

## Janet Mills Interview

- Linda Cohen: Good morning, thank you for joining the Executive Committee, which is the governing body of the Maine Municipal Association for these interviews today. We really appreciate having you here. My name is Linda Cohen, I am the mayor of South Portland. We are conducting interviews with all four candidates for governor to discuss state, municipal relationships, and try to forge a relationship with Maine's next governor. We have allotted one hour for the interviews, and each member of the board is going to be asking a question.
- We would ask that you answer as completely, but obviously as briefly as you can so that we can get through the interview in the time allotted. These will be videotaped, and we will be providing them to municipal members, our municipalities as well as the general public. I believe there will also be a link on the Maine Municipal website for people who want to watch from there. We have people sitting around the table from Kennebunkport to Easton, representing approximately give or take, 350 years of experience in municipal government. I would ask the board members if you would briefly introduce yourself, and we will start with Mr. Bennett on the end.
- James Bennett: Good morning, Jim Bennett I am currently the city manager of Biddeford, and I've had the opportunity to serve eight different communities here in Maine since 1982.
- Janet Mills: I followed your career. Town to town, city to city.
- Laurie Smith: Hi, I'm Laurie Smith, good morning. Glad to see you here today. I am the town manager of Kennebunkport.
- Elaine Aloes: Elaine Aloes, I am selectman town of Solon. I've been selectman for 25 years. On the Somerset County budget committee for 18 years, and Maine Municipal Association, LPC committee for 18 years.
- Janet Mills: You were there during the building of the new jail.
- Elaine Aloes: Yes.
- Janet Mills: New jail.
- Elaine Aloes: I was.
- Janet Mills: And the bond issue of the recount of your first and only time that's happened.
- Elaine Aloes: Yes.
- Christine Landes: Good morning, I'm Christine Landes, town manager for Bethel, although in August I will be the city manager for Gardiner.

Janet Mills: Great.

Christine Landes: My municipal career started 20 years ago, working from town clerk up to a manager. Thank you for joining us this morning.

Janet Mills: Thank you.

Jill Duson: Good morning, great to see you. I'm Jill Duson.

Janet Mills: Yes you are.

Jill Duson: Yes I am. I have served on Portland city council 17 years. I'm also a Maine state government retiree, and I've been a member of the LPC for a number of years.

Janet Mills: Thanks Jill.

Linda Cohen: As I noted, I am the mayor of South Portland, and I also prior to that, had municipal experience in the cities of South Portland and Portland as the city clerk. I also did work in the assessing department, code enforcement, and I also assisted as a consultant of the city of Auburn, and the town of Yarmouth.

Suzannah Heard: I'm Sukey Heard, I'm a chair of the select board of the town of Arrowsic, and have been for over 18 years.

Janet Mills: Cool. How many people in Arrowsic now?

Suzannah Heard: 427.

Janet Mills: Just curious.

Rick Bates: There's only 426 today, 'cause you're here.

Suzannah Heard: Oh right.

Rick Bates: I'm Rick Bates, I'm the town manager of Rockport, Maine. I started my career in 1977 in New Hampshire.

Janet Mills: Welcome to Maine.

Mary Sabins: Hi there, I'm Mary Sabins, I'm the town manager in Vassalboro. I have a 30 year career in municipal work as well, starting in the town of Union, where I now live.

Gary Fortier: Good morning, thanks for coming. Gary Fortier, city council in Ellsworth for 23 of the last 26 years. LPC for four years, and volunteer firefighter for 35.

Janet Mills: Wow.

Jim Gardner: Good morning, my name is Jim Gardner, I'm town manager of Easton, from The County. Or as we call it, the other state of Maine.

Janet Mills: Yeah.

Jim Gardner: I'm glad to see you here this morning, and welcome.

Linda Cohen: Thank you everyone.

Janet Mills: Thank you.

Linda Cohen: Before we get into our specific questions about municipal state relations, the Executive Committee would like to know what prompted you to decide to run for governor, and also if you could describe some of the major goals that you hope to accomplish in the next four years?

Janet Mills: Wow, thank you. Broad question. What prompted me to run was, seeing up close some of the problems of state government. I was in the private sector representing individuals in small businesses in western Maine, Skowhegan, for about 14 years. During six of those years I was also in the legislature with my republican brother Peter, who is in the Senate and the House. One term we served together in the House. I as a democrat, he as a republican. I also served in the Appropriations Committee for four years. During some of the toughest years of Maine's economy in recent decades, and during the recession of 2008. I know something about the state budget and how things work there.

I've run an executive agency with a 42 million dollar budget over the last six ... Well, total of eight years really. I know something about how to run an agency, and I have values and concerns about the people of Maine and what our future holds for us. I want to solve those problems. I want to tackle the opioid epidemic for instance. There's been too much bickering in the legislature, and with the current governor, the current administration, over how to get things done. Too much hostage taking, too much polarization. I want to bring people together, and move our state forward very bluntly. I have a lot of ideas and I could sit here for hours and hours and talk about each one of them, but I want to hear from you as well, and find out what's on your minds.

Where I want to move the state is, you talked about the other Maine. I want to get rid of those terms. I want to talk about ... I have a vision of a state that is undivided. A state that is prosperous north to south, west to east. My roots are not only in Farmington, but in Ashland, and Stonington, and actually Gorham, where I spent 10 years of my youth. I'm very deeply familiar with all parts of the state of Maine. I want to bring us together, I want to erase the divide that exists now, the emotional sociodemographic divide that exists now, and move the rest of the state forward. That includes infrastructure improvements, broadband, cell phone coverage. Attacking the opioid epidemic, and moving the state forward.

Linda Cohen:

Thank you. When it comes down to it, all of the people of Maine, businesses, taxpayers, residents, visitors, they're all of our constituents, state and local. One of the things that's critical to us is, forging that relationship with the next governor, the office of the next governor. In prior administrations, not recently, but going back a little bit, there was a municipal advisory council that worked with the governor. We are interested in finding out if you would be interested in reconstituting that board to work with us, because we would like to be a resource to the governor, and vice versa. Also, what is your vision of an appropriate relationship between state and local government?

Janet Mills:

Sounds like a softball. No, the answer is yes, duh. But also, I want to have a board of advisors that includes county government officials and town. Towns and cities of various sizes. You pick, but I know that the needs to the larger service centers are different than the needs of the rural towns. Just like the needs of different school districts vary from district to district, region to region. The needs of different counties differ from one to the other. The efforts of regionalization are much stronger, for instance, in Cumberland County, than they are in some other counties. I would want advice from all those entities.

Not just token meetings once every six months, but maybe regular luncheons, where we get the views and feedback. I know, because I've watched other governors and other public officials become isolated, not so much in an ivory tower, we're too small of a state for towers, but isolated by being in Augusta so much, by being in the state's capital. Isolated from the people's point of views, and that includes people in local government, and school boards, and county government as well. Let me back up and say that, as I was the district attorney for 15 years for Androscoggin, Franklin, and Oxford counties. In that capacity, I worked with at any given time, three different boards of county commissions.

Had different relationships with each one of them. It wasn't partisan, at least back then it wasn't. I worked very well with the republican county commissioners of Oxford County for instance, and republican and democratic commissioners of Franklin County. Usually democratic county commissions of Androscoggin county. We have different relationships and different needs. But I had to forge a budget for each of those counties, and then a joint budget for all three together, every year. I worked with budget commissions and budget committees for the counties. Then at some time, sell the budget to the legislative delegation. I've worked at all levels in that respect.

Worked with town officials on county budget matters. I've never been a town official, I respect the work of town officials and people who put their face forward and their name forward on planning boards and zoning boards. Those kinds of things too. But, my brother Paul has been the moderator at literally hundreds of town meetings. My father before him moderated, and my grandfather moderated hundreds of town meetings all across Franklin County and western Maine. I have attended many town meetings, and part of the, well we'll say, robust discussions at town meetings on how to spend the snowmobile fees, and the domestic violence budgets, and the road funds, and all those kinds

of things. I'm familiar from a distance with town government, but not as intimately as you are obviously.

James Bennett: From our perspective, the foundation of the state municipal partnership is the revenue sharing program. It was created in 1972, and it recognized that the municipal services that we provide at the direction and on behalf of the state, should not be paid for by the Maine property taxpayers. It uses a formula that's based on population and full value tax rate, and it helps those communities that have high value tax rates, particularly our service center communities. Conversely, when you take or underfund it disproportionately hurts those very same communities. Municipal leaders really are interested in what your vision of the fiscal relationship occur between ...

Janet Mills: Excuse me, go ahead. I'm listening, thank you.

James Bennett: Municipal leaders are interested in your vision of the fiscal relationship between state government and local government. Specifically, do you believe that the revenue sharing program is an important part of that intergovernmental working relationship, and more importantly, how would your first budget treat the revenue sharing program if you have the opportunity to become our next governor?

Janet Mills: Thanks for the question. I think ... I'm not just going to sit here and tell you what I think you want to hear, and that is, revenue sharing is great and I want to increase it. I would like to do that, but to make a promise based on a budget that has not been developed based on revenue projections that have not been published or made at this time, would be a bit irresponsible. I'm not going to tell you what's in the first budget because that way jumping the gun way ahead. But I do think that it's been too easy to pick on revenue sharing. I'll be honest, it was easy to pick on it back 10-12 years ago as well when there were budget crises.

We did seven budgets in four years when I was on appropriations. Seven. I mean I kiddingly call it the de-appropriations committee, because it really wasn't appropriating, it was reducing the budget. Those were tough times. Hopefully we won't go back to those times. Hopefully the economy will stay fairly robust, and we'll be able to provide greater funding for service centers in particular. I think they get the short end of the stick in a lot of ways.

I also think that the reductions in the income tax, especially at the higher levels in recent years, resulting in a roughly four hundred million dollar reduction at the state level, simply passed, shifted the burden on the property taxpayers. I feel strongly that property taxpayers who support your local governments, need a break as well. That has to come from a partnership with the towns, and the state. Reinventing the circuit breaker program, and compensating for it appropriately. Revenue sharing is part of that mix as well.

James Bennett: Thank you.

Janet Mills: Thank you.

Laurie Smith: I'd like you to talk about one of the challenges in the state. Certainly we are fortunate that we have an unemployment rate of 2.8 percent. However, we also have a rapidly aging population, oldest state in the nation. It's not surprising that both public and private employers are having a hard time attracting and retaining employees. If we look at our own Maine municipal job bank, you will see that communities are looking for people in law enforcement, waste water operations, snow plow drivers, IT managers, accountants. To assist local level recruitments, MMA this year unveiled its hometown careers campaign, where we're focused on helping the next generation see that there is opportunities in public service. As governor, what policies will your administration implement to address workforce support and development?

Janet Mills: Well, I mean that's a great question, and it's one that we've been talking about on the campaign trail in the primary season for the last 11-12 months. Because we get that question from the private sector all the time too. They're having a hard time filling jobs. Excuse me. State government is facing that too. I know I think I read in Portland that they're offering a 10,000 dollar signing bonus for new police officers. That's really, those were tough times. The rim counties and other places, you're not offering those kinds of salaries, but they're moving to those areas where they can make more money. People are, and I know that fire departments are hurting for young, new energy, new people to take on those jobs in police as well.

I don't have a simple solution, nobody does. If they sit here and tell you they do, they're probably making up something. But I think it's a broad question that deserves a broad answer. That is, one, we need to attract new people to the state of Maine, we need to encourage young people to stay here, or be able to come back when they want to. That means improving for instance, the Maine quality centers at the community college level. Improving the training and academic curricula for those who want to work here, and matching those curricula with the workforce needs of the private and public sector.

If you get a degree in public administration, maybe we should give you a loan forgiveness program, maybe we should give you some benefits in order to stay in Maine to induce you, incentivize to stay in Maine. Those kind of things, we can be creative. Secondly, research and development and infrastructure. Infrastructure is huge. I'm not talking simply about roads and bridges, you know, the cell phone coverage in the state. A broadband, which I know you're very much involved with. Those things, we need a statewide strategy for. Not just broadband, but cell phone coverage. I think it's appalling when you drive from the state's largest city to the state's capital, or back.

You always drop a call at mile 47, you know? North of Bangor, you can't get cell phone coverage. Now I know they're not many people living in some of those wooded areas, but still, people don't want to move to a place where they can't get good internet, or they can't get good cell phone coverage. That means

attracting young families back to Maine, attracting new people to Maine. They want those kinds of things, where there's municipal jobs, public sector jobs, or private sector jobs. They want to be involved. I think we can do something with some loan forgiveness programs, and with ... Fundamentally, I want to be the biggest cheerleader the state's ever seen.

I want to tell the world what a great place we are, what great people have, what a great work ethic we have, and what beautiful natural resources we offer. I think people will come here for that. Reducing the cost of living is important in the long run as well. Whatever the pay is for the town or public or private jobs, we need to look at the cost of living so people will be able to take home more in their pockets. Not just get an increase in pay and not see it. Long term questions that would take hours to actually address in a detail sense. But I appreciate the problem, I hear about it all the time. I'm very much aware of it.

Laurie Smith: Thank you.

Elaine Aloes: In keeping with the workforce recruitment and development part of it, the need for reliable high speed, broadband internet is a key component to the economic vitality of our state. While some areas of the state benefit from improving internet capacity and speed, the infrastructure available in the more rural communities has not advanced much beyond dial up service speed. Internet providers are not making the needed improvements to provide high speed internet access in the rural areas of Maine. With expanded broadband service in the rural areas, rural Maine could become a destination for a younger workforce. Do you believe the expansions of broadband access to underserved areas would be important to the state, and what would you do to provide that?

Janet Mills: Well the answer to the first question is obviously yes. I live in western Maine, a small town where broadband is inadequate. Internet service is inadequate in my view. It's something I've been looking at for quite a while. We don't have, as yet, a statewide broadband strategy. We need a broadband strategy. The needs and the efforts in different places differ because of the cost of expanding, for instance, fiber technology. I know that in Islesboro, they were lucky enough to float a three and a half million dollar bond to help support their broadband access. They're doing that now, and it does not result in a major increase in the mill rate there. They're lucky, they can do that.

They negotiated the deal with CMP for pole attachment. They're lucky they've been able to do that, but it took a lot of work. That's just Islesboro. I know that Cranberry Isles has a whole different system, and it's a hodgepodge of, excuse me, some fiber, some wifi. Then up in Baileyville, they're getting expansion of internet service. Two years ago, some of the legislators from Piscataquis County came to see me. They had failed to get a grant from Connect ME Authority, because the Connect ME Authority has really too little money. Seth Barry had a 30 million dollar, I think it was 30 million dollar bond proposal just this week in the legislature. It failed to get support.

That would be to fund the Connect ME Authority to help towns and localities with broadband planning. They came to see me. 16 towns got together in Piscataquis County. First of all, I thought that was miraculous. If they got together on anything, they deserve to have some support. I took some settlement funds from I think the standard [inaudible 00:20:56] money, and gave them 120,000 dollar planning money to replace that, which they could not get from Connect ME Authority. They moved on, and now, excuse me, now the Leever Foundation has offered up, I think 10 million dollars to expand their broadband access. They're going to add fiber to the home in ever town. Monson and Abbot.

How many homes are there in Monson and Abbot? There will be more, whatever there are now, there will be more because anytime you have broadband access, property values go up by at least five percent, which obviously in turn helps the revenues for the town. That's important. There's been this hodgepodge effort. Franklin County has its own planning process, and they're moving forward with a broadband approach. I think that the towns I can envision, and I want to bring the right people together to help make the vision a reality. I can envision fiber to different hubs in different parts of the state, where there are concentrations of populations. Not extraordinarily rural, but towns.

Then have wifi to the homes for different hubs. It's less expensive that way. That's my thinking. But I am talking to people every day about broadband, and getting new ideas about how we can expand it. It's extraordinarily expensive. The private sector does not want to do it because the return on investment right now, most of our state, is not a great one. You know, we have the most dispersed population of any state in the country. When I first heard that I thought, "Is that right? I mean Wyoming is pretty rural." But they have cities, big cities. We have the most dispersed population. Then we have those crazy peninsulas, more than three thousand miles of peninsulas.

It's really ... If you were in the private sector thinking about running fiber down those peninsulas, it just isn't profitable. There are other ways we got to look at doing this, but I do want to do it. It's extraordinarily important to the economy of the whole state, and to attracting businesses, attracting entrepreneurs, attracting young families, which we desperately need. As you said, we have an aging population. I don't have a simple answer, but it is a goal, a major goal of mine. Not just for the benefit of the towns. But I can also see the Idaho model, where some towns have the ability to create the infrastructure for broadband. Then contract out with private companies for the operations of broadband. Those are the visions.

Elaine Aloes: Thank you.

Christine Landes: Maine's roads and bridge system is the most important component of its transportation network. It's estimated that nearly 90% of all transportation movement and freight is shipped over this infrastructure. 60% of the total road

inventory is owned and maintained by municipalities, accounting for the third largest municipal expenditure. To account for that burden, the state shares roughly nine percent of the highway fund revenues with municipalities, yielding about 20 million dollars annually. This has been chronically flat funded, causing costly delays in much needed repairs and improvements. Do you believe the current system of paying for the maintenance of all Maine's highways and bridges is working, and what changes if any, will you recommend to address this funding issue?

Janet Mills:

Wow, great question. Thanks, I think. But you know, the highway fund is not growing, and you know why. Gas tax revenues are down. 12 years ago or so, gas tax indexing was eliminated in the legislature. 10-12, no, it was more recent than that. But anyway, we did have gas tax indexing. That's been done away with. The revenues are down statewide, not just for the towns but for the state budget as well. I think we've got to take a whole different approach to highway funding. I don't have the answer, I'm not here to say I have all the answers. But, we've got to look at ... With the increase in electric vehicles, and electric vehicles charging stations, obviously they're not paying gas taxes.

There are other countries in other states that have developed a different model for funding roads and bridges by fees for, not fees for the vehicles, but I think in Germany they have these laser monitors on the highway to tell how many miles you've driven, whatever vehicle you have. Whether it's a truck with a hemi, or a small electric vehicle, or a suburban. To how many miles you've driven, and that tells you what your usage has been. You know, I don't know that we can do that right off the bat, but we got to look at different models of funding highways and bridges for the towns and for the state too. No, I've been to town meetings where the URIP funds were broadly discussed, and complaints about one road getting taken care of, and another not.

Look, I was district attorney for 15 years. I went to many fatal accident scenes. I know what the soft shoulders on Route 4 do, with those difficult turns and curves in the road do, and how we're not fixing them. I strongly believe a better road system is vital to our economy, and vital to our public safety. I know that. How to fix it? I don't have an easy answer, but I think we've got to look at different models for funding the highways and bridges in partnership with the towns and cities.

Christine Landes:

Thank you.

Janet Mills:

Thank you.

Jill Duson:

Although municipal officials recognize that local government units are better suited than the state to provide certain services, the cost of providing legislatively required municipal services come at a price to property taxpayers. The cost of state mandates, such as appointing code enforcement officers, managing solid waste, mandated training for firefighters, and the new requirements related to marijuana legalization, place additional burdens on

already strained municipal budgets. In some cases, funding for local services that citizens want, takes a backseat to those mandated by the state. Are there additional services you believe municipality should provide? If yes, how should those services be funded? Are there services currently provided by municipalities that could be provided by another public, or private entity?

Janet Mills:

Requiring more services, whatever they are, involves a balance of local control, which people in Maine, as you know, and New England, generally feel very strongly about. Having control over those services, where they go, which roads get fixed, which septic systems get addressed and that kind of thing. I think that the state can provide leadership and guidance. I think the state has neglected that in good part in recent years. We used to have something called state planning office. Whether there were mandates, or simply recommended services. When we first had subdivision review, when we first had shoreland zoning and solid waste management, and various tax programs, there was guidance at least from the state.

That's been lacking recently. I want to reinvent something like the state planning office, and I want to do it in partnership with local governments, and to some extent with a private sector. I'm tempted to call it something like, the department of the future. You know, where we see where we're going. There's no visioning going on right now, there's no think tank that's helping us know where we're going and what we can do to attract new families, to help the towns with the code enforcement issues that they see every day. To help the towns with regional planning and local planning. Whether it's solid waste or subdivision, or shoreland zoning, all those issues.

I think the state has stepped back way too far from helping local governments do what they need to do to provide a healthy environment for its citizens. That's my idea. Whether I see new state mandates on the horizon, I do not. I was reading in your newsletters about the new mandate for school crossing guards. I didn't realize that was a new mandate, so I was kind of laughing about it. It may seem silly, but I mean there are safety issues. But who's there to do the training? The local police departments? What if you don't have a police department? I think the state needs to provide more guidance and not just say, "You got to do this, you got to do that, with a two thirds vote."

Suzannah Heard:

Hi.

Janet Mills:

Hi.

Suzannah Heard:

The legislature has made progress towards meeting a statutory requirement for funding K-12 education at 55%. But it hasn't gotten there, it falls short of the requirement. Do you support the law that calling for state to cover at least 55%? Please describe what actions you would take either to honor the commitment, or to amend the law.

Janet Mills:

Wow, another really good question. I haven't drafted a state budget yet, I think that would be jumping the gun for me to do that. I do support 55% for state funding for education. The people have voted for it several times. What happened when they first voted for it, as you know, there wasn't a definition of what a good education means. They invented essential programs and services. That has been tweaked from year to year, and I'd like to take a deeper dive, a deeper look into what essential programs and services is, what it means. Obviously there's still a great deal of disparity from one school district to another.

It's still, whether your child gets perhaps the best education possible, sometimes still depends on their zip code. Whether they live in a property tax rich, property rich town, or not. That is a problem. I see that as a major problem. The disparity. I think we got to look at Essential Programs and Services, and look at how to fund 55%. You know what the legislature did a year ago, piece meal funding to, you do a patch work. Generally one time funding to increase funding for education in order to avoid the tax increase that the people voted for. Income tax increase. It's a tough nut, I don't have an easy answer, but I want to work on it, and I want to work on it with the school boards, and with local towns and counties.

I think it's extraordinarily important to provide an equal opportunity for education K-12. I like the fact the legislature last year provided funds for universal pre-K, if schools opt in. More schools are opting in. I think early childhood education is very important. I see that in the context of the opioid epidemic. Adverse childhood experiences is a driving force behind people developing substance use disorders. Early childhood education is very important. I would like to see every child who's eligible for head start, be enrolled in head start. Only 30% of the kids were eligible or enrolled in head start. Why is that? Are we rejecting federal funding?

Are we just not reaching out to those families? I'd like to see every kid who completes the third grade, hopefully they all do, have some level of reading proficiency. Is that an unrealistic goal? I think not. I'd like to see computer sciences in the middle school, not just the high schools. Computer coding and programming available, because those are the jobs of not just the future, but of the present. The state can provide guidance, the state can train the trainers, train teachers to provide these without exacerbating the cost of education. But providing an appropriate education for all our students.

Suzannah Heard:

Thank you.

Rick Bates:

There's kind of a common theme going on here about who pays for what.

Janet Mills:

You want to see my budget, don't you?

Rick Bates:

Who pays for what.

Janet Mills: Let me find it.

Rick Bates: As you might imagine as municipal officials, we're often called on to advocate at the legislature, and to our government officials. For the restoration of state funding for important municipal programs, mandated services, and the common reply we often get is, that the property tax burden is high because local spending is, quote, out of control. Do you believe that local government spending is out of control or out of line? Why or why not? What policies would you advance to help reduce the cost of providing local government services?

Janet Mills: Oh, great question. You know, I haven't looked at each town's budgets, know what the increase has been. What we used to do on the Appropriations Committee is take a 10 year look back for the general fund and see where different departments have come. I suspect if I did that with city and town government budgets, that we would see an increase in salaries and benefits, particularly health benefits, which is probably a driver of increase costs for the local governments. I don't see much empire building, and a lot of fancy new buildings and capital costs, and that kind of thing. We've talked about the highway costs and whatnot.

But I suspect that the competition for salaries, competition in the workforce and for health benefits. I think we've got to look as a state, look at the cost of living, see if we can address energy cost, health care cost in the broader sense, for the private sector and the public sector. Addressing what you take home in your paycheck, as opposed to simply what the top dollar is on that paycheck. Do I think that the towns have overspent? No, I think there's a lot of finger pointing. But you have some good municipal officials in the state legislature too, we should have more. John Madigan from Rumford, and other people who've served in town, local government, who can be a more concerted voice for these issues in the legislature.

State Local Government Committee, trying to remember who's on that right now, but it could be enhanced. I'm not running for the legislature, so I'm not in a position to do that, but I think the state and local government committee could have broader powers and be more reflective of local government concerns. I served on a special committee on regionalization one year where we were talking about water districts, sewer districts, solid waste, all of those things. The regionalization effort that goes on in southern Maine versus that that goes on in other parts of the state. The balance between that and local control, and the decisions at town meetings was a key factor in our discussions. I didn't see then, I don't see now extraordinary wasteful spending at the town level.

Rick Bates: Thank you.

Mary Sabins: Hi. My question is regarding homestead exemption. The homestead exemption is an important element of the comprehensive property tax relief package that provides direct relief to Maine homeowners. In 2016, over 305,000 Maine

residents participated in the program. The current program provides a 20,000 dollar exemption, with 62 1/2 percent of the lost property tax revenue associated with the exemption reimbursed by the state. As a result, in Vassalboro, where I am the town manager, the property taxes paid on a 150,000 dollar owner occupied home, are reduced by nearly 300 dollars this year. If elected, would you recommend retaining, repealing, or significantly amending the program? If you would amend the program, then how?

Janet Mills:

Good question. I think the property tax burden, which I hear a lot about, all over the state, is reflective of a couple things. Homestead exemption is one way to approach the burden. Not the most successful approach in my view. Not the most effective approach. I think that ... Because it's across the board. If you're a rich person with a house, if you're a poor person with a house, you get the homestead exemption. Whereas, if you enhance the circuit breaker program, obviously with state contribution, sufficient state contribution, then you're addressing those who want to stay in their homes, but can't afford the actual tax bill.

Rather than mess around with a homestead exemption, or the mill rate per se, or what services are provided. Look at the circuit breaker program. The homestead exemption was an effort to reward people for remaining Maine residents, and the circuit breaker program does that in a way too, but in a better way, a more equitable way, more progressive way I guess you'd say. By helping those people who just can't afford the tax bill, whatever the mill rate is, whatever the valuation of the home is. I'd like to look at that again. I know that they've pared that back a lot and now it's available, has a different name as well. Mostly for people older than 65 or 62 I think.

I'd like to see that more available for renters and homeowners who can't afford to pay the tax bill because it's more than a certain percentage of their actual income. I think if you retire to Maine and you have passive income of half a million dollars a year, I'm not sure why you need the homestead exception. But if you live in Maine and you want to stay in Maine, and you don't have 50,000 dollars a year, or you're a state retiree at 19,000 dollars a year average, then why not give that person a break with appropriate and adequate state compensation, under the mandate rule.

Mary Sabins:

Thank you.

Janet Mills:

Thank you.

Gary Fortier:

State tax codes are often described in terms of the balance, progressivity, and fit with the current economy. In Maine, state, municipal, school and county services are funded primarily with property, sales and income tax revenues. Of the nearly six billion raised through the assessment of local and state taxes, 45% of those revenues are generated by the property tax, with the income and the sales tax generating 30 and 25 percent respectively. Question is, how would you characterize Maine's overall tax code? Do you think there is a need for

comprehensive or structural tax reform, or is the state's current tax code generally adequate.

Janet Mills:

Wow. These are pretty broad questions. I got to check Wikipedia. No. I think, no, I'm not an expert on the tax code, I don't pretend to be, but I have some experience with it, and I think that our sales taxes are fairly low compared to the rest of New England. We fiddled with the meals and lodgings taxes in the past, we've talked about local option taxes, sales taxes, to help certain towns, particularly service center towns. The income tax has been amended quite substantially in recent years. I'm not going to sit here and say, "I want to increase taxes in a particularly area." I think that would be unfair without seeing what the revenue projections are going to be for the coming two years come January.

It's important to know what you're working with, before you start saying, "We need more taxes," or, "We don't need more taxes here." Or the mix is not correct. What I hear most about, is the burden on the property tax payers. People talk about income tax burdens, and people moving to Florida. I don't think we're ever going to get the snow birds all back to Maine frankly, unless we just did away with the income taxes, personal income taxes. But I think we have to broaden the economy, and that means encouraging new businesses, and encouraging high tech businesses, and being creative about the economy, so we increase the tax base, and increase the number of people paying into the existing tax structure.

Sales tax, property taxes, and corporate and individual income taxes. Let's do that, let's let that be our goal first, increasing the tax base, before we start changing the mix. Whenever you change the mix, and we did this when I was in the legislature, we had a proposal to change the tax services, and different sales taxes to different issues, different items, and reduce income taxes in another area. That went to referendum. It was the people's veto, and people balked at that.

Whenever you have a tax shift proposed in the legislature, somebody gets hurt, somebody gets helped. While this has been a bit of a hodgepodge process in the last 30 years or 50 years since income taxes and sales taxes, I'm not going to sit here and suggest that I'm going to add to this one, or take away from that one without knowing what the needs are, and what the revenue projections and budget projections are come next January, and without first looking at expanding the tax base, so that more people are paying in for the benefit of all of us.

Gary Fortier:

Thank you.

Janet Mills:

Thank you.

Jim Gardner:

Hey.

Janet Mills: Hi.

Jim Gardner: In The County, as well as all other counties, funding for county jail operations is a concern. Counties spend 90 million annually to fund jail operations. Of that total, roughly 65 million is funded by property taxes, and 15 million from state appropriations. Taking into account that the state implements the policies, dictating who is imprisoned, for what length of time, and whether house or state prison or country jail, municipal officials believe the state should fund a larger portion of county jail operation cost. Do you believe the current process for funding county jails is working? What changes if any, will you recommend to address this ongoing funding issue.

Janet Mills: Whoa, geez. I got highways, I got education, I knew I'd get county jails. Look, I think, the way I envision the county jails is a system of community corrections, real community corrections. These should be, and often are, short term sentences, short time sentences, for people who may be first offenders, or low level offenders who can benefit from community corrections by having work release, being close to their families, hopefully paying some restitution, paying child support and the like. That's the goal. We've stepped back from the goal, because look, I've been in court enough times to know what plea bargaining looks like, and there's a lot of that.

People don't want to go to the state prison, they don't want to go to Windham, there's less available there. I think community corrections has a role in addressing mental health issues, and substance abuse issues. Mark Dion, my good friend, who ran for governor in the primary often says, the county jails are simply a mental health institution. They're warehousing people, that's not what they're there for. We could have ... We've talked in the past about having specialty jails, which could be helped with more funding from the state, and from HHS perhaps, to concentrate on substance abuse issues, concentrate on mental health issues, and in particular, geographical areas.

But just to warehouse people pretrial, or warehouse people who are on short term sentences, it's not really working. I don't have a magic wand to wave and say, "We're going to fund it this way or that way," because you know what the competing interests are. Education, highways, and the tax mix. I'm going to say it's a goal, and it's a challenge that I want to face with you to help fund the jails properly. I like the two bridges jail, the regional approach there. Franklin county, my home county, my home turf has gone up and down, back and forth with the regionalization effort, and hasn't been successful. We just had a holding cell system for a while, and that wasn't as satisfactory.

I think when people are held on without bail, or held on high bail, or serving short term sentences, they should serve them in the community. Funding that a level, and I obviously disagree with the current governor who basically forced the disbanding of the corrections commission by not letting people attend, and avoiding a quorum and that kind of thing. I would like to see a better partnership between the state and the counties and the towns, in forging a real

community corrections program. That includes juveniles too, I think there's so many issues about Long Creek, we don't seem to have an adequate continuum of care for juveniles. This is very important.

Going along with the education issue we were talking about earlier, early childhood education, and the dropout factor. I've stood in court in Somerset County in front of judge Clap and others on Christmas Eve with a young person who committed some burglaries, and he had nowhere to go. No home to return to, no group homes available. When a judge has to send a kid to Long Creek on Christmas Eve because there's no other place for them to go, that's a failure of community corrections, a failure of the system. A failure of our society to have a true continuum of care to help people in need, and to help them avoid a life of crime. Can I say I'm going to fund community corrections with another 60 million, I'm not going to say that. But forming a partnerships and working with you and the counties to get it done and get it done right, I think I have the experience and ability to do that.

Gary Fortier:

Tax exempt property. State policy provides a blanket property tax exemption to all charitable corporations such as hospitals, nursing homes, research facilities, land trust, and charitable, excuse me, literary and scientific institutions, including private colleges. All the benefits these institutions provide are regional or statewide in nature. The property tax payers in each host municipality are held solely responsible for funding the services such as, snow plowing, police, fire. Provided to the exempt institution. Should tax exempt institutions be required to make some level of financial contribution to cover the municipal services they receive?

Janet Mills:

Great question. Not a new one, one that's been around for a while when you talk about Bates, and Bowdoin, and Colby, and Maine Health, and so many other institutions. I would tend to try to use the bully pulpit to get them to make service fees, pay service fees to the towns for the proper services they're receiving. I think it's a difficult road to get them to pay a tax on top of that. It's been debated in the legislature before, excuse me, it will continue to be debated in the legislature. But it sort of ties into the mix about service centers, and the burden on them, and revenue sharing. I think that that's part of the formula for where revenue sharing should go, to those places that do have a high proportion of tax exempt properties.

In the city of Portland, which has so much nonprofit, so many nonprofit entities, but also is property rich in another area, commercial area. But other towns that don't have the commercial enterprises to make up the difference. Brunswick may be an example for instance. It's lost a lot of its revenue for other reasons, but has the big elephant, Bowdoin College, smack dab in the middle. On a smaller scale, I live in Farmington, just off the campus, UMF campus, which takes up most of the town. We don't have commercial enterprises, we don't have a shoe shop anymore, we don't have the tanning shop down the road, we don't have the industries that used to pay those taxes.

Wilton doesn't have a University, but doesn't have Bass Shoe or Foster manufacturing anymore. That's where revenue sharing comes in I think. Rather than come out and say, "Well we need to tax all these nonprofits," I think we can ask them to pay their fair share without changing the tax code completely and saying all nonprofits should pay X amount. I know it's a perennial problem, I appreciate it, I live it in my town. I'm very aware of it, thank you.

Linda Cohen: We want to thank you again for joining us today for the interview. In the final few minutes we want to give you an opportunity to make some closing remarks.

Janet Mills: Thank you.

Linda Cohen: We also want to encourage you between now and November, to reach out to any of the municipal officials here, or any municipal government locations that you feel that you want to do that, or to MMA staff, because again, we do want to be a resource for you and answer any questions that we can. We also want to wish you the best of luck, and look forward to working with you and your administration should you be successful in November.

Janet Mills: Thank you Ms.. Cohen. Appreciate that. Let me just wrap up by saying, I talked about having a department of the future, and I want to have a partnership with other levels of government, including town and city officials. I think there's been too much finger pointing, too much drawing lines in the sand in recent years. I want to overcome that, and move on together. I'm a person who has worked across the aisle in the Appropriations Committee, and in other areas in the legislature. Worked with republicans such as, Carl Turner, Sawin Millett to forge budgets in very difficult years. I hope we don't have another recession, but I want to reinvent that ability to work across the aisle, and work at different levels of government.

In me you will find an open door and an open mind, and hopefully an open heart. I am ... The state of Maine is my biggest cause. The people will always be my biggest priority. I can see us forming partnerships that include grants for various services, grants for various creative projects, whether it's broadband or septic issues, or whatever. I think your needs are very disparate from one place to another, one region of the state to another. I'm keenly aware of that. State government can't form enemies, can't make enemies anymore, it's got to make friends. State government has to be a partner with the people, a partner with the towns, and a partner with the counties.

Whether it's marijuana regulation, and I know they just passed something else along those lines yesterday, which allows towns to opt in, and I think that's a good thing for the towns, not to be forced to do something that they can't pay for, can't regulate on their own, whatever size that town may be. Marijuana, Air BNB, septic issues, whatever the issue is, and properly assessing highway taxes, and apportioning highway revenues. All these things are complicated, we know that. Your questions are great. The answers are not easy, as you know. Anybody

who sits there and says, "I'll do this for you, I'll do that for you," probably does not understand how very complicated these issues are.

I do, and I want to work with you to address them. I want you to be partners with the state, and I want you to have a relationship of trust with the highest levels of state government. I want people with knowledge of local and county and town issues, to be represented in my administration, should I be privileged to become the next governor of Maine. I want people like you in my cabinet, and in the departments, to advise and to tell me the truth about what's going on, not just to tell me what I might want to hear from day to day. I want to listen to the people. Again, in me you'll have an open door, an open mind, and an open heart.