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 – 07
       Election for Tax Cap Revision for Spring Glade Service Area

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

They requested that their revenue be increased by $58,390. This will add approximately 1.562 mills to their current rate of 1.648, giving them a new mill rate of approximately 3.211.

The Spring Glade 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 – 07

AN ORDINANCE PROVIDING FOR AN ELECTION FOR TAX CAP REVISION TO THE
SPRING GLADE 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 Spring Glade 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 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 Spring Glade Service Area the following question:

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED, CAPITALIZED]
“Shall the Spring Glade Service Area be authorized to increase its annual property tax revenue in the amount of $58,390 in order to fund road maintenance and capital construction services?”

An increase of $58,390 will add approximately 1.562 mills to the rate allowed by the existing tax cap.

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

ADMITTED THE_____ DAY OF ___________ 2022.

____________________________________
Mindy O’Neall
Presiding Officer

ATTEST:

____________________________________
April Trickey, CMC
Borough Clerk

APPROVED:

____________________________________
Jill S. Dolan
Borough Attorney
STAFF REPORT

Ordinance for the Tax Cap Revision to the Spring Glade Service Area

NARRATIVE. Each year service areas are given the opportunity to participate in an election to adjust their tax cap. Spring Glade Service Area commissioners initiated the Tax Cap Election Request on October 20th, 2021.

The Spring Glade Service Area held a publicly noticed meeting on October 20th, 2021 to discuss budget issues. The meeting was held via Zoom and in person with 9 residents 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 $120,000 an increase of $58,390.

<table>
<thead>
<tr>
<th>2020 Service Area Taxable Assessment:</th>
<th>$37,372,462</th>
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</thead>
<tbody>
<tr>
<td>Current Tax Cap:</td>
<td>$61,610</td>
</tr>
<tr>
<td>Current Mill Rate:</td>
<td>1.648</td>
</tr>
<tr>
<td>FY 22 Operating Budget:</td>
<td>$52,690</td>
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<tr>
<td>Amount FY 21 Budget was supplemented</td>
<td></td>
</tr>
<tr>
<td>From the Service Area Fund Balance:</td>
<td>$5,000</td>
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<td>Current Fund Balance:</td>
<td>$44,317</td>
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<tr>
<td>FY 22 Expenditures as of 10/31/21:</td>
<td>$24,491</td>
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<tr>
<td>Year Established:</td>
<td>1981</td>
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<td>Initial Taxing Year:</td>
<td>1994</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>8.4</td>
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