

June 29, 2012

12-17 Emerg.

An Emergency meeting of the Caribou City Council was held 5:00 p.m. on Friday, June 29, 2012 in Council Chambers with the following members present: Mayor Kenneth G. Murchison, Jr., Deputy Mayor David Martin, Mary Kate Barbosa, John R. Boone, and Bryan Thompson. Philip McDonough II and Gary Aiken were absent and excused.

Steven R. Buck, City Manager and Elizabeth O'Bar, Assessor were present.

Natalie Bazinet, representing the Aroostook Republican and Time Warner covered the meeting.

Council Agenda Item #1: Consider resetting the 2012 Municipal Mil Rate to account for a \$6,000 error in the calculation.

Mayor Murchison briefly explained the reason for the Emergency Meeting. There was a miscalculation within the budget that was adopted which would result in a negative Overlay. While running the final calculations, Tax Assessor Elizabeth O'Bar discovered that the new RC-2 TIF amount had not been added into the expense calculation. To meet the Credit Enhancement Agreement it is necessary to raise a minimum of \$6,000. thus resulting in an Overlay of \$-5,117.85.

Manager Buck outlined two options to resolve the issue: Option One: reset the mil rate at 19.34 from 19.32. This would produce an Overlay of \$2,487.98 or Option Two: reset the mil at 19.27 from 19.32 plus for 2012 not capturing the Downtown TIF revenue. This would eliminate the prior budgeted \$27,048 for G-1-473-00 which are moneys set aside for the City's share of the High Street Project. Option Two would produce an Overlay of \$2,844.71. Mr. Buck explained that he developed these two options because on Wednesday the Council voted to go with the lowest possible mil rate.

Manager Buck stated that he stills stands by his earlier recommendation of having a \$25,000 Overlay. Traditionally each year the City raises \$25,000 to cover any abatement amounts but this year the number and amount of abatements associated with the revaluation are unknown and having an Overlay of \$25,000 would help offset their expense.

Assessor O'Bar commented that the Downtown TIF is the only one of the City's three TIF Agreements that does not have an associated Credit Enhancement Agreement, thus allowing the City the choice to remove it for 2012.

Currently the City has \$105,000 reserved for the High Street Project and it has been estimated that the City's share will be approximately \$250,000.

The Councilors wanted to know the amount of Overlay that would be raised for each of the listed mil rates provided the City does not capture revenue for the Downtown TIF:

Mil rate: 19.28 produces an Overlay of \$6,661.

Mil rate: 19.30 produces an Overlay of \$14,295.

Mil rate: 19.32 produces an Overlay of \$21,929.

Mil rate: 19.33 produces an Overlay of \$25,000.

Motion made by D. Martin, seconded by J. Boone to keep the mil rate at 19.32 and to forgo the Downtown TIF allotment of \$27,048.00 for the 2012 Budget.

Councilor Thompson questioned increasing the Overlay when on Wednesday the Council agreed to an Overlay of approximately \$900. He would be in favor of lower the mil rate to 19.27 which produces an Overlay that is greater than had been previously set.

June 29, 2012

12-17 Emerg. Pg. 2

Councilor Martin withdrew his motion and Councilor Boone withdrew his second.

Motion made by B. Thompson to set the mil rate at 19.27 with an Overlay of \$2,844.71 and to forgo the Downtown TIF allotment of \$27,048.00 for the 2012 Budget. Motion died for the lack of a second.

Motion made by D. Martin, seconded by MK Barbosa, to set the mil rate at 19.30 with an Overlay of \$14,295 and to forgo the Downtown TIF allotment of \$27,048.00 for the 2012 Budget. (4 yes, MK Barbosa, J. Boone, D. Martin, and K. Murchison, 1 no, B. Thompson) So voted.

Council Agenda Item #2: Adjourn

Motion made by MK Barbosa, seconded by D. Martin to adjourn to the meeting at 5:25 p.m. (5 yes) So voted.

Jayne R. Farrin, Secretary