

Sponsored by: Mayor Cleworth  
Introduced: March 25, 2013

**ORDINANCE NO. 5917, AS AMENDED**

**AN ORDINANCE TO PLACE BEFORE THE VOTERS THE QUESTION OF REPEALING DIVISION 1 OF ARTICLE II OF CHAPTER 66 OF THE FAIRBANKS GENERAL CODE REGARDING GARBAGE COLLECTION FEES, AND AMENDING CITY CHARTER SECTION 6.5(A)**

**WHEREAS**, the City provides residential garbage collection service throughout the City; this service is a convenience for residents and a means to protect the public from the health hazards of illegal dumping; and

**WHEREAS**, the City currently recovers the cost of garbage collection through a monthly fee, which is collected through quarterly billings; and

**WHEREAS**, because the same rate is charged to the property owner of each residence whether or not the owner uses the collection service, the fees charged are in actuality a levy placed on the property, since the fees are not based on usage; and

**WHEREAS**, City residents should be given the option of either retaining the existing residential garbage fee and billing structure or absorbing the fee in the property tax levy; and

**WHEREAS**, this change would require modifying the current tax cap computation, which would essentially return it to the original computation formula as adopted by voters.

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA**, as follows:

**Section 1.** The City Clerk is directed to put the following question on the ballot for the voters of the City of Fairbanks at the 2013 general election:

**INFORMATION:** The City currently charges each residential property owner \$292 annually for garbage collection, which is adjusted every year to cover for inflation and increasing Fairbanks North Star Borough tipping fees. Because the rate is not based on usage, it is essentially a levy placed on each homeowner. The City Council and Mayor wish to give voters the option of eliminating this fee and absorbing it in the annual mill levy. Both the pros and cons of this proposal are stipulated below. Note: the City does not take a formal position on either method of collection.

**Pros:** The accounting and billing for garbage collection are costly and time intensive as well as inconvenient for residents. This change would eliminate all of the annual overhead costs of approximately \$152,000 and the quarterly billings sent to each address. Also, property taxes are deductible for most homeowners but garbage collection fees are not.

Cons: The base mill rate set in the City Charter is fixed at 4.9 mills. Eliminating the garbage fees and adding them to the mill rate would require the elimination of this mandated fixed rate. The 2013 mill levy would be raised by approximately .743 mills, which is the equivalent to \$149 on a \$200,000 home, less than what is currently charged annually for garbage collection. Some may prefer the assurance a fixed rate currently gives rather than returning to the original tax cap formula where the rate varies slightly from year to year. Commercial properties will not realize a benefit and will see their property taxes increase by the same mill rate.

**Ballot Question No \_\_\_\_:**

Should the City eliminate the current residential garbage collection fee system (Division I Article II of Chapter 66 of the Fairbanks General Code) and fund this service by making it a part of the annual property tax mill levy? This change requires amending the City Charter Section 6.5(A) by eliminating the sentence, *“of the total amount of taxes that can be collected, property taxes are limited to 4.9 mills subject to charter section 6.5(B).”*

A yes vote eliminates the residential garbage fees and changes the charter to allow adding the cost of residential garbage collection to the annual mill levy.

A no vote retains the existing fee system that charges for monthly residential garbage collection.

YES \_\_\_\_\_

NO \_\_\_\_\_

**Section 2.** This ordinance was passed by this Council on the \_\_\_\_ day of \_\_\_\_\_ 2013, but no change will become effective unless and until the question is approved by the voters of the City of Fairbanks.

\_\_\_\_\_  
**Jerry Cleworth, City Mayor**

AYES: Eberhart, Matherly, Gatewood  
NAYS: Hilling, Walley, Staley  
ABSENT: None  
ADOPTED: Failed

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Janey Hovenden, CMC, City Clerk

\_\_\_\_\_  
Paul Ewers, City Attorney