



**City Manager's Report
April 13, 2026**

Economic Projects

River Front - Powerplants	Diesel Plant - Work is nearly complete. Positive media coverage. Steam Plant - RFP is out now for removal of petroleum products.
Broadband Initiative	No new updates.
Ogren Dump Solar Project	No new updates.
Events and Marketing	Looking forward to Thursdays on Sweden. Dates will be: June 11 & 25; July 9 & 23; August 13. Stay tuned for more information.
Landbank	No new updates
Chapter 13 Rewrite	Introduction of updates to Chapter 7 and Chapter 13 on tonight's agenda.
Federal American Rescue Plan Act	Funds must be spent by 12/31/2026; Report due this month.
Blight Cleanup	Caribou's new CEO has already been sending out Notices of Violation.
Birdseye Cleanup	Brownfields RLF project is ongoing.
Caribou Development Committee	Executive session held after the last meeting.
River Front - Master Plan	The Riverfront Master Plan is underway. There is a survey online that we encourage residents to complete to share their vision for an improved Caribou Riverfront.
Façade Improvement Program	The Spring 2026 funding opportunity is now open.
Aldrich ATV/Snowmobile Storage	No new updates.
Caribou Economic Growth Council	No new updates.
Business Outreach	Eric is working with several possible businesses.

Other Administrative Projects

Tax Acquired Property Policy	No new updates.
Nylander	No new updates.
Fire Structural Work	No new updates.
Fire Station Renovations	The project is out for bid.
Police Station	No new updates to share, but should have something soon.
River Road	No new updates.
Investment Policy	No new updates.
Cable Franchise Renewal	No new updates.
Airport	Committee meeting held 3/10/2026. Next meeting 04/14/2026 at the airport.
Personnel Policy	No new updates.
New LED Street lights	No new updates.
Comp Plan Update	No new updates
LD 2003 Implementation	No new updates.
15 Prospect Street	No new updates.
Water Street Fire	The ESA Phase I with funding provided by EPA Brownfields funding through Maine DEP has been received.
Age-Friendly Efforts	Meeting was held on March 31.
Personnel Changes	Welcome again, Caribou Code Enforcement Officer, Tim St. Peter.
DOT Village Partnership	Reimbursement (50%) has been received from DOT.
Aroostook Waste Solutions	Please dispose of rechargeable batteries properly. You can take them to Lowes or the Tri-Community Landfill. (Do not dispose of with your waste). Keep an eye on your rechargable batteries while charging. Unplug chargers when not in use.
Cary Medical Center	No new updates.
Other Updates	Any new updates on the Aroostook River Bridge project will be posted on our website.
Administrative Approvals	Rubbish hauler license for City Sanitation and Gil's Sanitation, liquor license for Sizzle & Slice, Jade Palace and American Legion Post 15

Reminder: It's RSU#39 Budget Season

Here is the information provided by the RSU:

RSU 39
2026–2027 SCHOOL BUDGET TIMELINE

APRIL 15, 2026
Board Meeting / Workshop
6:00 PM | CCS

MAY 6, 2026
Board Recommends Budget Amounts & Signs Warrants
6:00 PM | CCS

MAY 20, 2026
Public Budget Determination Meeting
6:00 PM | CPAC

JUNE 9, 2026
Budget Validation Referendum
📍 Municipal Voting Places

CARIBOU VIKINGS

The tax bill you receive represents the City of Caribou’s fiscal obligations to RSU#39 and the County of Aroostook, as well as fund municipal departments.

In 2025, the mil rate was 22.0 and the Caribou Tax Bill distribution was:

Municipal departments	40%	8.80 mil
RSU#39	49%	10.78 mil
County of Aroostook	11%	2.42 mil

The timeline memo for the County of Aroostook budget process is on the next page.



**COUNTY OF AROOSTOOK
Commissioners' Office**

**Finance Director/Interim
County Administrator**

Dana L. Gendreau

County Commissioners

Paul J. Underwood - Chair
Presque Isle
District 2

William T. Dobbins
Houlton
District 1

Daniel V. Deveau
Cyr Plt.
District 3

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MEMORANDUM

January 5, 2026

TO: County Commissioners and Finance Committee
FR: Dana L. Gendreau, Finance Director/Interim County Administrator
RE: 2026-2027 Budget Process

After consulting with the Finance Committee, and Paul Underwood, Chair of the Board of County Commissioners, we have agreed to the following schedule for our 2026-2027 budget process.

Initial dept. budgets to County Administrator:	4:30pm – Monday, February 2, 2026
*Organizational Meeting of Finance Committee:	9:00am – Thursday, March 12, 2026
Administration Budget Work Sessions #1:	9:00am – Tuesday, March 17, 2026
Administration Budget Work Sessions #2:	9:00am – Thursday, March 19, 2026
County Commissioners' Budget Work Session #1:	9:00am – Tuesday, April 7, 2026
County Commissioners' Budget Work Session #2:	9:00am – Thursday, April 9, 2026
*Finance Committee's Budget Work Session:	9:00am – Tuesday, April 28, 2026
*Public Hearing:	4:30pm – Tuesday, May 12, 2026

Finance Committee members, please pencil in the dates that are marked with an * as those meetings are the ones that require your attendance. Your participation is essential in maintaining the integrity of this process.

Thank you for your time and consideration and if you have any questions, please feel free to contact me.

Sincerely,

Dana L. Gendreau
Finance Director/Interim County Administrator

Components of the Municipal Tax Bill

The Municipal Tax Bill has a compound tax rate which includes the annual amount raised to fund municipal services as well as the City's portion for the Aroostook County budget and the RSU#39 school budget. State statutes require that the city collect the amounts invoiced by the County of Aroostook and the RSU#39, and it also requires that the percentage of local property taxes distributed to education and to local and county government be included when a property tax bill is issued to a taxpayer. Interesting note: The State of Maine does not require that a tax bill be issued but the City of Caribou provides one as a convenience for taxpayers.

In 2025, the municipal portion of the Property Tax bill was 40% of the amount paid. If your tax bill was \$1,000 then you paid **\$400** to fund your city departments. The city department budgets are set by the City Council.

In 2025, the Aroostook County portion of the Property Tax bill was 11% of the amount paid. If your tax bill was \$1,000 then you paid **\$110** to fund the services provided by the County of Aroostook. The County budgets are set by the Aroostook County Commissioners and Aroostook County Finance Committee.

In 2025, the RSU#39 portion of the Property Tax bill was 49% of the amount paid. If your tax bill was \$1,000 then you paid **\$490** to fund the school department. The RSU#39 budget is recommended by the RSU#39 Board of Education and approved by voters.

Determining the RSU#39 Portion of the Municipal Tax Bill

The County of Aroostook and the RSU#39 are on a fiscal year that is different from the City of Caribou. No additional calculations are needed when determining the amount due for the County portion as their invoice reflects the 12-month portion due (and in 2024, 2025, and 2026 includes an additional amount associated with their transition to a new fiscal year). However, the RSU#39 invoices the municipality monthly based on the school year's budget that was approved by voters. Therefore, the amount raised by the municipality for the RSU#39 includes 6 months from the prior year budget and 6 months from the current year budget. For 2025, that was half of the 2024-2025 warrant of \$5,501,382.07 and half of the 2025-2026 warrant of \$5,412,308.57. This year, the RSU#39 school budget was passed on September 9, 2025.

Calculating the Municipal Tax Bill

Per state statute, valuation is set by the municipality based on the property status as of April 1 of the tax year. The tax bill covers the municipal's fiscal year, January 1 to December 31. The City charter states that the City Council will set the tax rate on or before June 30 of each year. To determine the amount to be raised from property taxes, staff combines the amounts for the City municipal appropriations, the City's portion of the County Tax Bill, and the amount for RSU#39. The formula to determine the annual tax rate is "Required Tax Rate = the sum of the appropriations to be funded through property tax divided by the municipal valuation".

Using the most recent 2025 tax year as an example: The total taxable valuation in Caribou was \$503,472,699. The amount of property tax to be raised at commitment was: \$11,076,399.38 (the sum of: Municipal = \$4,433,096.38; County = \$1,186,458; and RSU# 39 = \$5,456,846). For 2025, $\$11,076,399.38 / \$503,472,699$ produces a tax rate of .0220 or a "mil rate" of 22.0. Staff members are often asked "how much is a mil"? The definition of a mil as it relates to currency is .001 of a US dollar. In valuation terms, a mil would be .001 of the taxable valuation or \$503,472,699, so a "mil rate" of 22.0 means the City raised 22.0 "mils" ($\$503,472.699 \times 22.0 = \$11,076,399.38$). Regarding the 2025 compound tax rate of 22.0, the mil rate attributed to municipal spending is 8.80 mil, Aroostook County is 2.42 mil and RSU#39 is 10.78 mil.

Reconciling the Maine DOE ED279 and the Municipal Tax Bill

Staff members are often asked why the mill expectation and the valuation number from the Maine Department of Education ED279 report do not match with what the City of Caribou shows for a taxable valuation and the tax rate required to raise the funds needed.

Let's look at a section of page 4 of the 2025-2026 school year ED279.

STATE OF MAINE DEPARTMENT OF EDUCATION AUGUSTA 04333							9/15/2025
STATE CALCULATION FOR FUNDING PUBLIC EDUCATION (PreK-12) REPORT							1
ORG ID : 1468		RSU 39			2025 - 2026		
Section 4 : Calculation of Required Local Contribution - Mill Expectation							Section : 4
A) Subsidizable Pupils (Excludes Superintendent Transfers for SADs, RSUs & CSDs) by Member Municipality							
Member Municipality	2-Yr Oct Ave. Subsidizable Pupils	Percentage of Total Pupils	Oper., Othr Sub, & Tchr. Ret. Allocation Distribution	Municipal Debt Allocation Distribution	Total Municipal Allocation Distribution as a Percentage of Pupils		
Caribou	946.0	97.58%	13,976,621.32 +	2,534,929.74 =	16,511,551.06		
Stockholm	23.5	2.42%	346,622.50 +	62,866.67 =	409,489.17		
Total	969.50	100.00%	14,323,243.82	2,597,796.41	16,921,040.23		
B) State Valuation by Member Municipality							
Member Municipality	3-Yr Average or Previous Yr State Valuation	Mill Expectation	Total Municipal Allocation Distribution per Valuation x Mill Expectation				
Caribou	442,450,000	6.10	2,698,945.00				
Stockholm	18,833,333	6.10	114,883.33				
Total	461,283,333		2,813,828.33				
C) Required Local Contribution = the lesser of the previous two calculations :							
Member Municipality	Total Allocation by Municipality	Required Local Contribution by Municipality	Calculated Mill Rate	State Contribution by Municipality (Prior to adjustments)			
Caribou	16,511,551.06	2,698,945.00	6.10	13,812,606.06			
Stockholm	409,489.17	114,883.33	6.10	294,605.84			
Total	16,921,040.23	2,813,828.33		14,107,211.90			
Preliminary FY 2025-26 Governor's Recommended Funding Level Budget – Adjustments may be made to these printouts throughout FY 26							

1 – School year 2 – Valuation used 3 – Mil Expectation 4 – Amount to be raised in warrant Article 12
 (This represents the June 30 to December 31, 2025 portion of RSU#39 contribution as an illustration).

Note on #2: State Valuation is different than the taxable valuation. Maine Revenue Services (MRS) uses sales ratio studies and other procedures to develop an equalized value for all Maine municipalities with a goal of distributing state aid to education and revenue sharing equitably. MRS will use certified ratios and average ratios developed from the ratio studies to factor the municipal valuation. According to MRS rule 201, “‘State Valuation’ for a given tax year means the total Equalized Value of all taxable property in a Municipality as of the April 1 two years prior, plus the portion of exempt value of homestead exemptions and Business Equipment Tax Exemption property reimbursed by the State to the Municipality pursuant to 36 M.R.S. § 691, et al., less the Captured Assessed Value of tax increment financing districts in the Municipality.”

Note on #3: The Maine Department of Education has their own set of procedures for determining what the municipality will contribute to education. The Maine DOE formula is “Required Local Contribution = the current Mill Rate multiplied by the municipal valuation”. The Maine DOE sets the current Mill Rate as a cap that the municipality will be required to contribute to education per the Essential Programs and Services (EPS) funding formula. The EPS funding formula is used to equitably distribute the limited state funding. For the 2026 fiscal year (shown), the local contribution cap was a 6.30 Mill Rate. In 2025, it was 6.62.

Note on #4: Maine statute dictates how the education budgets are organized and presented. The amount shown in # 4 can be found in Article 12 of the RSU#39 budget. This is the amount (half from each year) used in the calculation $(\$2,707,911 + \$2,698,945) = \$5,406,856 / 2 = \$2,703,428$. Article 12 raises the funds needed to receive the “Essential Programs and Services Funding” provided for in Maine Statute.

In the RSU#39 budget, Articles 12 through 17 raise funds for the proposed school budget. The larger amounts come from Article 12 and Article 14.

As discussed above, Article 12 raises the funds needed to receive the “Essential Programs and Services Funding” provided for in Maine Statute. Article 13 funds the annual payment on the debt service for money borrowed by the RSU (approved by voters). Article 14 raises and appropriates additional local funds which exceed the State of Maine “Essential Programs and Services Funding” calculation. Article 17 authorizes the adult education program and raises the local share.

For Article 14, the RSU 24-25 budget book shows Article 14 as \$2,519,561 and the RSU 25-26 budget book shows Article 14 as \$2,441,936. This is the amount (half from each) is used in the calculation $(\$2,519,561 + \$2,441,936) = \$4,961,497 / 2 = \$2,480,748.50$.

The voters of Caribou need to pass **Article 12**, as its passage appropriates the funding required to leverage the state money. With the passage of **Article 14**, the RSU#39 raises funds over and above what the state requires.

After the voters pass the RSU#39 budget, the school sends the city a copy of the approved warrant and a spreadsheet to calculate what needs to be raised. This is the spreadsheet from 2025:

COMPUTATION TO DETERMINE CITY APPROPRIATION TO THE GENERAL FUND and ADULT ED FUNDS COMBINED			
Caribou			
School's Fiscal Year 2024-2025 City Appropriation			\$ 5,501,382
7/1/24- 6/30/25			
School's Fiscal Year 2025-2026 City Appropriation			\$ 5,412,309
7/1/25- 6/30/26			
Increase based on school year			\$ (89,073)
City's Fiscal Year 2025			
1/1/25- 6/30/25	(5,501,382 /2)		\$ 2,750,691
7/1/25-12/31/25	(5,412,309 /2)		\$ 2,706,155
Total Appropriation			\$ 5,456,846
City's 2024 Calendar year appropriation			\$ 4,976,200
Increase appropriation based on calendar year			\$ 480,646

If you have any questions, please contact the City of Caribou:

Penny Thompson, City Manager

pthompson@cariboumaine.org

(207) 493 – 5961 (direct line)