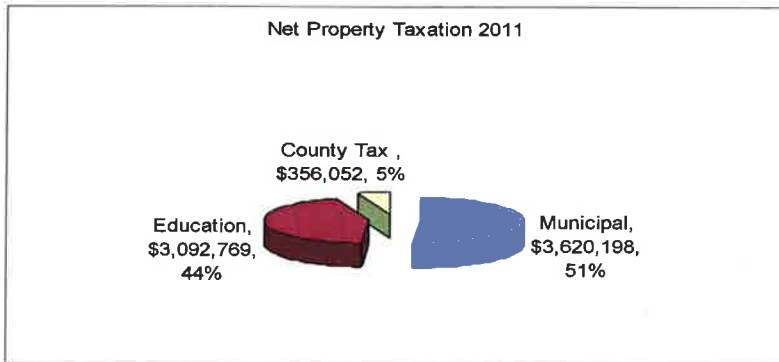
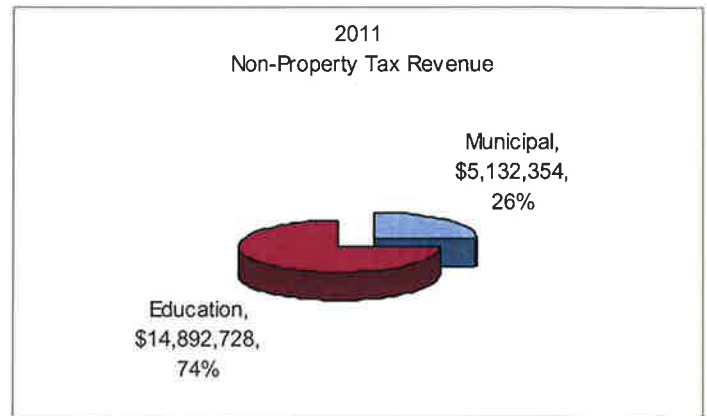
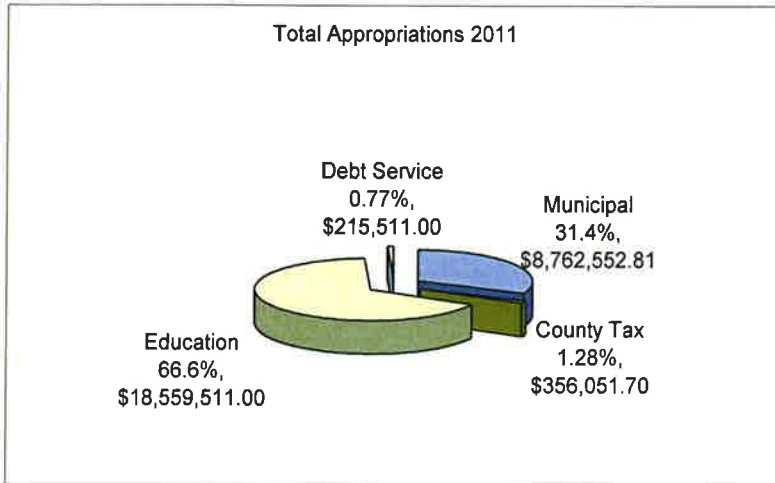


Caribou 2011 Tax Bill Summary Information

The following information was compiled as an estimate for print in anticipation of setting of the municipal mil rate on June 27th, 2011. The following information has been compiled to illustrate the major budgetary components and the changes from last year, 2010, to this year, 2011.

Taxation Summary - Comparison of 2011 versus 2010

2010 versus 2009	2010 Actual	2011 Estimate	2011 vs 2010	% Change
Municipal Appropriations	\$8,610,965.00	\$8,762,552.81	\$151,587.81	1.76%
County Tax	\$354,010.00	\$356,051.70	\$2,041.70	0.58%
Tax Increment Financing	\$56,232.00	\$60,782.00	\$4,550.00	8.09%
Local Education Appropriation	\$2,930,775.00	\$3,092,769.00	\$161,994.00	5.53%
Debt Service - Gymnasium	\$205,226.00	\$215,511.00	\$10,285.00	5.01%
<u>Municipal Overlay</u>	<u>\$105,749.00</u>	<u>\$0.00</u>	(\$105,749.00)	-100.00%
Total Appropriations	\$12,262,957.00	\$12,487,666.51	\$224,709.51	1.83%
Non-Property Tax Revenue	\$5,354,815.00	\$5,132,354.39	(\$222,460.61)	-4.15%
<u>Transfer from Prior Year Surplus</u>	<u>\$113,338.00</u>	<u>\$10,000.00</u>	(\$103,338.00)	-91.18%
Total Deductions	\$5,468,153.00	\$5,142,354.39	(\$325,798.61)	-5.96%
Net to be Raised from Property Taxes	\$6,794,804.00	\$7,345,312.12	\$550,508.12	8.10%
Mil Rate	24.10	26.00	\$1.90	7.88%



There is a significant increase to property taxation this year due to the loss of State and Federal resources historically attributed to both School and Municipal operations. These combined losses account for the increase in net property taxation as documented. Service provisions were adjusted, capital investments reviewed, and numerous budgetary revisions were made to mitigate these impacts for the current year. The State's mandated increased mil rate effort raised for education coupled with the loss of State Revenue Sharing are the two largest impacts for this year.

Municipal and School services are under constant reevaluation for service level provisions, priorities for resources, and the ability to further consolidate. Cooperative service level provisions are under review for subsequent years as all levels of service provisions seek continuation with ever decreasing resources, especially those intergovernmental transfers from prior State and Federal Resources. Please continue to monitor the combined municipal operations for future prioritization of services and capital investments to ensure your tax dollars are being spent wisely.

City of Caribou Ongoing Revaluation

The City has contracted for a revaluation of all taxable real and personal property. The purpose of the revaluation is to ensure equity in valuations across all real and personal property. It will be 15 years between the last revaluation and the current pending for 2012. Due to significant changes in construction tables, market values, and the need to ensure all parcels are being assessed under the same standards, the revaluation work was put to bid. A contract was awarded in 2010 to R.J.D. Appraisals out of Pittsfield, Maine to complete the work. Field work began in 2010 and will continue throughout all of 2011 with completion in 2012. Taxes will be committed in 2012 upon the new valuations.

What is a Revaluation: The Maine Constitution states that *all taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof.* In order to apportion the tax burden equitably, the assessor must establish assessed valuations in accordance with the just value. Just value is established based upon an analysis of current market values.

Why Perform the Revaluation: The Assessing Office recognizes the need to fully review all parcels and assess based upon current information. New construction tables accounting for all construction types will be implemented. All real and personal property will be viewed and recorded as fully electronic cards. Values will be established based upon current market information for Caribou. All newly produced electronic information will be more easily maintained in the future, given the City's limited resources.

Revaluation Process: R.J.D. Appraisals has already started viewing properties. They will do an onsite viewing of all real and personal property to verify the accuracy of the property record. The firm will then review local sales that are considered "arms length" transactions and create a pricing schedule for all land and buildings of like comparisons. The resulting assessed values for tax purposes will reflect current cost of construction and local market sales.

Review of New Assessment: Once the new assessment is developed, the property owner will be sent a notice indicating the new assessed value and an estimated 2012 tax bill. The estimated tax bill will be based upon the 2011 tax commitment and the new value. This allows for a comparison to prior and future taxation. R.J.D. will then hold individual hearings with any property owner requesting one for the purpose of reviewing the accuracy and any clarification under an informal hearing process.

Completion of Revaluation: The Board of Assessors shall commit the 2012 tax commitment based upon the New Municipal Valuation as developed by R.J.D. Appraisals and after the Board has finalized. The New Municipal Valuation should allow for a certification with the State at 100% of valuation providing for maximization of all State granted exemptions and current use values such as the Homestead, Veterans, Blind, and Tree Growth.

Appeal: A taxpayer has the right to legally appeal their new tax assessment if they feel that it is unfair or unjust to the City's board of Assessors. Further information pertaining to revaluations, the process, and appeals may be found at: www.maine.gov/revenue/forms/property/pubs/revaluation.htm

Timeline of Ongoing Revaluation

1. R.J.D. Appraisers will return to complete field reviews and site visits starting August of 2011
2. New Property records will be created and entered into the City's assessing programs through the end of 2011
3. Personal Property review and site visits will begin in November of 2011
4. R.J.D. and City Assessing Office will complete new property records entry into Tri Assessing programs through March of 2012
5. Statement of new valuations and estimate of 2012 tax amounts will be mailed by March of 2012
6. Informal Hearings will be scheduled with R.J.D. March - June 2012
7. Board of Assessors will commit taxes based upon New Valuations July 1st, 2012