

HO

99-63(s)

*See AO 99-63(s)  
As amended 5-20-99*

Submitted by: Chairman of the Assembly at  
the Request of the Mayor  
Office of Management and  
Budget  
For Reading: May 20, 1999

ANCHORAGE, ALASKA  
AO NO. 99-63(S)

AN ORDINANCE SETTING THE RATE OF TAX LEVY AND LEVYING TAXES FOR THE MUNICIPALITY OF ANCHORAGE AREA-WIDE GENERAL PURPOSES INCLUDING MUNICIPAL SCHOOLS AND ALL SERVICE AREAS OF THE MUNICIPALITY FOR THE MUNICIPAL TAX YEAR 1999

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. The Municipal Assembly hereby fixes the rate of tax levy for the Municipality for the tax year 1999 for Area-wide General Purposes, including Area-wide Schools, and all service areas of the Municipality. The Municipal Assembly levies this tax upon the full value of all assessed taxable real and personal property, as follows.

Section 2.	Area-wide Schools	a tax of 7.79 mills
Section 3.	Area-wide General	a tax of 2.11 mills
Section 4.	City Service Area	a tax of 0.02 mills
Section 5.	Chugiak Fire Service Area	a tax of 1.00 mills
Section 6.	Glen Alps Service Area	a tax of 2.92 mills
Section 7.	Girdwood Valley Service Area	a tax of 3.17 mills
Section 8.	Service Area 35 - Roads & Drainage Debt	a tax of 0.00 mills
Section 9.	Birch Tree/Elmore Limited Road Service Area	a tax of 1.50 mills
Section 10.	Sec. 6/Campbell Airstrip Road Limited Road Service Area	a tax of 1.00 mills
Section 11.	Valli Vue Estates Limited Road Service Area	a tax of 1.40 mills
Section 12.	Skyranch Estates Limited Road Service Area	a tax of 1.30 mills
Section 13.	Upper Grover Limited Road Service Area	a tax of 1.00 mills

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1	<u>Section 14.</u>	Raven Woods/Bubbling Brook Limited Road	a tax of <u>1.50</u> mills.
2		Service Area	
3			
4	<u>Section 15.</u>	Mt. Park Estates Limited Road Service Area	a tax of <u>1.00</u> mills.
5			
6	<u>Section 16.</u>	Mt. Park/Robin Hill Limited Road Service Area	a tax of <u>1.30</u> mills.
7			
8	<u>Section 17.</u>	Chugiak, Birchwood, Eagle River Rural Road	a tax of <u>2.10</u> mills.
9		Service Area	
10			
11	<u>Section 18.</u>	Eaglewood Contributing Road Service Area	a tax of <u>0.22</u> mills.
12			
13	<u>Section 19.</u>	Gateway Contributing Road Service Area	a tax of <u>0.16</u> mills.
14			
15	<u>Section 20.</u>	Lakehill Limited Road Service Area	a tax of <u>1.50</u> mills.
16			
17	<u>Section 21.</u>	Totem Limited Road Service Area	a tax of <u>1.50</u> mills.
18			
19	<u>Section 22.</u>	Eagle River Street Light Service Area	a tax of <u>0.50</u> mills.
20			
21	<u>Section 23.</u>	Anchorage Fire Service Area	a tax of <u>1.59</u> mills.
22			
23	<u>Section 24.</u>	Anchorage Roads & Drainage Service Area	a tax of <u>3.28</u> mills.
24			
25	<u>Section 25.</u>	Talus West Limited Road Service Area	a tax of <u>1.30</u> mills.
26			
27	<u>Section 26.</u>	Upper O'Malley Limited Road Service Area	a tax of <u>2.00</u> mills.
28			
29	<u>Section 27.</u>	Bear Valley Limited Road Service Area	a tax of <u>1.50</u> mills.
30			
31	<u>Section 28.</u>	Rabbit Creek View & Rabbit Creek Heights	a tax of <u>2.50</u> mills.
32		Limited Road Service Area	
33			
34	<u>Section 29.</u>	Villages Scenic Parkway Limited Road	a tax of <u>1.00</u> mills.
35		Service Area	
36			
37	<u>Section 30.</u>	Sequoia Estates Limited Road Service Area	a tax of <u>1.50</u> mills.
38			
39	<u>Section 31.</u>	Rockhill Limited Road Service Area	a tax of <u>1.50</u> mills.
40			
41	<u>Section 32.</u>	South Goldenview Area Limited Road	a tax of <u>1.00</u> mills.
42		Service Area	
43			
44	<u>Section 33.</u>	Anchorage Metropolitan Police Service Area	a tax of <u>2.56</u> mills.
45			
46	<u>Section 34.</u>	Anchorage Parks & Rec Service Area	a tax of <u>0.82</u> mills.
47			

Section 35. Eagle River-Chugiak Parks & Rec Service Area a tax of 0.53 mills.

Section 36. Anchorage Building Safety Service Area a tax of 0.01 mills

Section 37. As in previous years, property taxes billed reflect prior year property taxes billed over the amount approved by the Assembly. For 1999 this amount is \$726,848 for 1997 tax collections. The property tax amount approved for 1999 (the "amount approved by the Assembly for the preceding year" to be used in the determination of the 2000 tax limitation), including real property, personal property, and municipal utilities services assessment (MUSA), as defined by Anchorage Municipal Charter section 14.03(a) is as follows:

General Government	\$145,425,460
Anchorage School District	<u>117,633,373</u>
	\$263,058,833

The 1999 calendar year tax billings for ASD is \$112,983,347

Section 38. The tax billings for 1999 will be reduced by the amount of 1997 property taxes billed over the Assembly approved levy. The mill rates in sections 3 - 36 reflect such adjustments.

Section 39. This ordinance shall become effective upon passage and approval by the Anchorage Municipal Assembly.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_th day of May, 1999.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 480-99

Meeting Date: May 20, 1999

FROM: Mayor

SUBJECT: 1999 Mill Levies Resulting from Legislative State Revenue Reduction

This memorandum transmits the (S) version of the ordinance establishing the 1999 mill rates to reflect the increased property taxes that must be paid by Anchorage property owners resulting from a 1/3 reduction in State Revenue Sharing and Safe Communities funding. The State revenue reductions impacting Anchorage are estimated as follows:

	Mayor's Budget*	Legislative Reduction	Reduced Funding Level
State Revenue Sharing	\$ 5,999,990	\$ 2,000,000	\$ 3,999,990
Safe Communities	<u>11,484,220</u>	<u>3,828,100</u>	<u>7,656,120</u>
TOTAL	<u>\$ 17,484,210</u>	<u>\$ 5,828,100</u>	<u>\$ 11,656,110</u>

\*based on Governor's proposed budget (same funding level as in 1998).

### MAYOR'S PLAN TO ADDRESS STATE REVENUE CUTS BY THE LEGISLATURE

The Mayor's original 1999 Revised Budget proposal called for a \$4.1 Million reduction in 1999 property taxes on 1998 existing property. With the \$5.8 Million decrease in State revenues, this reduction is no longer possible.

We will mitigate the cumulative impacts of the State revenue reductions on the 1999 and future budgets by:

- Eliminating this year's proposed \$4.1 Million property tax cut and bring taxes up to the 1998 level.
- Requiring an average 4% reduction in all departments' 1999 spending.
- Directing all departments to prepare 2000 budgets which are at least 6% lower than 1999.

**SUMMARY OF 1998 AND 1999 GENERAL GOVERNMENT PROPERTY TAXES**

	<u>1998</u>	<u>1999</u>
*Property Taxes on 1998 Existing Property	\$141,698,855	\$ 141,659,790
Property Taxes on 1999 New Construction	N/A	<u>3,765,670</u>
Total 1999 Property Taxes	N/A	\$ 145,425,460
Tax Cap	<u>146,654,450</u>	<u>148,920,905</u>
Property Tax Under Cap	<u>\$ (4,955,595)</u>	<u>\$ (3,495,445)</u>

\*There is a \$39,065 reduction in property taxes on 1998 existing property. Had it not been for the reduction in State revenues made by the Legislature, the reduction would have been \$4,056,655.

Attachment A contains the technical adjustments in the Mayor's plan to offset the 1999 State revenue reduction.

Attachment B compares 1998 and 1999 mill rates by fund (service area). Attachment C compares the 1998 and 1999 property taxes per \$100,000 assessed valuation by taxing district without the Anchorage School District; Attachment D makes this comparison including the School District. Attachment E shows the property tax per \$100,000 assessed value by the services received by each taxing district. Attachment F compares 1998 and 1999 average mill rates, while Attachment G compares 1998 and 1999 property taxes based on the average increase in residential property assessed valuation.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AO 99-63(S) ESTABLISHING 1999 MILL RATES.

Recommended by:



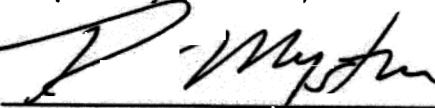
George J. Vakalis  
Municipal Manager

Prepared by:



Eugene A. Dusek, Director  
Office of Management and Budget

Respectfully submitted,



Rick Mystrom  
Mayor

## **TECHNICAL ADJUSTMENTS IN MAYOR'S PLAN TO OFFSET 1999 STATE REVENUE REDUCTION**

\$ 1,700,000	Additional Budget Savings in 1999
110,510	Budget Reductions and/or Applied Fund Balance Additions in Service Areas Already at Maximum Voter-Approved Mill Rates
<u>4,017,590</u>	Elimination of Property Tax Reduction
<u>\$ 5,828,100</u>	TOTAL 1999 STATE REVENUES REDUCTION

### **Budget Reductions in 1999**

Departments will be directed to reduce their 1999 budgets (adjusted for debt service and other costs which cannot be reduced in the short run) by an average of 4%. While the actual total reductions by department cannot be identified at this time, \$1.7 Million is being projected now by fund but not by department. This will bring down the amount of property taxes required to fund the budget in 1999 to a level where there is no increase in property taxes on 1998 existing property. The additional reductions above the \$1.7 Million generated by the 4% average reduction can be better estimated by department and fund later in the year will then be used to help mitigate year 2000 budget impacts.

The 1999 reductions by fund are as follows:

Fund	Amount of 1999 Reductions
0101 – Areawide	\$ 683,400
0131 – Anchorage Fire Service Area	224,400
0141 – Anchorage Roads & Drainage Service Area	209,100
0151 – Anchorage Police Service Area	474,300
0161 – Anchorage Parks & Recreation Service Area	108,800
TOTAL	\$1,700,000

The above reductions are based on each fund's relative amount of the total adjusted budget

### **Service Areas at Maximum Voter-Approved Mill Rates**

A total of \$110,510 of the State revenue reduction is in Limited Road Service and other special service areas which are already at the voter-approved maximum mill rate. Since property taxes cannot be increased in those areas, other budget actions will need to be taken later to offset the reduced State revenues.

### **Elimination of Property Tax Reduction**

The elimination of the property tax reduction required by the State revenue reduction made by the Legislature results in an average 1999 property tax increase of about \$28 per \$100,000 of assessed valuation from the amount that the Mayor had originally proposed in his 1999 Revised Budget.



**1998-1999 MILL LEVY COMPARISONS BY FUND**

<b>Fund</b>	<b>Service Area</b>	<b>1998 Actual</b>	<b>1999 Proposed</b>	<b>Increase/ (Decrease)</b>
0101	<b>Areawide General</b>	2.07	2.11	0.04
0102	City Service Area	0.05	0.02	(0.03)
0104	Chugiak Fire SA	1.00	1.00	0.00
0105	Glen Alps SA	3.00	2.92	(0.08)
0106	Girdwood Valley SA	3.05	3.17	0.12
0108	Service Area 35 Debt	0.01	0.00	(0.01)
0111	Birchtree/Elmore LRSA	1.50	1.50	0.00
0112	Section 6/Campbell Airstrip LRSA	1.00	1.00	0.00
0113	Vallu View Estates LRSA	1.40	1.40	0.00
0114	Skyranch Estates LRSA	1.30	1.30	0.00
0115	Upper Grover LRSA	1.00	1.00	0.00
0116	Haven Woods/Bubbling Brook LRSA	1.00	1.50	0.50
0117	Mt. Park Estates LRSA	1.00	1.00	0.00
0118	Mt. Park/Robin Hill LRSA	1.30	1.30	0.00
0119	Chugiak, Birchwood, ER Rural Road SA	2.10	2.10	0.00
0121	Eaglewood Contributing LRSA	0.22	0.22	0.00
0122	Gateway Contributing LRSA	0.17	0.16	(0.01)
0123	Lakehill LRSA	1.48	1.50	0.02
0124	Totem LRSA	1.50	1.50	0.00
0129	Eagle River Street Light SA	0.50	0.50	0.00
0131	<b>Anchorage Fire SA</b>	1.56	1.59	0.03
0141	<b>Anchorage Roads &amp; Drainage SA</b>	3.52	3.28	(0.24)
0142	Talus West LRSA	0.80	1.30	0.50
0143	Upper O'Malley LRSA	2.00	2.00	0.00
0144	Bear Valley LRSA	1.50	1.50	0.00
0145	Rabbit Creek View & Heights LRSA	2.50	2.50	0.00
0146	Villages Scenic Parkway LRSA	1.00	1.00	0.00
0147	Sequoia Estates LRSA	1.50	1.50	0.00
0148	Rockhill LRSA	1.50	1.50	0.00
0149	South Goldenview Area LRSA	1.00	1.00	0.00
0151	<b>Anchorage Metropolitan Police SA</b>	2.70	2.56	(0.14)
0161	<b>Anchorage Parks &amp; Rec SA</b>	0.85	0.82	(0.03)
0162	Eagle River-Chugiak Park & Rec SA	0.54	0.53	(0.01)
0181	Anchorage Building Safety SA	0.01	0.01	0.00



**1998 - 1999 MILL LEVY COMPARISONS BY TAXING DISTRICT  
(Excluding Anchorage School District)**

<b>Taxing District</b>	<b>Taxing Location</b>	<b>1998 Actual</b>	<b>1999 Proposed</b>	<b>Increase/ (Decrease)</b>
1	Anchorage Former City	10.76	10.39	( 0.37)
2, 19-21, 28, 31-41, 44,45,52-54	Upper Hillside	7.19	7.09	0.10)
3, 14	Spenard/Muldoon/Sandlake/Oceanview	10.72	10.37	( 0.35)
4	Girdwood	5.12	5.28	0.16
5	Glen Alps	7.77	7.59	( 0.18)
9	Stuckagain Heights/Basher	6.33	6.26	( 0.07)
10, 50	Chugiak, Birchwood, Eagle River Rural Road Service Area	8.97	8.89	( 0.08)
18	Lower Hillside	10.71	10.37	( 0.34)
22, 51	Chugiak	8.41	8.30	( 0.11)
30	Eagle River Valley	7.41	7.30	( 0.11)
42	Potter Heights	8.29	7.95	( 0.34)
46	Eaglewood Contributing RSA	7.09	7.01	( 0.08)
47	Gateway Contributing RSA	5.48	5.36	( 0.12)
15	Other Outside Bowl without Police	2.07	2.11	0.04
16, 23, 43, 55	Rabbit Ck w/o Fire/Bear Valley/ S. Goldenview w/o Fire/ Other Outside Bowl with Police	4.77	4.67	( 0.10)

\* Mill levies for Limited Road Service Areas and Street Lighting Service Areas, where applicable, are not included. Other Road Service Areas are included.

**1998 - 1999 MILL LEVY COMPARISONS BY TAXING DISTRICT**  
**(Including Anchorage School District)**

<b>Taxing District</b>	<b>Taxing Location</b>	<b>1998 Actual</b>	<b>1999 Proposed</b>	<b>Increase/ (Decrease)</b>
<b>1</b>	<b>Anchorage Former City</b>	<b>18.53</b>	<b>18.18</b>	<b>( 0.35)</b>
<b>2, 19-21, 28, 31-41, 44, 45, 52-54</b>	<b>Upper Hillside</b>	<b>14.96</b>	<b>14.88</b>	<b>( 0.08)</b>
<b>3, 14</b>	<b>Spenard/Muldoon/Sandlake/Oceanview</b>	<b>18.49</b>	<b>18.16</b>	<b>( 0.33)</b>
<b>4</b>	<b>Girdwood</b>	<b>12.89</b>	<b>13.07</b>	<b>0.18</b>
<b>5</b>	<b>Glen Alps</b>	<b>15.54</b>	<b>15.38</b>	<b>0.16)</b>
<b>9</b>	<b>Stuckagain Heights/Basher</b>	<b>14.10</b>	<b>14.05</b>	<b>0.05)</b>
<b>10, 50</b>	<b>Chugiak, Birchwood, Eagle River Rural Road Service Area</b>	<b>16.74</b>	<b>16.68</b>	<b>( 0.06)</b>
<b>18</b>	<b>Lower Hillside</b>	<b>18.48</b>	<b>18.16</b>	<b>0.32)</b>
<b>22, 51</b>	<b>Chugiak</b>	<b>16.18</b>	<b>16.09</b>	<b>( 0.09)</b>
<b>30</b>	<b>Eagle River Valley</b>	<b>15.18</b>	<b>15.09</b>	<b>0.09)</b>
<b>42</b>	<b>Potter Heights</b>	<b>16.06</b>	<b>15.74</b>	<b>0.32)</b>
<b>46</b>	<b>Eaglewood Contributing RSA</b>	<b>14.86</b>	<b>14.80</b>	<b>0.06)</b>
<b>47</b>	<b>Gateway Contributing RSA</b>	<b>13.25</b>	<b>13.15</b>	<b>0.10)</b>
<b>15</b>	<b>Other Outside Bowl without Police</b>	<b>9.84</b>	<b>9.90</b>	<b>0.06</b>
<b>16, 23, 43, 55</b>	<b>Rabbit Ck w/o Fire/Bear Valley/ S. Goldenview w/o Fire/ Other Outside Bowl with Police</b>	<b>12.54</b>	<b>12.46</b>	<b>0.08)</b>

Mill levies for Limited Road Service Areas and Street Lighting Service Areas, where applicable, are not included. Other Road Service Areas are included.

**1999 PROPOSED PROPERTY TAX PER \$100,000 ASSESSED VALUATION  
BY SERVICES RECEIVED**

The Municipality of Anchorage operates under a "service area concept" whereby taxpayers in different areas or taxing districts of the Municipality pay property taxes only for those services which are either required by law or which they vote to receive. The following shows, for each \$100,000 assessed valuation, what residents pay for each of the services they receive including Anchorage School District.

<u>Taxing District</u>	<u>Taxing Location</u>	<u>School District</u>	<u>Areawide<sup>1</sup></u>	<u>Fire</u>	<u>Roads</u>	<u>Police</u>	<u>Parks &amp; Rec</u>	<u>Building</u>	<u>Road<sup>2</sup> Debt Serv</u>	<u>Total</u>
1	Anchorage Former City	\$ 779	\$ 211	\$ 159	\$ 328	\$ 256	\$ 82	\$	\$ 2	\$ 1,818
2, 19-21, 28, 31-41, 44-45, 52-54	Upper Hillside/ S.E. Midtown*	\$ 779	211	159		256	82			1,488
3, 14	Spennard / Muldoon / Sandlake / Oceanview areas	\$ 779	211	159	328	256	82		0	1,816
4	Girdwood	\$ 779	211	165	103		49			1,307
5	Glen Alps	\$ 779	211		292	256				1,538
9	Stuckagain Heights / Basher*	\$ 779	211	159		256				1,405
10, 50	Chugiak, Birchwood, ER Rural Rd SA*	\$ 779	211	159	210	256	53			1,668
18	Lower Hillside	\$ 779	211	159	328	256	82			1,816
22, 51	Chugiak*	\$ 779	211	100	210	256	53			1,609
30	Eagle River Valley	\$ 779	211		210	256	53			1,509
42	Potter Heights	\$ 779	211		328	256				1,574
46	Eaglewood Contributing RSA	\$ 779	211	159	22	256	53			1,480
47	Gateway Contributing RSA	\$ 779	211		16	256	53			1,315
15	Other Outside Bowl without Police	\$ 779	211							990
16,23,43, 55	Rabbit Ck & S. Goldenview w/o Fire / Bear Valley / Other Outside Bowl with Police*	\$ 779	211			256				1,246

<sup>1</sup> Some services provided by the Municipality must be offered on an "areawide" basis under state law or as provided for in the Municipal Charter. These include services such as health and environmental protection, social services, animal control, library, museum, mass transit, emergency medical services, planning and zoning, property assessment, and tax collection.

<sup>2</sup> This Road Debt, originally issued prior to 1975, is from the former Anchorage City and Greater Anchorage Area Borough.

\* Property taxes for Limited Road Service Areas and Street Lighting Service Areas, where applicable, are not included. Other Road Service Areas are included.

**COMPARISON OF 1998 AND REVISED 1999  
AVERAGE GENERAL GOVERNMENT AND  
SCHOOL DISTRICT MILL RATES**

	1998	1999	Increase/(Decrease) Amount	%
General Government	10.40			(3.6)%
School District	7.77			0.3 %
	<u>18.17</u>	<u>17.82</u>	<u>(0.35)</u>	(1.9)%

\* was 9.75 mills in Mayor's original proposed revised budget before State revenue reduction

**1998 AND 1999 PROPERTY TAXES  
BASED ON AVERAGE RESIDENTIAL PROPERTY  
ASSESSED VALUATION INCREASE**

<b>PROPERTY TAXES</b>					
<b>GENERAL</b>	<b>SCHOOL</b>	<b>ASSESSED</b>	<b>VALUATION</b>	<b>YEAR</b>	
<b>GOVERNMENT *</b>	<b>DISTRICT</b>				
1,031 **	801	\$	102,800	1999	
1,040	777		100,000	1998	
		<b>PROPERTY TAX INCREASE/ (DECREASE) FROM 1998 TO 1999</b>			
(9)	24	\$			
		\$			15
<b>TOTAL</b>					
		\$			1,832
					1,817

\*Municipal-wide average (varies by taxing district)  
 \*\*Was \$1,002 in Mayor's original proposed revised budget before State revenue reduction