

Municipal Clerk's Office

AO 2024-132 Approved

Date: January 7, 2025

Motion to amend AO previously adopted with (S) version

Date: January 21, 2025

Submitted by: Mayor LaFrance and Chair Constant

Prepared by: Dept. of Law, Chief Admin. Officer

Reviewed by: Assembly Counsel's Office

For reading: January 21, 2025

**ANCHORAGE, ALASKA
AO No. 2024-132(S)**

1 AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED
2 VOTERS OF THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA
3 (ARDSA) IN THE MUNICIPALITY OF ANCHORAGE, ALASKA AT THE
4 ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2025, THE
5 QUESTION OF WHETHER TO APPROVE A SPECIAL TAX LEVY DEDICATED
6 TO PAYMENT OF THE COSTS OF ACQUIRING AND REPLACING ARDSA
7 FLEET VEHICLES.

8
9 **WHEREAS**, the Municipality has a need to acquire and replace vehicles and
10 equipment designated for use in the Anchorage Roads and Drainage Service Area
11 (ARDSA), including heavy fleet vehicles involved in front-line snow response; and
12

13 **WHEREAS**, investing in new vehicles and equipment will address the needs of the
14 community by improving public safety and enhancing the municipality's operational
15 efficiency; and
16

17 **WHEREAS**, at present, the heavy fleet includes approximately 100 pieces of
18 equipment including graders, dump trucks, sanders, loaders, blowers, and trackless
19 machines; and
20

21 **WHEREAS**, vehicles and equipment used beyond their useful life can experience
22 frequent down time and high maintenance costs if not replaced in a timely manner;
23 and
24

25 **WHEREAS**, the replacement cost of fully outfitted vehicles and equipment varies,
26 e.g. \$330,000 for a new grader; **\$700,000 for a new vector truck; \$467,000 for**
27 **a new fully outfitted sander truck; \$3[6]00,000 for a dump truck;** and
28

29 **WHEREAS**, this request is for an annual levy calculated to collect up to \$3,500,000
30 which could support an annual purchase of approximately 7 vehicles at an average
31 cost of \$450,000 each;
32

33 **WHEREAS**, it is anticipated that the annual levy, if approved by voters, will eliminate
34 the need to bond for ARDSA vehicles for the foreseeable future; now, therefore,
35

36 **THE ANCHORAGE ASSEMBLY ORDAINS:**
37

38 **Section 1. Ballot Proposition.** The Assembly hereby submits to the qualified voters
39 of the Anchorage Roads and Drainage Service Area, at the regular municipal
40 election to be held on April 1, 2025, the proposition of whether or not the
41 Municipality should levy a special tax to collect not to exceed \$3,500,000 annually
42 from the service area, as described in Anchorage Municipal Charter section
43 14.03(b)(3), dedicated to pay the costs of acquiring and replacing vehicles and

1 equipment designated for use in the Anchorage Roads and Drainage Service Area
2 (ARDSA).

3
4 The Clerk shall prepare the ballot proposition to be submitted to the qualified
5 voters as provided by this ordinance and the Anchorage Municipal Code and shall
6 perform all necessary steps in accordance with law to place this proposition before
7 the voters at the regular election. The proposition must receive an majority vote of
8 those in the ARDSA voting on the question to be approved. The proposition shall
9 be substantially in the following form:

10
11 PROPOSITION NO. ____

12
13 ANCHORAGE ROADS AND DRAINAGE SERVICE AREA
14 SNOW-RESPONSE AND FLEET VEHICLE SPECIAL TAX LEVY

15
16 For the purpose of acquiring and replacing vehicles
17 and equipment designated for use in the Anchorage
18 Roads and Drainage Service Area (ARDSA), including
19 vehicles used in snow plowing and snow hauling, as
20 provided in AO 2024-132(S)~~[2025-____]~~, shall
21 Anchorage levy a special tax to collect an amount not
22 to exceed \$3,500,000 annually, dedicated solely to
23 those purposes?

24
25 Voter approval of this proposition authorizes for each
26 \$100,000 of assessed property value in the Anchorage
27 Roads and Drainage Service Area (based on the
28 estimated total 2025 assessed valuation in the
29 ARDSA) an annual increase in taxes not to exceed
30 \$11.21[_____]. **It is anticipated that this levy will**
31 **eliminate the need to bond for ARDSA vehicles for**
32 **the foreseeable future.**

33
34 The tax shall be levied and collected from real and
35 personal property within the Anchorage Roads and
36 Drainage Service Area only.

37 YES NO

38
39 **Section 2.** This ordinance shall be effective immediately upon passage and
40 approval by the Assembly.

41
42 PASSED AND APPROVED by the Anchorage Assembly this 21st day of January,
43 2025.

44 

45
46 ATTEST:

Chair

47
48 

49
50 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

No. AM 100-2025

Meeting Date: January 21, 2025

1 **From:** MAYOR LAFRANCE AND CHAIR CONSTANT

2
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE
4 QUALIFIED VOTERS OF THE ANCHORAGE ROADS AND
5 DRAINAGE SERVICE AREA (ARDSA) IN THE MUNICIPALITY OF
6 ANCHORAGE, ALASKA AT THE ELECTION TO BE HELD IN THE
7 MUNICIPALITY ON APRIL 1, 2025, THE QUESTION OF WHETHER
8 TO APPROVE A SPECIAL TAX LEVY DEDICATED TO PAYMENT
9 OF THE COSTS OF ACQUIRING AND REPLACING ARDSA FLEET
10 VEHICLES.

11
12 The substitute version of the ordinance submitted with the memorandum fills in a
13 blank that was intended to be completed prior to the item's passage. It also
14 proposes to provide voters more context about the proposed levies.

15
16 As previously described, the Municipality's fleet of vehicles and equipment
17 designated for use in the Anchorage Roads and Drainage Service Area (ARDSA) is
18 aging and in need of repair and replacement. The heavy fleet includes
19 approximately 100 pieces of equipment including graders, dump trucks, sanders,
20 loaders, blowers, and trackless machines, many of which are involved in front-line
21 snow response.

22
23 Investing in new vehicles and equipment will address the needs of the community by
24 improving public safety and enhancing the municipality's operational efficiency.
25 Vehicles and equipment used beyond their useful life can experience frequent down
26 time and high maintenance costs if not replaced in a timely manner.

27
28 The replacement cost of fully outfitted vehicles and equipment varies. This request
29 is for an annual levy not to exceed \$3,500,000, which could support an annual
30 purchase of approximately 7 vehicles at an average cost of \$450,000 each. The levy
31 model was successful in the past when the Anchorage Police Department required
32 new information technology including body-worn cameras, and when the Anchorage
33 Fire Department needed new emergency medical equipment and systems.

34
35 An alternative model, which has been used in the past, would be to seek approval
36 from voters to *bond* for the needed vehicles. In that approach, voters could, for
37 instance, be annually asked, each year for the foreseeable future, to approve capital
38 *borrowing* in the amount of \$3,500,000 a year. The annual increase in taxes to pay
39 for any single year's borrowing in that amount would be smaller (possibly closer to
40 \$1 per \$100,000 assessed taxable property value)—but a significant portion of those

1 funds would go, not to purchase new vehicles, but to pay interest on the borrowing.
 2 Moreover, to equivalently maintain the health of the fleet by refreshing vehicles on a
 3 ~14 year cycle, *annual* bonds would need to be approved *each year* for over
 4 *14 years*, and every year thereafter—with the consequence that the cumulative
 5 financial impact of the bonds to voters would be greater than the levy approach,
 6 assuming the same volume of vehicle turnover.

7
 8 In that respect, comparing the proposed levy to a bond is a somewhat apple-to-
 9 oranges. This year’s proposed roads-and-drainage bond, AO 2025-9, for instance,
 10 would have a single year impact of approximately \$7.86 to retire the proposed
 11 bonds. But roads-and-drainage bonds are proposed (and typically approved)
 12 annually, with the consequence that the cumulative impact of all approved road-and-
 13 drainage bonds on a 2024 tax bill was \$143.09 per \$100,000 of assessed value,
 14 supporting a 2024 debt-service payment of \$44.6 million, of which \$13.1 million was
 15 for interest.¹

16
 17 Because there would be no foreseeable future-year ask for an additional ARDSA
 18 fleet levy, there would be no similar cumulative multi-year impact of the proposed
 19 levy—and no amount would be needed to pay interest.

20
 21 [By way of further comparison, recognizing the carrying cost of incurring debt,
 22 several of the municipality’s service areas similarly are authorized to collect an
 23 annual levy to fund capital improvements without debt. See, e.g., AMC 27.30.215
 24 *Chugiak, Birchwood, Eagle River Rural Road Service Area (CBERRRSA)* (“no more
 25 than 1.0 mill shall be for capital improvements”); AMC 27.30.280 *South Goldenview*
 26 *Area Rural Road Service Area* (“C. No more than 0.60 mills shall be designated for
 27 capital improvements.”).]

28
 29
 30 **THE ADMINISTRATION AND ASSEMBLY CHAIR CONSTANT RECOMMEND**
 31 **APPROVAL.**

32
 33 Prepared by: William D. Falsey, Chief Administrative Officer
 34 Reviewed by: Dean T. Gates, Assembly Counsel
 35 Concur: Ona R. Brause, Director, Office of Management and
 36 Budget
 37 Concur: Eva Gardner, Municipal Attorney
 38 Concur: Philippe D. Brice, CFO
 39 Concur: Rebecca A. Windt Pearson, Municipal Manager
 40 Respectfully submitted: Suzanne LaFrance, Mayor
 41 Christopher Constant, Assembly Chair
 42 District 1 – North Anchorage
 43
 44

1 See 2024 Approved Operating Budget at Appendix F, available at:
<https://www.muni.org/Departments/budget/operatingBudget/2024%20GGOB/2024%20Approved%20Operating/Web%202024%20-%20Appendix%20F.pdf>

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2024-132(S) Title: **AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA (ARDSA) IN THE MUNICIPALITY OF ANCHORAGE, ALASKA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2025, THE QUESTION OF WHETHER TO APPROVE A SPECIAL TAX LEVY DEDICATED TO PAYMENT OF THE COSTS OF ACQUIRING AND REPLACING ARDSA FLEET VEHICLES.**

Sponsor: **MAYOR**

Preparing Agency: Chief Administrative Officer

Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:	(In Thousands of Dollars)				
	FY25	FY26	FY27	FY28	FY29
Operating Expenditures					
1000 Personal Services					
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	\$ -	\$ -	\$ -	\$ -	\$ -
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES:	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500

CAPITAL:

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

A tax levy for new vehicles and equipment for the Anchorage Roads and Drainage Service Area will result in an additional amount to to exceed \$3,500,000 in revenue annually, to be used specifically for that purpose.

PRIVATE SECTOR ECONOMIC EFFECTS:

New vehicles and equipment will have a positive impact on the community by improving the municipality's overall operational efficiency. Voter approval of the proposition would authorize for each \$100,000 of assessed property value in the Anchorage Roads and Drainage Service Area (based on the estimated total 2025 assessed valuation in the ARDSA) an annual increase in taxes not to exceed \$11.21. It is anticipated that this levy will eliminate the need to bond for ARDSA vehicles for the foreseeable future.

Prepared by: *Chief Administrative Officer*

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