 million, that would translate to \$194,000 in taxes. The amount raised this year by 1 mil is \$500,000. So the amount raised by this problem that we're all talking about is 39 cents out of the \$3. The big problem we're talking about we have to halve it again tonight because it's gone down to \$11 million from \$18 and tomorrow night it will be \$5, but anyway, now we're down to about 25 cents out of \$3 is due to this. Beyond that, the taxpayer gets back 90% after we give them back 50% they get 90% back from the State for under the BETE program so, they don't pay taxes, they could care less what the value is.

Mr. Sampson said next, historically the Town of Lisbon has issued about \$5,000. Now here's where the thing is, \$5,000 in abatements on average in a year. The overlay is there to cover these abatements. Why, after seeing there was a \$3 tax increase, was almost \$300,000 put into the overlay. That is costing the town 58 cents of that \$3. In looking the figures over, I find that although the town said they were factoring everything up, they didn't factor everything up. Miller Hydro, for example, was not factored up. You lost \$6 million in value there; that's 26 cents out of the \$3. You did not factor up the personal property; that's another \$9 million loss; that's another 39 cents. \$1.22 out of that \$3 is a mistake on the Assessor's part and whoever else is involved. My 39 cents seems rather small now, and really it's 25 cents. This person that was hired is an accountant. He called me and talked to me, knows nothing about assessing, admitted to that. He is criticizing, rightfully so maybe, that I wrote it on the back of a napkin, but the value is there. If you want to go to the Bureau of Taxation and all of the records are there, the Town of Lisbon has had an excellent quality rating in assessing for 25 years until this year and it was driven into the ditch. It's now in the ditch. The above errors I found in five minutes of perusal. Just think of what would have happened if I had spent 15 minutes.

Mr. Sampson said the only thing I will add here is that Mr. Van Tuinen came and talked to you and told you because the quality of my assessments were so accurate, so good, that you could factor it up and that's what happened, but the personal property isn't a part of this, but nonetheless, this \$11 million in personal property is a red herring. It's \$5,000, it's \$5 million, it's 25 cents, it's-what is it. It's nothing to anyone including the taxpayer.

Councilor Cote said that's the difference between competence and no competence.

Lisa Bosse said I have a horse barn and for my business taxes, I got taxed for \$2,000 worth of furniture and a watercraft. I don't know where that yacht is at my barn or all of that lovely furniture. Horse manure and flies. There's kind of nothing like that.

Mr. Sampson said the new tax assessor picked up \$6 million out of those 240 people; that's what he lost in Miller Hydro, alone.

Councilor Cote said I think we need to go in a different direction, what do you think.

A woman in the audience said I've been talking to a number of different people here in town. One person said their taxes didn't go up at all. Another person, her property is worth more than mine is, her property went up around \$200 and mine went up almost \$400; that I didn't understand. Councilor Bowie said I wouldn't understand it either. The woman said that's the taxes. Councilor Bowie said I understand that. I've heard that. All the Councilor's have heard that there are varying graduations of that. The woman said so why should we pay when somebody else isn't going to pay. Councilor Bowie said I hope we are all going to pay our taxes. The woman said but you are giving us like three weeks to pay our taxes. Councilor Bowie said this is an item that Council has briefly discussed and it will be on our agenda for our Tuesday meeting, but we are looking to present and have Council vote on, if people have hardships, need to work payments out, that we will not charge interest for those people who come in and work through the hardships on their taxes. The woman said yes, because I'm on medical disability. I don't have it. I can't work. Councilor Bowie said there would be no interest charged for that.

Councilor Lunt said I think we should extend this across the board. Extend the deadline by a month, it would give people time to pay. It will help people get the money together. Councilor Cote said I'd like to see them across the board for everybody, not to worry about interest if there's lacking on their taxes. Give everybody. Let's be fair about something in this town. Councilor Bowie said we could do that as well, it's up to Council. That is one avenue that Council can take.

A woman said you knew taxes were going to go up when you sent them out, why wasn't something put in the paper saying that the tax bills were going to be higher this year. There wasn't a thing that was said. Years before they will say tax rates are going to be down or taxes are going to be up. This year, nothing. We got our tax bills and we get a \$500 whack in the head. Councilor Bowie said we didn't anticipate the personal property adjustment and therefore when we put in to the taxes today we did put in for the discussion how we did the sales point adjustment so that you could try to understand that, but we did not know until the last minute when the bills were going out.

Councilor Lunt said is there a due date that they have to file by. Why are they allowed to file at the very last minute and say we don't have this. Isn't there a due date back in July. Mr. Eldridge said there is a due date that the Assessor sent out in a letter. Because of the issues that people hadn't ever seen-personal property, plus declarations, there were a lot of questions. We told people that if they needed they could come in later. Councilor Lunt said couldn't Dingley at \$20 million call in earlier. Mr. Eldridge said I don't know.

Councilor Pomelow said actually that was exactly the point I was trying to make when people were making me look stupid here, that those personal property tax declarations were supposed to have been in by March 31. Being that Dingley was already on the records, there should have already been a calculation here. So, there wouldn't have been too much that should have changed over the period of time and something that was already there instead of something new that was being pursued, should not have taken four months to figure it out. Councilor Lunt said right, if they filed it in August they should have been denied because they were too late.

Lisa Bosse said the Town Manager is speaking for his Assessor saying that they gave extra time, I came in here the end of August to fill the paperwork out. When I came in to dispute the bill he did pat me on the knee, gave me a big smile, and said pay it this year and we will try to fix it for next.

Councilor Bowie said please keep order. Councilor Crafts said is the Town Assessor still an employee. Mr. Eldridge said yes, he is.

A man in the audience said Dale was mentioning that the Town Manager's lack of communication with the entire board. Were there deadlines that were passed in the lapse of you knowing there could be a problem? That's what I want to know. There were times and timeframes that were set by the State that we can't go back on. Were any of those deadlines under your belt when you knew there was a big discrepancy on the way? You said around the 15<sup>th</sup> Dingley Press came in by fax, right? Mr. Eldridge said in the second week of August. The man said that's roughly the 15<sup>th</sup>. And you sent him an email on Sept. 1, that's roughly 15 days. Did anything lapse in that period? Any dates that you can't go back on that that information would have been helpful to change anything.

Councilor Pomelow said we set the tax rate on August 17 and we were not aware of that information. The man said so on the 15 when the fax came in, that would have been a big factor in your decision to the Council. Councilor Larochelle said it was a month before, she's saying. Councilor Bowie said, no, we voted on the budget in June. We did not vote on the tax rate. Council has no say in setting of the tax rate. The only thing Council controls in the setting of the tax rate is setting what the budget expenses will be for the year and projecting what we feel the revenues will be for the year. Those two features go into the budget. We did, during budget season, have discussions on the mil-rate, but we did not anticipate any major changes.

The man said does anyone know when the mil-rate deadline expires? Did it expire before the 1<sup>st</sup>? Councilor Bowie said I don't know the actual date. The man said that's what I'm asking because this could really place the blame where it belongs. If there was a lack of communication that caused this entire Council that we appointed to make an accurate decision where things could have been adjusted to take the rate slowly in the course of a couple of years. And it was hidden under somebody's skirt? That could change everything. I want to know when the deadline expired. Council Bowie said the deadline for setting the tax is the end of August. When you set the tax you are setting the mil-rate. The mil-rate has to be set by the end of August. The man said the end of August. Well, the 15<sup>th</sup> is not the end of August. There's time for special meetings given the proper communication. To maybe do something about the huge increase that all of these people have to incur and now we're just going to not charge interest. The money still has to come out of somewhere. This is tough times. Everybody is trying to get by. The big problem here that I see, all this bull crap could have been avoided had the communication been proper and the deadline wasn't surpassed when it was time. I think it should be discovered when that deadline passed and everybody witnessed that this facsimile came in on the 15<sup>th</sup>. Now it was set aside, that's still a huge discrepancy in numbers based upon last years. Somebody should have gone whoa immediately. That's a management issue. That should be investigated and something done about it. A woman said and those who sent in their forms late maybe should have to fork over most of that.

Dorothy Fitzgerald said the school department has been mentioned. The school budget came in flat. The improvements to the high school are being done with stimulus money. It had to go to a vote in order to accept the stimulus money to use it for improvements to the high school. I attended the School Committee meeting this past Monday evening and they had reports from the different department heads. The custodian was talking and giving his report. By rearranging bus drivers and schedules he's come up with a \$15,000 savings this year. It will be coming up in the next year's budget. There was another mention of a \$50,000 savings. The school department is trying its best to keep their budget flat. Now, I am on the Budget Advisory Board this year. I was voted in last November and I am on it for another two years. Every time there was a Town Council meeting or a workshop, I went over that budget carefully department by department, line by line. I made notes; there were a lot of places where I felt savings could be realized. The only one who would support me on savings would be Mr. Cote. No one else was interested in adding savings at all.

Mrs. Fitzgerald said one big thing that was and I think Dale Crafts supported me on one, the town spends over \$30,000 a year just in professional development. Our Town Manager gets \$4,500 a year for professional development plus another \$1,000 for meals and lodging. I did some investigating. Our previous Town Manager got \$1,000 for professional development and didn't feel the need of anything for meals and lodging. I called some other towns, the Town of Bowdoinham. The Town

Manager there said well, I'm cheap. You know what I take for professional development? \$600. Mrs. Fitzgerald said I got on to the Maine Municipal Association website. They offer professional development for every department in town; the town clerk \$50. She gets quite a bit for professional development. She even goes out of state for professional development. No one would listen.

Mrs. Fitzgerald said now, talking about the revaluation. The Town Council hired an assessing firm to do a revaluation of just the land. Bill Van Tuinen. Our Assessor said he was going to go around to all of the properties and that if they had improvements without measuring, because the measuring was supposed to be done next year. Am I correct? Councilor Bowie said yes, the measuring was at a later time. Mrs. Fitzgerald said he was going to go around to every property and see if there had been improvements made so he could do kind of a pretty fair assessment as to whether properties had decreased in value or increased in value. Our last revaluation was in 1988, a long time ago. My property on School Street had been valued at \$129,000. I wouldn't sell it for a penny under \$200,000, although it needs painting and roofing work. My valuation on that property has gone up to \$155,000 this year. My taxes have gone up \$200. Instead of focusing on the property valuation, it appears that our Assessor has focused on personal property. He said he was going to focus on buildings and on real estate valuation so that we could get money back from the State for homestead exemption, widow's exemption, and veteran's exemptions. He appeared to have forgotten about that and focused mostly on personal property. I call it older stock. The older homes that were undervalued years ago and the valuation had never been really kept up the way it could have been or should have been, those property taxes only went up slightly. Mine went up \$200 and I'm hearing \$200. The newer homes, we have some new subdivisions. We have some beautiful newer homes that were built fairly recently, even 15 years ago is fairly recent. I'm sure that the Assessor used sales to come up with a valuation for tax purposes for those properties. So there was a big inequity there to begin with. I stood here at the podium the last Town Council meeting and stated that. The older homes, their valuation only went up slightly. The new homes, their valuation skyrocketed, that was a huge inequity. I don't think it's right. I don't know what the Town Council and the Assessor and the Town Manager. I'd like to hear what they plan on doing about it.

Larry Fillmore said first of all, you knew that the taxes were going to be an issue tonight. Is that correct? Why didn't we move it to someplace where everybody could sit down and have a say in this and do it properly? We've got to do things right in this town for a change. Having meetings that we know are going to be controversial need to be moved where the facility is adequate for everybody in this town to have a say on what's going on. The second point, if Jerry's information that he provided to this Council is accurate, and I'm willing to bet it is knowing Jerry, then the lawyer needs to get involved here and tell us where we stand when taking care of the situation, because if we've allotted funds in this area and over flooded this area and we've taken our personal property taxes to cover something up here when we have money in other accounts that can be shifted to offset this, then I think we need to take a better look at it before we put everybody here through some hardships during this time. Now the lawyer can tell you whether or not what we have to do to correct a problem that has been identified because of whatever means, I don't care to point fingers, but if we have a problem, we taxpayers shouldn't have to take the burden. You guys need to get your head out of your 4<sup>th</sup> point of contact and correct it.

Trudy Duval said does anyone of you sitting up there have a bottom line of what this year's budget amount is. Councilor Bowie said the current budget is around \$6.9 million. The woman said you talked earlier about Public Works losing individuals, did any of the full time police officers lose their jobs? Mr. Eldridge said yes, we lost one position this year. Ms. Duval said it was a full time patrolman. Mr. Eldridge said no, he was a full time detective. Ms. Duval said okay, did that position get renamed, reclassified, or is he gone. Mr. Eldridge said he's gone. Ms. Duval said the next question I have is how did the Assessor go about contacting these businesses for the personal property tax. Mr. Eldridge said he sent out letters requesting declarations. Ms. Duval said where did he get the information to send these addresses to. Mr. Eldridge said from the database that we have here in the town office for all of our businesses. Ms. Duval said let me make this pretty clear. This past spring I had a roof put on my house. It was a local contractor. He put a sign on the front lawn.

Several months went by and he said to me did you get a letter from the Assessor in town and I said no. He said, well, he tells me that's where he sent my letter for personal property tax. I said why would he be sending it to my house, because that's where my sign was. That letter was never sent to my house. I never received a letter, so that is a lie that this individual stated. I think you really need to look at this individual and start pointing the fingers where the fingers needs to be pointed.

Rick Graham said for those who don't know me, I'm on the Advisory Board. I represent District 1. I voted as a member of the Advisory Board to recommend that the Council approve the final budget as it was presented. I guess as an Advisory Board member I am under the impression that it is the opinion of the Council and the Town Manager and probably the Tax Assessor that had we not had the unexpected depreciation in the business in question that the budget would have, and the tax rate, come out approximately where we were figuring. Is that correct? Okay, what I need to know is when the depreciation was known and if there was time for it to be communicated to everybody involved with the budget process, even if we were at a point. I don't know what could have been done about it, but I can assure the Council and the people of Lisbon, if I had known that the budget that I was voting to recommend to approve was going to already be deficit spending, there is absolutely no way I would have approved the budget, period. I certainly don't think anyone on the Council would have voted to approve it. I want to know when the depreciation was found and if there was time to communicate it to everybody that was involved in the budget process.

Mr. Eldridge said we've stated before that we probably could have let everybody know a day before the bills went out that we found this discrepancy and the Assessor committed the taxes based on the data he had. Mr. Graham said things being what they are and can't be changed I can tell you that I think next budget process is going to be quite interesting.

Roger Bickford said after the personal property tax meeting we had here, the big meeting, at one of the meetings I was going to get the cops but Mr. Eldridge came up with an idea that I thought was very good. I want the Town Council to tell me if I was hearing things. Did he say that the people that never paid personal property tax he was going to send them out a bill so it was like a fake bill, get it, look it over, come in and discuss it, and the following year that's when they should be taxed. Now, I was so enthused about that I went and saw Bernie and Bernie said yeah, that's sounds like a good idea. I want to know, now it seems like you've reneged on this. I want to know, was I hearing things?

Mr. Eldridge said no, you weren't. I was under the assumption that we could do that. Our attorney told us we cannot. It's State law. Everybody, either you send the bill to everybody who owns personal property or you don't send out a personal property bill to anybody. Mr. Bickford said well the big thing here is that I was led to believe that is was, so I went around to constituents in town, saying don't worry about it, you don't have a bill. So it makes me look like a fool. No one contacted me and said whoa, the lawyer said you can't do that.

Mr. Eldridge said he said it right here in a workshop. If I remember correctly, there were a lot of people sitting in the audience here. He was sitting right at the end of this table and he said when it was asked, either you tax everybody, because that is State law, or you don't tax anybody for personal property. Mr. Bickford said I've brought this up before, you say it's a State law, but really the town does not have to tax personal property. Mr. Eldridge said if you chose not to that's fine, but you cannot decide to tax one other person. You lost \$11 million in personal property value. If you chose not to tax everybody else, you are going to lose probably another \$20 million. Mr. Bickford said what it looks like to me, being just a good ole boy, while Mr. Dow was out making life miserable for everybody, you guys were really concentrating on this small, like \$48 personal property tax and everybody like me, somebody pulled the wool over your eyes. It's as simple as that. You got the wool pulled over your eyes. Dingley Press, they come up with this, they're the shortfall. What you make from all of these little guys isn't even close to what you lost from them. You weren't paying attention to business. Mr. Eldridge said everybody was treated fairly and equitably. Mr. Bickford said I'm not saying they weren't. I'm happy with mine. I'm not saying I

wasn't. Mr. Eldridge said that's the way the statute reads. Mr. Bickford said it was not communicated right. I'd gone out and told all these people that you don't have to worry about it.

Councilor Crafts said I kind of feel as if I had the wool pulled over my eyes, too. You're talking of a loss in valuation from one particular business is only going to effect us 25 cents yet we went up \$3 per \$1,000, then not being an accountant or an assessor myself, I was told repeatedly because I was very concerned that I've never voted for a tax increase in my life and swore I never would but did, so I was very concerned that what we decided on with all the cutting that we did and what the State cut us, that it probably was the only thing we can do after losing as many teachers and employees that we lost, I agreed to it. But over and over saying what's it going to be, somewhere between \$1 and \$1.50. Repeatedly. We end up with at \$3, then we think it went up because of the loss of valuation of this one particular business, which truly is only 25 cents out of the \$3, so what happened.

Councilor Cote said I just heard somebody say it had to be equal across the board. Mr. Dow stood here and said I went around to some of these mobile homes and they were taxed way too much, so I appraised them less because they were being overtaxed. What about his new home, what about her new home? He didn't look at those, so how is anything equally done across the town. It isn't. What it is, it's plain and simple incompetence. Bottom line. This is what Lisbon gets. I think it's a travesty. I have a lot of people in this town I respect greatly, they're good friends, I've been here 55 years of my life and to put this on the backs of these people, I tell you I would like to run every one of you right out of town because you people are not going in the direction that we need to go. That includes you Mike, the inability and unwillingness to share information with this Council and there is no doubt in my mind that you should be recalled. The Town Manager send him back to wherever he came from and Mr. Dow. If anyone on this Council doesn't agree with me, make it known right now.

A woman said first off I would like to say that with all of the mathematical calculations that's happened here, I'm still left with a bill that's gone up almost \$500 per one billing cycle. I would like to know how and where they came up with those calculations because that's not reflected in my tax bill. Secondly, just let me make my point here that on a personal financial basis, if I budget my bills based on a projected income I'd better hope that income is coming in and have some pretty darn good proof that that's coming in before I project that I can afford that new car, that new house, or the boat that somebody doesn't have. In addition to that, I also feel that it's very easy for them, as a board, as a town, to say what's the quickest and easy way. It's on the little guys who are on fixed incomes who are trying to struggle and pay their bills when we should be looking at how do we increase the tax base by bringing in new businesses to help with the expenses of the town and to provide the services that the folks in this town deserve. I'd also like to say, if there is a budget shortfall that is known, that we don't just sweep it under the rug and send the bills out just the same. Somebody has got to be notified and something has to be done. I think that a couple of folks on this board have been very vocal about being embarrassed about how this has happened. I as a town member am also embarrassed by the folks sitting on this board who knew about this and didn't take care of it. Don't tell me you didn't know about this before the bills went out because you sure had enough time to jack up that bill. If you're voting on a budget or developing a budget, the last thing you're going to do is come up with a budget and worry about how to pay for it later. I think we're doing this backwards.

Councilor Mason said I would like to add a couple of things and I think it's some things we've forgotten. All of our meetings are public meetings, just like tonight. Every meeting that we have is a public meeting. We do go into executive session sometimes; it's usually concerning labor negotiations with the unions, things like that. All of our public meetings are open meetings. I can tell you this, that we had two public meetings concerning our budget this year. I may be underestimating this, but if I remember correctly, I sat on the Council table up at the school in Lisbon Center and I counted the audience. I believe there were 10 citizens at the meeting that evening. There were many folks there, but most of the folks there were town or school employees. I

just want to remind you and I've harped on this for months and years, I have asked people to please, please, and I beg all the time, some people make fun of me about it, but I want you to call me. When you have an issue and you have a problem, I want you to call me. I also want you to attend meetings so that you can understand that the process is not as simplistic as it may seem sometimes. Also, you need to look at what the State of Maine gives us as a municipality, that has grossly dropped in the past few years. When you go to vote in November just remember who is in control up there and maybe we need to make some changes in Augusta to help us here in Lisbon. We're shifting all this blame, and I'll take blame for it, I do sit on this Council, but a lot of what we lose comes from Augusta. It's not given to us. Yes, we do need to get our budget in check, we need to come here, we do need to get our budget in check, but that's going to mean you as a citizen are going to lose services in this town. I'm willing to do it, if you're willing to do it. Understand, a lot of revenue we get comes from the State of Maine. If you would like to go to our website, the August 17 minutes from that meeting are on the website. You can read about tax commitment. There are three or four pages or our dialog that evening. You can read about tax commitment and understand what the process was, the figures that were used. We do not set the tax rate, but we allow them to make the tax rate and commit taxes, that's what we as a Council do.

Councilor Mason said something else that was pointed out is that we need to bring business to this town. That is exactly what we've been trying to do for 2 years now. We have a major revitalization effort happening. It doesn't happen overnight. It's something that everybody in this community needs to be part of. It is something that a certain group has made fun of and said that there is nothing happening, but there are things happening in this town. The Town of Lisbon received several awards at a recent revitalization effort meeting. There is a lot happening here. We are asking you citizens to get involved with that effort so that we can bring business to this town. And that's my piece.

Dorothy Fitzgerald said mobile homes were mentioned. I was at the meeting when Mr. Dow said that mobile homes depreciate every year. I talked to two taxpayers who own mobile homes and surprisingly the value of those mobile homes went up this year, not down. The value, not just the taxes. We've heard from Mr. Sampson that the property value with Dingley Press was not done properly. I am wondering do we need to get rid of our present Assessor and get Mr. Sampson, who is and has been a licensed assessor back in this town and do it right.

Councilor Cote said before we think about getting Mr. Sampson back as our Assessor, I think we need to clean up some of the problems so that he doesn't get in the same position that he was in before. When you have a man with the integrity that Mr. Sampson has, answering to the people with not the integrity that they need to have, you are not going to have a system that works. You've got to make personnel changes in this town in order for a man of his integrity to work in this town.

Mrs. Fitzgerald said with the new information on the property tax valuation. Are you going to revisit the tax bills. Councilor Bowie said we are going to continue to look into it. Unfortunately, by law since it has been committed, we cannot make any changes. Mrs. Fitzgerald said laws and rules can be changed. Councilor Bowie said I would add that you can all come in; there are abatement avenues available to abate and challenge your taxes. Come in and get more detailed information than we can provide you here. We're not that evaluators. Mrs. Fitzgerald said Board of Assessment Review.

A man from the audience said is that your chance to sit down with that individual with other help? Because from what I see, it's not his fault now that I'm listening more. The Tax Assessor got the information, it didn't come through your office, right? It went to him, he obviously knows the impact that discrepancy is going to have. Anything that comes through the fax, you're going to read it real quick. That's probably where most of the blame lies. So everybody here should have their day with that individual. Councilor Bowie said we've tried communicate in prior meetings, I think Council will vouch for that, we encourage you to come in discuss, understand or find errors in whatever has been done. People are human; people make mistakes. The man said if you had known

about the discrepancy would you have tried to make a difference. Councilor Bowie said we would have tried to make the difference if we could. Again, it is the timing of everything that we have control of that feeds the whole tax process. The man said I understand you weren't notified, but what will be the repercussions of his actions. Mrs. Fitzgerald said there's a Board of Assessment Review. Councilor Bowie said right, that's part of it. The first thing you can do is go in and see the Tax Assessor. You can review that and you can bring in anybody you want to help with that. You can review your tax bill. You can challenge it. You can bring in appraisals or whatever that says this is what my property is worth. You can go through that process. If the Tax Assessor doesn't agree with you, then you can take that to the Board of Assessment which will go through a review. The man said does he have the power to change the values. Does he have the power to amend your taxes? Councilor Bowie said yes, that's the abatement process. If you guys sat down and went through it and said I overvalued you on this shed at \$20,000 and you said it's portable, you really shouldn't have taxed it. The man said when we came in to see him in his office on August 30 the letter we had said we could adjust up until the end of August. He told us it was too late, pointed around the corner, and they're printing tax bills. I understand now, through your information that we can go back and see him. He didn't offer that information. He made it perfectly clear we would have to pay it and deal with it next year.

Councilor Bowie said no, you can abate your taxes. The man said we were on August 30 and you were already printing tax bills. How does that give us the opportunity until the end of the month to fix up any mistakes we don't want to deal with. We've got better things to do than come in and sit around with appeals.

Councilor Bowie said I understand. The man said the 30<sup>th</sup> was not the end of the month, right? That's my problem with this individual, I don't think he's competent. What can we do about that?

Councilor Bowie said we can't talk about personnel issues, it's not a Council matter, but trust me, we hear you and we understand.

Roland Grondin, 88 Webster Road, said I got my tax bill. I was a little upset like the rest of these people It went up. The value of the land went up \$7,000. The buildings went up \$12,000. That's a \$20,000 increase. I heard Mr. Cote recently address a double wide mobile home. That's what I have. Somebody said in here that they are depreciating, that doesn't sound like it's going down. Most of the land I have is wetland, which we all know you can't do anything, you've got to go through a bunch of red tape. We came in, my wife and I to see the Assessor. We asked him what went wrong, how did you reach this valuation. He said I drove by your place. How can you tell the valuation of that property when he just drives by with a big sticker on his doors. I don't have an answer and I'm sure you don't either. My taxes don't go up, but my valuation of land and buildings did, that's unfair like a lot of these other people in here. The gentleman behind me wanted to ask a question: is the mil-rate going to stay the same next year. Councilor Bowie said I can't predict that right now.

Councilor Crafts said just remember that the State of Maine is projecting over a billion dollar shortfall in the next budget, larger than the last time they cut us here in Lisbon. It's not a pretty picture. Next budget season when we're back here again who knows what the State of Maine is going to do to the taxpayer this coming year. We've got to find a billion dollar shortfall. Mr. Grondin said you know what, Mr. Crafts, the State is just as screwed up as we are here. Councilor Crafts said they are more screwed up.

Councilor Cote said I had a conversation with Dale this week, actually several. The biggest thing is that people in this town are going to have to realize is that we cannot in this town afford to continue to have what we have at this time because of the cost of everything right now. We're going to have to realize that we are going to have to shrink our police department. We're going to have to shrink our fire department, because we can't afford it. We as a town cannot afford it. We're going to have to look at maybe closing the library. We're going to have to maybe cutting a bit deeper into the Public Works department, where I don't know, they rattle when you shake them now. We can't

afford to keep it up. As a town we're just going to have to say when we come in to register a car, we're going to have to wait a little bit, but we can't afford to do otherwise. That's what we do in our personal lives. Yes, I'd like to go out and buy a new, I can't say a new truck because I've got one, but if I was going to take away the cable tv if I can't afford it. If I lost time at my job or cut from my job, I'd have to make changes and that as a town we're going to have to do. We're going to have to do it with competent people. Clarity. All of the Councilors are going to have to be notified of what is going on. We cannot continue this garbage that's been going on, that I know of, for the last 2 years. It is completely, totally unacceptable. I think as taxpayers of this town, you deserve a hell of a lot better than what you've got.

A man in the audience said a week ago today I came in to see the Assessor. I live on Fisher Road. I told him I was upset. He said I'll make an appointment to come out to your house Monday between 11 and 12. I said beautiful, I'll be there and we'll talk. He never showed up or called to say he wasn't coming.

Florence Leblanc said I called the Assessor as well. I wanted to know why the land valuation was so high. Well, he said an acre of land in Lisbon now is worth \$50,000. I said well, honey, you find one and show me that all of our properties have gone up, I want to see it. He said well, that's the way it is. I said when real estate sells property they were valued at maybe \$200,000 when you bought it. Today you're lucky if you get \$150,000. Now where have you been hiding. You've got lots to learn.

Mrs. Leblanc said and then with the meetings for this town. We're not notified of such meetings. It's on the board. Well, I don't go by the board, I live way up close to West Bowdoin. It's not fair. Are they listed on the computer now? Councilor Mason said yes, they're also in the newspaper. Mrs. Leblanc said all of the meetings are listed so we can see them in advance and be able to attend. Councilor Mason said yes, they are. Mrs. Leblanc said that was my biggest gripe and I've told the town that many times. I live on 49 Fisher Road. I was upset because I would hear about these meetings but they were all done. This one I heard about on television. Councilor Mason said Mrs. Leblanc they are all on the website and they are in the newspaper. Mrs. Leblanc said I don't buy the newspaper. I'm on a fixed income. Councilor Mason said I understand that. Mrs. Leblanc said Social Security didn't go up this year. We didn't get an increase. Councilor Mason said I understand that, but as a Council board that is the way that we notify the citizens. It's impossible for us to send a mailing out every time we have a meeting. Mrs. Leblanc said when I first moved here in 1976, we were notified. Councilor Mason said how were you notified. Mrs. Leblanc said by mail. Councilor Mason said it was probably very costly to do that. Mrs. Leblanc said that I don't know. You're probably right especially now it's even more with the price of postage. But it's hard when you don't live here in Lisbon Falls. Councilor Mason said when you figure 44 cents a stamp. Mrs. Leblanc said well, that's a lot. I consider it a lot. I'm sure you do, too.

Mrs. Leblanc said in the booklet (the town report) I have noticed this year that you've made a change and you do not itemize all of your items as you did last year in the Assessor's report. All you have is a big grand total, 4 totals here. This one, last year's, everything was itemized. You know exactly what you were charged and why and when and how. What happened? This year you've got one page that says well, this is what it is. 4 lines. I thought I was on the wrong page. I'm a bookkeeper by trade. I've done budgets and I know all about them for many companies, big companies. I've never seen this. I have questions and I guess I will have to find somebody to answer them, won't I? I brought my books: '07, '08, '09. That's what they tell me it is, how do I know. Councilor Mason said once again, the public meetings tell you all of that. It is line item at the public meetings. Mrs. Leblanc said yes, but it should be listed, just like last year's book. Councilor Mason said I can't answer that, you'd have to ask somebody else that. Mrs. Leblanc said that is the proper way to put a budget together. You know what it is. You don't have to call somebody. You don't have to run to the town and say what is this all about, makes you feel ignorant when they are done with you. Councilor Cote said you know how we feel now. Mrs. Leblanc said you can't do that to people. It's not legal in my book. You talk about legal, that's not legal. Thank you for listening.

Richard Mason said I'd just like to say that Mr. Dow should have had his horns pulled in probably the first 2 weeks he was on the job. I don't know how many businessmen I entertained on my front porch and on my cell phone with my wife, Gina Mason, complaining about this man going into buildings unauthorized. Walking in to buildings. A whole list of stuff that businessmen come to me and my wife; there should have been a problem seen right there. I think you could have solved a lot of this anger. You don't get businessmen in this town mad and upset. Taxes are bad enough without having somebody with a bad attitude coming to your property. Something should have been done months ago.

Councilor Larochelle said as a Council we heard a lot. We made a lot of phone calls. Roger is here and Roger went on a road tour and tried to pull in some information. Roger can attest to the idea that it is hard to get information sometimes to make things happen. Unfortunately, as townspeople and I'm one of them, we like to complain a lot, but it really takes those people who move forward and share the information for things to happen. Unfortunately, front porch complaining if it never gets to the right place, it doesn't help the problem.

Councilor Cote said another thing I'd like to share tonight, I talked to a businessman today and he said I've been in Lisbon most of my life and I run my business, and I'm sure he wouldn't mind me telling who it is. It's Mr. Dwinal, ? lawn service, who does all kinds of things, he's an incredible individual. He said you know what I did. I moved my business to Sabattus. My house is for sale. I'm going to get rid of it. You know why? Because this town sucks. They're miserable to me when it comes to taxes. They're miserable to me on everything I try to do they fight me. I went across the town line. I'm now in Sabattus and I cannot believe the difference of trying to work with a town that will work with you. Then we wonder why we have issues with taxes. Look what we are doing to the people. We put people, inadequate people, in charge that go out and harass people. If I was a betting man, I would have thought that man would come back crippled after the first week. We do it to ourselves.

George Janosco said do I have permission to speak because I'm a nonresident. Councilor Mason said go for it, George. Mr. Janosco said I would like to say a few things. I was pulled off the town registry. I said people go to Florida, they still vote here. Sorry, you can't vote here anymore. So, I live in Litchfield, my heart is in Lisbon. Our business is up the street. We donate. We do things for the community. We don't do it to get recognized, but then you have a very, very, very incompetent person who makes the ultimate decision for every citizen in this community. Every one of us. I'm not a citizen, but I am taxpayer. My taxes went up \$2,500. If that's nothing to complain about, I don't know what is. I'm willing to pay my fair share. I'm willing to do the adopt a spots and I'm willing to do them things for the community and the people in this town, not for the board, not for the Town Manager, not for the Code Enforcement Officer, but for the people who live here. I was born here. I was raised here. This is a travesty to put this burden on every citizen. My parents were here tonight. It's been 3 years since the senior citizens have had a cost of living increase and I know there are issues, but how can you justify even thinking about passing a 13% increase. How? These people haven't had an increase in their income and you want to increase their tax burden. They're on fixed income. Where are they going to find it? You can fix another car. You can sell another thing. You can go to work tomorrow. These people can't go to work tomorrow. Some of them are in a nursing home. My wife and I own 2 rental houses in this town. I'm going to go up tomorrow and I'm going to tell my renters you are going to pay 13% more. One of them pays \$900. Let's do the quick math. I'm going to tell you, you're going to pay \$130 more a month to rent this house. You know what they're going to say to me? Good bye. And you know that's what Mr. Dwinal did. That's what Watson did, he moved all of his property out of town. He moved all of his property so he didn't have to pay personal property. He stopped doing business with us. He stopped doing business with Aubuchon's. A business stopping doing business with itself. You have bred, and I told the Town Manager, and I respectfully repeat this, I hope to hell every dollar you guys raise is worth the aggravation that you've caused the business community pitting itself one against the other, reporting itself, oh did you know so and so does this, so and so does this, we've got a young lady doing crafts in her house, painting and now she's paying personal property tax on her little paint

brushes and a book. Where in the hell is it going to stop? We've got the Assessor, this is hearsay, but believe me all the hearsay I've been hearing is pretty accurate, going into the Dairy Maid and asking how much that counter is worth because he wants to charge personal property tax on the counter at the Dairy Maid. And you, you have the power. You let this guy come to work every day. I don't know about you, but I've had enough. I pay my taxes. Yes, I know you'd like me to shut up and I will. Councilor Bowie said I know you are upset. Mr. Janosco said I'm upset because they're upset and some of these people won't speak. Somebody has to speak for them. Councilor Bowie said I understand. Mr. Janosco said I came to a meeting several weeks ago and I sat there and I didn't speak because I don't like that thing, (the camera) I think that's a travesty. You come here and express yourself and the next day you're on tv. I don't think that's necessary. Mrs. Leblanc said that's how I found out about the meeting. Mr. Janosco said I found out about the meeting on the radio this morning.

Councilor Crafts said just to clarify something, and I agree with you, but I would have you know that many of these Councilors have been in Mr. Eldridge's office multiple times telling him to ship that guy down the road. Over and over for months and months and months. We do not have the authority to hire and fire. The Town Manager does, that's his job. A woman said you hired him, you fire him. Dow and Eldridge.

Councilor Bowie said I want to thank you all for this and I'm going to bring this meeting to a close.

Respectfully Submitted,

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Elizabeth French, Assistant Town Clerk

*These Council meeting minutes were transcribed and proofed by Beth French.*