



INTEROFFICE MEMORANDUM

TO: TOWN OF RAYMOND BOARD OF ASSESSORS
FROM: CURT LEBEL, ASSESSORS AGENT
SUBJECT: TAX RATE AND COMMITMENT OF FY2026-2027 PROPERTY TAXES
DATE: 9/17/26
CC: GLENN MICHALOWSKI, TOWN MANAGER

Dear Board Members,

The Town-wide revaluation project, along with all associated budgetary approvals have been completed for the commitment of the fiscal year 2026-2027 property tax. In this memo, I will outline the outcome of the revaluation and provide a sample of suggested tax rates for the board's consideration.

PROPERTY REVALUATION:

KRT Appraisal completed three weeks of informal hearings in August and has spent the past two weeks reviewing the material from those hearings. Follow-up letters regarding those hearings have now been mailed to taxpayers affected by those hearings. Approximately 550 hearings were conducted via phone or in-person (14% of parcel total). Due to the volume of letters, taxpayers should not expect customized letters, but will show the change in valuation, if any.

After the commitment of taxes, we will migrate off KRT's website, update final values and the tax roll to our website and update the property information with our normal web hosting vendor, Vision Appraisal. This should be completed by the end of September.

Valuation Summary:

Total Taxable Real Property:	\$2,504,771,200 (+127% over 2025)
Total Taxable Personal Property:	\$ 8,197,200 (+69% over 2025)
Total Taxable Valuation:	\$2,512,968,400 (+127% over 2025)
Total Exempt Property Valuation:	\$ 54,273,700 (+83% over 2025)

Total Personal Exempt Valuation: \$ 28,100,000 (+84% over 2025)
(Homesteads, Veterans, etc)

Measure of Valuation model performance against qualified sales:

Below are summary reports by sale date quartile and by sale price quartile demonstrating how the model is performing across the spectrum of properties in town. Definitions and standards of the relevant terms established by the International Association of Assessing Officers (IAAO) are included as Attachment A.

Sale Date Quartile	Count	Median A/S Ratio	COD	PRD	Median Sale Price	Median Appraised
2024, Q2	15	0.9579	8.46	1.046468	\$465,000.00	\$458,200.00
2024, Q3	31	1.0112	6.71	1.012444	\$530,000.00	\$523,800.00
2024, Q4	23	1.026	6.4	0.997035	\$510,000.00	\$525,100.00
2025, Q1	12	0.9692	8.08	0.990701	\$505,000.00	\$508,500.00
2025, Q2	26	0.9565	6.48	1.041149	\$515,000.00	\$493,950.00
2025, Q3	32	0.9388	9.14	0.967259	\$555,000.00	\$505,250.00
2025, Q4	24	0.9485	8.32	0.967568	\$480,000.00	\$458,050.00
2026, Q1	24	0.9553	7.58	0.989083	\$447,500.00	\$420,950.00
Totals:	187	0.96	8.07	1.000745	\$499,900.00	\$485,000.00

Sale Price Quartile	Count	Median A/S Ratio	COD	PRD	Median Sale Price	Median Appraised
Q1	46	0.9435	12	0.982335	\$317,500.00	\$298,050.00
Q2	47	0.9564	6.32	1.000194	\$450,000.00	\$425,000.00
Q3	47	0.976	6.02	0.99869	\$560,000.00	\$559,800.00
Q4	47	0.966	7.87	1.017855	\$1,150,000.00	\$1,054,200.00
Totals:	187	0.96	8.07	1.000745	\$499,900.00	\$485,000.00

Tax Effects of Revaluation/Budget:

Below, please find a breakdown of tax change to property counts for both the revaluation alone and the revaluation with the approved School, Municipal and County budgets for FY2026-2027.

Revaluation only (Revenue Neutral)		
Change in Tax	Approx. Number of Properties	% of Total Taxable Properties
Decrease of \$200 or more	1,567	40%
-\$200 to +\$200 range	1,324	34%
Increase of more than \$200	1,007	26%

Median Parcel Value Change: 126%

Revaluation on approved Budgets (+3.2 million tax at 9.55 rate)		
Change in Tax	Approx. Number of Properties	% of Total Taxable Properties
Decrease of \$200 or more	434	11%
-\$200 to +\$200 range	1,325	34%
Increase of more than \$200	2,139	55%

Median Parcel Value Change: 126%

BUDGETARY CONSIDERATIONS:

This year, budget appropriations approved directly by the voters, or their representatives, will result in an increase in property taxes for this fiscal year by approximately \$3.2 million (utilizing a sample \$9.55 tax rate). The increases are spread out over the municipal, SAD14 and Cumberland County and are broken down in detail in Attachment B of this memo. (Expenses/appropriations are shown on the right of the page and expected town revenues both tax and non-tax are shown on the left of the page.) Attachment B and the table below utilize a sample rate of \$9.55/\$1,000.

TAX COMPARISON (2025-2026)						
	2025 (FY26)	Mils	2026 (FY27)	Mils	Difference	% chg. in Tax
School	\$ 14,746,694.93	0.01333	\$ 15,555,469.41	0.00619	\$ 808,774.48	5.5%
County	\$ 1,112,501.00	0.00101	\$ 1,262,126.00	0.00050	\$ 149,625.00	13.4%
Municipal	\$ 4,582,254.77	0.00397	\$ 6,275,956.72	0.00250	\$ 1,693,701.95	37.0%
Tax Increment Financing	\$ 319,262.45	0.00029	\$ 491,100.11	0.00020	\$ 171,837.66	53.8%
Overlay	\$ 40,902.17	0.00004	\$ 414,195.98	0.00016	\$ 373,293.81	912.7%
Total Tax Commitment	\$ 20,801,615.32	0.0188	\$ 23,998,848.22	0.00955	\$ 3,197,232.90	15.4%

TAX RATE SELECTION:

Because the assessors must warrant the amount approved by the respective legislative bodies, there are only two items which can be utilized to adjust the tax rate. 3 potential rate options are provided in Attachment C.

Use of Undesignated Fund Balance:

Under questions G and J of the 2026 annual town warrant, the board has been granted the discretion to utilize up to \$375,000 in undesignated fund balance (surplus) in order to reduce the tax rate. Current fund balance policy is to maintain at least 15% of the prior year's commitment amount in fund balance reserves. This calculation arrives at a recommended fund balance amount of \$3,120,000 (15% of \$20,801,000). The last full audit report of fund balance issued was as of June 30, 2024 and was reported at \$2,600,000. The Town Manager and Finance director both recommend that no fund balance be used this year to buy down the tax rate. Option 1 of Attachment C uses \$100,000 to show the board the effect of its use on the tax rate, but is not recommended by Town Management.

Assignment of Overlay:

The Assessors have the authority to add a tax amount, called overlay to the assessment. This amount is generally utilized to round the tax commitment but can be appropriated for use by the legislative body. The overlay cannot exceed 5% of the commitment by law. Due to the situation with the town's fund balance reserve, Question K of the 2026 annual town warrant authorizes the use of overlay to pay for tax abatements issued as the result of the revaluation project. Looking back at the last revaluation, the town issued abatements of approximately 2.2% of the School, County and Municipal tax. It is prudent that the town provide some protection in regard to the health of its operating budget in this manner. Although the Town's portion of the property tax is only about 29%, it will be responsible for 100% of any funds credited on abatement. For this reason, I am recommending options 2 and 3 as the starting point for the board's discussion of the tax rate, which provides for an overlay amount of 1.75% and 2.3% respectively. Any amounts not utilized out of the overlay will go towards supporting the health of the fund balance reserve. It appears that the town may be required to take on a tax anticipation note in order to meet its obligations prior to the due date of taxes in November. Providing for an adequate level of undesignated fund balance may help to alleviate this situation in the future.

The options attached range from \$9.50 to \$9.60 per thousand, with each 5-cent increase to the rate above 9.60 adding an additional \$125,000 to the overlay. Below I have included a suggested motion #1 in the event the Board does decide to use fund balance to reduce the rate, and a suggested motion #2 for the approval of the rate itself.

Recommended Motions:

1. I move the Board of Selectmen/Assessors approve the appropriation of \$_____dollars from undesignated fund balance to reduce the property tax commitment, as authorized by the annual 2026 town meeting, Article G & J. (If necessary)
2. I move the Board of Selectmen/Assessors approve the 2026-2027 property tax commitment certification and warrants for collection, at a rate of ____/\$1,000 on a taxable valuation of \$2,512,968,400 Dollars.

Upon selection of a tax rate for 2026, I will load the data into TRIO for billing and have the necessary Warrants and Certificates prepared for Board signatures the following day.

Thank you,

Curt Lebel, Assessors Agent

Attachment A

IAAO Terms and Standards

Median A/S ratio (level of assessment)

- **Definition:** The middle ratio when you rank all the assessment-to-sale ratios from lowest to highest. With an even number of ratios, it's the average of the two middle ones. IAAO prefers the median for judging the level of assessment because outliers don't pull it around.
- **Standard:** 0.90 to 1.10, measured against a target of 1.00 (market value). Where the sample allows, IAAO also wants a confidence interval showing the level falls in that range.

COD (coefficient of dispersion), a measure of uniformity

- **Definition:** The average absolute deviation of the ratios from the median ratio, shown as a percentage of the median.
- **Formula:** $COD = 100 \times [\sum |A_i - A_m| \div n] \div A_m$, where A_i is each ratio and A_m is the median ratio.
- **Standards by property type:**
 - Single-family homes and condos, newer or similar areas: 5.0–10.0
 - Single-family homes and condos, older or mixed areas: 5.0–15.0
 - Other residential (rural, seasonal, manufactured housing, 2–4 units): 5.0–20.0
 - Income-producing property, larger urban areas: 5.0–15.0
 - Income-producing property, smaller or rural areas: 5.0–20.0
 - Vacant land: 5.0–25.0
 - Other real and personal property: depends on local conditions
- **Low CODs:** A COD under 5.0 is a warning sign. It can mean sales chasing, a sample that isn't representative, or errors in the data.

PRD (price-related differential), a measure of vertical equity

- **Definition:** The mean ratio divided by the weighted mean ratio. The weighted mean is total assessed value divided by total sale prices. The statistic runs slightly high by nature.
- **Standard:** 0.98 to 1.03.
 - **Above 1.03 (regressive):** Higher-value properties are assessed low compared with lower-value properties.
 - **Below 0.98 (progressive):** The reverse.
- **Related measure:** The 2013 standard also suggests the PRB (price-related bias), which is less affected by small samples. Values between -0.05 and $+0.05$ are acceptable, and values beyond ± 0.10 are unacceptable.

Art #	EXPENSES (APPROPRIATIONS)	FY26	FY27	dif	REVENUES	FY26	FY27	Dif
Q-B	ADMINISTRATION	\$ 724,316	\$ 845,743	\$ 121,427	3121 AUTO EXCISE	\$ 1,330,000	\$ 1,435,000	\$ 105,000
Q-B	INSURANCE/WORKERS COMP	\$ 187,639	\$ 214,810	\$ 27,171	3122 BOAT EXCISE	\$ 25,000	\$ 32,635	\$ 7,635
Q-B	ASSESSING	\$ 98,257	\$ 107,985	\$ 9,728	3123 PLANE EXCISE			\$ -
Q-B	CODE ENFORCEMENT	\$ 250,650	\$ 244,650	\$ (6,000)	3131 INTEREST ON TAXES	\$ 35,000	\$ 40,600	\$ 5,600
Q-C	TOWN BUILDINGS	\$ 47,250	\$ 111,190	\$ 63,940	3132 LIEN CHARGES	\$ 8,000	\$ 8,100	\$ 100
Q-B	TECHNOLOGY	\$ 222,200	\$ 242,200	\$ 20,000	3133 PILOT'S	\$ 5,000	\$ 6,000	\$ 1,000
Q-E	FIRE/RESCURE DEPT	\$ 1,396,990	\$ 1,731,451	\$ 334,461	3210 GRANTS	\$ 68,950		\$ (68,950)
Q-E	ANIMAL CONTROL	\$ 48,816	\$ 48,820	\$ 4	3310 CEO/PLANNING FEES	\$ 200,000	\$ 200,000	\$ -
Q-C	PUBLIC WORKS	\$ 1,095,156	\$ 1,273,521	\$ 178,365	3312 VITAL STATS FEES	\$ 4,000	\$ 4,000	\$ -
Q-C	SOLID WASTE	\$ 457,089	\$ 664,750	\$ 207,661	3316 MUNICIPAL FEES	\$ 25,000	\$ 28,000	\$ 3,000
Q-D	CEMETERIES	\$ 28,000	\$ 36,500	\$ 8,500	3313 CABLE FANCHISE FEES	\$ 36,000	\$ 34,000	\$ (2,000)
Q-M	RECREATION	\$ 294,850	\$ 281,300	\$ (13,550)	PUBLIC SAFETY/FRYE ISLAND	\$ 21,000	\$ 20,000	\$ (1,000)
Q-S	PROVIDER AGENCIES	\$ 13,250	\$ 8,134	\$ (5,116)	3462 RESCUE/FIRE COLLECTIONS	\$ 180,000	\$ 265,000	\$ 85,000
Q-O	RAYMOND VILLAGE LIBRARY	\$ 203,701	\$ 243,026	\$ 39,325	3463 ANIMAL CONTROL REVENUE	\$ 1,000	\$ 1,000	\$ -
Q-B	GENERAL ASSISTANCE	\$ 15,000	\$ 15,000	\$ -	3470 PUBLIC WORKS REVENUE	\$ 67,200	\$ 9,437	\$ (57,763)
Q-B	EMPLOYEE BENEFITS/INSURANCE	\$ 1,332,504	\$ 1,552,376	\$ 219,872	3491 SOLID WASTE/BAG TAGS	\$ 100	\$ 100	\$ -
Q-N	DEBT SERVICE	\$ 578,840	\$ 569,640	\$ (9,200)	3501 INVESTMENT INCOME	\$ 137,500	\$ 140,000	\$ 2,500
Q-P	CAPITAL IMPROVEMENTS FUND (CIP)	\$ 415,000	\$ 1,232,211	\$ 817,211	3601 MISCELLANIEOUS INCOME	\$ 27,530	\$ 10,000	\$ (17,530)
Q-R	MICRO VAN SERVICE/LAKES REG EXPL	\$ 67,500	\$ 25,600	\$ (41,900)	4101 PERPETUAL CARE INCOME	\$ 4,000	\$ 4,000	\$ -
	LADDER TRUCK LEASE PAYMENT	\$ 187,348.08	\$ -	\$ (187,348.08)	4108 FIRE PERMITS	\$ 3,000	\$ 1,000	\$ (2,000)
	SUBTOTAL MUNICIPAL APPROPRIATION	\$ 7,664,356.08	\$ 9,448,907.00	\$ 1,784,550.92	3481 LIBRARY DONATIONS	\$ 5,500	\$ 3,000	\$ (2,500)
* fund balance items					4306 LIBRARY PRINTING FEES	200	100	\$ (100)
* Q-W	EMPL BENEFITS LIABILITY	\$ 642,568	\$ 564,531.25	\$ (78,037)	4310 LIBRARY OPERATING ACCT INT	100	600	\$ 500
* Q-G	SELECT BOARD CONTINGENCY	\$ 75,000	\$ 75,000	\$ -	4315 LIBRARY OPERATING INCOME	300	0	\$ (300)
	TOTAL MUNICIPAL APPROPRIATION	\$ 8,381,924.08	\$ 10,088,438.25	\$ 1,706,514.17	4320 LIBRARY MBS INV. INCOME	5,500	5,500	\$ -
	CAPTURED TIF INCREMENT	\$ 319,262.45	\$ 491,100.11	\$ 171,837.66	4325 LIBRARY INVESTMENT TRANSFER	\$ 30,000	\$ 7,200	\$ (22,800)
	COUNTY TAX WARRANT	\$ 1,112,501.00	\$ 1,262,126.00	\$ 149,625.00	3472/347 PW SCRAP METAL/RECYCLING TOTES	\$ 1,000	\$ 500	\$ (500)
	RSU 14 WARRANT	\$ 14,746,694.93	\$ 15,555,469.41	\$ 808,774.48	3316 PARKING TICKETS	\$ 300	\$ 300	\$ -
TRCF**	OVERLAY	\$ 40,902.17	\$ 414,195.98	\$ 373,293.81	TOTAL QUESTION T REVENUES	\$ 2,221,180	\$ 2,256,072	\$ 34,892
<u>Informational Only</u>					3202 LOCAL ROAD ASSISTANCE	\$ 61,496	\$ 62,280	\$ 784
ART #15	TASSEL TOP ENTERPRISE FUND	\$ 155,700.00	Not Prop Tax		3203 TREE GROWTH REIMBURSEMENTS	\$ 8,000	\$ 5,000	\$ (3,000)
ART #15	REC PRG SPECIAL REVENUE FUND	\$ 196,300.00	Not Prop Tax		3204 VETERANS REIMBURSEMENTS	\$ 3,000	\$ 3,000	\$ -
Voter approved town warrant articles entered.					3205 SNOWMOBILE REIMBURSEMENTS	\$ 1,960	\$ 500	\$ (1,460)
** Tax Rate Calculation Form (Maine Revenue)					3206 GENERAL ASSISTANCE REIMBURSE	\$ 10,500	\$ 10,000	\$ (500)
					TOTAL QUESTION U REVENUES	\$ 84,956	\$ 80,780	\$ (4,176)
					Q-D CEMETARY TRUST FUND		\$ 36,500.00	\$ 36,500
					* Q-G SEL BOARD CONTINGENCY (FUND BAL)	\$ 75,000	\$ 75,000	\$ -
					* Q-W EMP BENEFITS LIABILITY (FUND BAL)	\$ 642,568	\$ 564,531.25	\$ (78,037)
					TOTAL APPT FUND BALANCE/TRUST \$	\$ 717,568	\$ 676,031.25	\$ (41,537)
					SUBTOTAL "OTHER REVENUES"	\$ 3,023,704.00	\$ 3,012,883.250	\$ (10,820.75)
					* Q-J SELECT BOARD OPTION USE FUND BAL.	\$ -	\$ -	\$ -
					TRCF** Revenue Sharing	\$ 508,520.27	\$ 549,390.67	\$ 40,870.40
					TRCF** Homestead Reimbursement	\$ 218,070.60	\$ 203,949.80	\$ (14,120.80)
					TRCF** BETE Reimbursement	\$ 49,374.44	\$ 46,257.81	\$ (3,116.63)
					TRCF** Property Taxes	\$ 20,801,615.32	\$ 23,998,848.22	\$ 3,197,232.90
	TOTAL EXPENSES	\$ 24,601,284.63	\$ 27,811,329.75		TOTAL REVENUES	\$ 24,601,284.63	\$ 27,811,329.75	
9.17.26					Tax Rate:	\$18.80/\$1,000	\$9.55/\$1,000	

ATTACHMENT C

TAX RATE OPTIONS

TAX RATE TAXABLE VALUATION COUNTY SCHOOL TIF AMOUNT MUNICIPAL OVERLAY TOTAL PROPERTY TAX	LAST YEAR (FY 2025-26)		THIS YEAR (FY 2026-27) TAX RATE OPTIONS					
	\$	18.80	Option #1	\$9.50	Option #1	\$9.55	Option #3	\$9.60
	\$	1,106,468,900.00	\$	2,512,968,400.00	\$	2,512,968,400.00	\$	2,512,968,400.00
NON PROPERTY TAX REVENUES USED TO REDUCE MUNICIPAL APPROPRIATION								
	\$	18.80		\$9.50		\$9.55		\$9.60
HOMESTEAD REIMB	\$	(218,070.60)	\$	(202,882.00)	\$	(203,949.80)	\$	(205,017.60)
BETE REIMB	\$	(49,374.44)	\$	(46,015.63)	\$	(46,257.81)	\$	(46,500.00)
STATE REV SHARING	\$	(508,520.27)	\$	(549,390.67)	\$	(549,390.67)	\$	(549,390.67)
OTHER REVENUES	\$	(3,023,704.00)	\$	(3,012,883.25)	\$	(3,012,883.25)	\$	(3,012,883.25)
SELECT BOARD USE OF FUND BALANCE			\$	(100,000.00)			\$	-
MUNICIPAL APPROPRIATION	\$	8,381,924.08	\$	10,088,438.25	\$	10,088,438.25	\$	10,088,438.25
TOTAL NON TAX REV	\$	(3,799,669.31)	\$	(3,911,171.55)	\$	(3,812,481.53)	\$	(3,813,791.52)
TOTAL MUNICIPAL TAX REV	\$	4,582,254.77	\$	6,177,266.70	\$	6,275,956.72	\$	6,274,646.73

Other Considerations:

*Each \$100,000 use of Undesignated fund balance will reduce the tax rate approximately 5 Cents below 9.55, while have small effect on TIF and Overlay

*Each 5 cent increase to the tax rate over \$9.55 would add approximately \$125,000 to the Overlay.

The Board will be asked to select an amount of fund balance (if any) to apply towards the municipal budget and approve a tax rate at its September 22, 2026 meeting. Upon approval of the rate, the necessary warrants and certificates may be completed for signatures by the board members the next day. I will be available at the meeting to answer any follow up questions the board may have. --Curt Lebel