MEMORANDUM

TO: Fairbanks North Star Borough Assembly
THRU: Bryce Ward, Mayor
FROM: David Bredlie, Director
Department of Public Works
DATE: January 13, 2022
SUBJECT: Ordinance 2022 – 04
Election for Tax Cap Revision for Chena Hills Road Service Area

In August, service area commissions received tax cap election guidelines. In response, the Division of Rural Services received a request from Chena Hills Road Service Area to participate in the March 2022 tax cap election.

They requested that their revenue be increased by $82,110. This will add approximately 0.680 mills to their current rate of 1.160, giving them a new mill rate of approximately 1.840.

The Chena Hills Road Service Area held a public meeting to discuss budget issues. The commission submitted a request to increase their budget. The listed mill rates were calculated from the 2020 certified tax values.

I urge adoption of this ordinance.

Attachments:
Ordinance
Service Area Map - Exhibit A
Staff Report
FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2022 – 04

AN ORDINANCE PROVIDING FOR AN ELECTION FOR TAX CAP REVISION TO THE
CHENA HILLS ROAD SERVICE AREA

WHEREAS, Chapter 8.04 FNSBC provides for revision of the tax cap amount
by voters within a taxing jurisdiction, by election; and

WHEREAS, The Chena Hills Road Service Area Commission has indicated
that its present tax cap produces insufficient funds to provide maintenance and capital
construction services; and

WHEREAS, The election is required for a taxing jurisdiction to determine if
the voters authorize an increase to their taxes in order to provide those services.

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
North Star Borough:

Section 1. This ordinance is not of a general and permanent nature and
shall not be codified.

Section 2. Election. An election shall be held pursuant to FNSBC
5.04.050(C) on the fourth Tuesday of March, March 22, 2022, within the area shown on
the map attached to this ordinance as Exhibit A, to place before the registered voters
residing within the Chena Hills Road Service Area the following question:
“Shall the Chena Hills Road Service Area be authorized to increase its annual property tax revenue in the amount of $82,110 in order to fund road maintenance and capital construction services?”

An increase of $82,110 will add approximately 0.680 mills to the rate allowed by the existing cap.

Section 3. Effective Date. This ordinance is effective at 5:00 p.m. on the first Borough business day following its adoption.

ADOPTED THE _____ DAY OF ___________ 2022.

Mindy O’Neill
Presiding Officer

ATTEST:

APPROVED:

April Trickey, CMC
Borough Clerk

Jill S. Dolan
Borough Attorney
STAFF REPORT

Ordinance for the Tax Cap Revision to the Chena Hills Road Service Area

NARRATIVE. Each year service areas are given the opportunity to participate in an election to adjust their tax cap. Chena Hills Road Service Area commissioners initiated the Tax Cap Election Request on October 5th, 2021

The Chena Hills Road Service Area held a publicly noticed meeting on October 5th, 2021 to discuss budget issues. The meeting was held via Zoom with 9 residence in attendance, including service area commissioners. Based on discussion, the commissioners decided in favor of a tax cap increase. The service area commission voted to participate in a tax cap election to increase their tax cap revenue. The meeting minutes reflect that the service area commissioners in attendance voted to hold an election to raise their tax cap to $225,000 an increase of $82,110.

<table>
<thead>
<tr>
<th>2020 Service Area Taxable Assessment:</th>
<th>$122,444,376</th>
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<tbody>
<tr>
<td>Current Tax Cap:</td>
<td>$142,890</td>
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<tr>
<td>Current Mill Rate:</td>
<td>1.160</td>
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<tr>
<td>FY 22 Operating Budget:</td>
<td>$125,230</td>
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<tr>
<td>Amount FY 21 Budget was supplemented</td>
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<td>From the Service Area Fund Balance:</td>
<td>$0.00</td>
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<td>Current Fund Balance:</td>
<td>$92,444</td>
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<td>FY 22 Expenditures as of 10/31/20:</td>
<td>$9,151</td>
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<td>Year Established:</td>
<td>1982</td>
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<td>Initial Taxing Year:</td>
<td>1982</td>
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<tr>
<td>Number of Commissioners:</td>
<td>2</td>
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<tr>
<td>Road Miles Maintained:</td>
<td>17.09</td>
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