

February 3, 2020

Good afternoon, Mayor and Assembly Members,

My name is Kandi Woodworth. I reside at 848 S. Mitkof Hwy and I speak for myself.

My previous statements have pretty much been directed to the Assembly, however today I want to speak to the property owners who live in town – within what has been called “Service Area 1”. We have heard for quite some time that the assembly is strapped for money to do this or to do that. And we are currently hearing about projects that will require vast amounts of money.

I would like you to think about this for a moment. In 2013, the Borough was formed and by doing so expanded its taxation authority. The City of Petersburg was dissolved and by doing that its boundary was removed. The sign was taken down, however there is this imaginary line that still exists. The Borough wrote it into its Article 14 property tax code. Unfortunately, the Borough has tied its hands by using the Old City Limits as its boundary for property taxes (Article 14.02). Therefore, YOU who live in town are bearing the entire burden of property taxes for services. It was 5 mills in 2019. And also don't forget, YOU in town are bearing the entire burden of the annual bond debt. That was 2.97 mills in 2019. That's a total of 7.97 mills for YOU in town. Look to the Borough website for this information. You will also see there that the Areawide mill rate of 4.33 for education is for every property. So properties located on the other side of that imaginary line representing the former City Limits will pay for education only which is at 4.33 mills.

Now, if you haven't driven out Mitkof Hwy lately you should do so. The lion's share of development in Petersburg is pushing out Mitkof Hwy from 8 1/2 mile towards the hatchery. There are many new driveways and homes – that's great for the Borough, right? Well, actually NO. The assembly has not incorporated these areas of development into the property tax structure - even though these properties receive services – they do not pay for them.

I am submitting into the record along with my statement, a report by the Borough Manager entitled “Services Provided, October 2019”. It outlines the services that the area outside Service Area 1 are provided, but are not paid for by their current mill rate. Let me interpret that for you: YOU in town are paying for their services. They are receiving the services free of charge. As one example of this, if you have been following the Assembly expenditures you will remember that at the December 2 Assembly meeting, the Manager's Report stated that Rock and Road Construction was awarded a contract for \$10,000 to provide snow plowing and sanding services on the private roads at Papke's Landing. The cost of these services should be funded by the collection of property taxes from Papke's, just like your “in town” snow plowing is paid for by your property taxes.

The voter approved bonds is another problem area. Think about this. Property owners living beyond 8 1/2 mile do not help pay for the bond debt. If the Assembly does not correct the property tax code and bring this developed area in, YOU in town will continue to bear the entire tax burden. They will receive the benefits for free.

In closing, implementing a fair property tax structure is important for the community. It will allow the Petersburg Borough to fund the services that are already being provided to the properties “outside Service Area 1.” Because unanimous support has not been voiced by the Assembly, I urge YOU to contact an assembly member with your comments or questions.
Thank you.

Services provided October 2019

The Petersburg Borough consists of one Service Area (Service Area 1) and one area outside this specific area, often referred to as "outside SA 1". Services provided are outlined in the Charter and by individual ordinances.

Property Taxes:

Service Area 1 (SA1) for the 2019-2020 Budget Year is an Education mill rate of 4.33; General Services mill rate 5; Debt Service mill rate 2.97 for a total of 12.3 mills
Areawide (outside of SA1) – Education mill rate of 4.33 mills. Areawide properties do not currently pay for any general fund services other than the education component.

Services Provided:

The Borough Charter (portions attached) outlines the services provided in SA 1 and outside this area; however, I have included a more concise description in the body of this handout. I do recommend that anyone wishing to research this topic should read the Borough Charter in total. It is also important to note there are some differences between required services and what we do provide. You should also note that the various utilities are not mentioned. Utilities, or Enterprise Funds function outside of the Service Area distinction. These operations are generally funded by the fees they collect from their specific customers. So, while some utilities operate outside of SA1, others may only provide services in specific areas of the Borough.

Service Area 1:

- Operations of Library
- Operations of General Government, including Finance, Administration, Purchasing, Elections, Planning, and Capital Improvement programs.
- Operation of an Emergency Services Department, including Fire/EMS/Search & Rescue, Police Department and Dispatch. (Ambulance services are partially paid through fees).
- Operation of a Street construction and Maintenance Department
- Building Code Enforcement and Permit process
- Operations of Parks & Recreation (partially paid through fees)
- Support of local school system



Outside of Service Area 1:

- Support of School System

Provided, but not paid for by the current mill rate

- Limited fire response
- Ambulance (EMS) response (partially paid through fees)