



RURAL SERVICES

A Division of
FNSB Public Works



WHAT YOUR SERVICE AREA NEEDS TO KNOW

ROUTINE MAINTENANCE vs PUBLIC CONSTRUCTION, TAX CAP ELECTIONS, UPCOMING TRAINING SCHEDULE

Routine Maintenance and Public Construction: What is the difference?

What is the difference between routine maintenance, and public construction on a service area road? These two unique work types are worth defining and offering examples to identify their qualifiers; operating funds, prevailing wages and appropriation requirement.

ROUTINE MAINTENANCE is road work that is exempt from payment of prevailing wages under state law. Routine maintenance work does not have limits on the cost, keeping it under the contract value, which in most cases is \$99,999. Read more in the Service Area Commissioner Handbook-2018 in Appendix E, Standard Specifications for Local Road Maintenance-2012, pages 36-47, for some examples of the 800 category routine maintenance which include:

- Blade road to remove potholes/washboards
- Blade road to restore crown
- Brushing the roadsides
- Cleaning of ditches and culverts
- Grading an existing surface

- Periodic roadside brush clearing
- Replacing old or damaged signs and post
- Roadway sanding
- Snowplowing and hard pack removal
- The shaping of shoulders

PUBLIC CONSTRUCTION is road work for which state law requires the payment of prevailing wages. State law defines "public construction" or "public works" as "the on-site field surveying, erection, rehabilitation, alteration, extension or repair, including painting or redecorating of buildings, highways or other improvements to real property under contract for the state, a political subdivision of the state, or a regional school board." Repair, in the above definition, includes fixing sinkholes and potholes, placing additional material in the road, grading the new material, or the correction or replacement of damaged culverts or guardrail. Generally, if material is being added, the work is construction and requires the payment of prevailing wages.

Pay items in Division 800 Maintenance are exempt from the provisions of AS 36.05. All other work pay items are Public Construction Work. The total amount paid for Public Construction Work shall not exceed \$25,000.00 per fiscal year. Most annual maintenance contracts have a \$25,000 limit, so if the commission would like to have any public construction work performed over the \$25,000 limit, the borough can issue a separate small project contract by using a Request for Quote (RFQ) up to \$50,000 for that work. If the cost of the work is more than \$50,000 an Invitation for Bid (IFB) will be issued. Contact Rural Services if the service area has construction work of \$25,000 or more, to get the best solution that fits the work required.

REMINDER: Be sure to always include a work order when requesting Public Construction work from your contractor. A signed work order is required for invoices to be paid that contain public construction work items!



Rural Services Email Address

Please use the Rural Services email address:

ruralservices@fnsb.us when sending an email to Rural Services. This email address brings your request to the attention of all staff and will ensure that your email is answered promptly.

Thank you!

Borough Holiday Schedule- 2019

- | | |
|-----------------|----------------|
| September 2 | - Labor Day |
| October 18 | - Alaska Day |
| November 11 | - Veterans Day |
| November 28, 29 | - Thanksgiving |
| December 24, 25 | - Christmas |

Tax Cap Election Request

Submit by
October 11, 2019

Tax Cap election request notices were sent out to all commission chairs on August 2nd, 2019.

Why should a service area consider increasing their tax cap?

- ◆ If the service area is unable to adequately provide services to their residents with the current tax cap revenue (e.g. always running out of funds when providing basic maintenance, or unable to provide all necessary maintenance)
- ◆ The service area continuously depletes its entire budgeted revenue, with no funds saved for contingencies (e.g. no savings for natural disasters, special projects or higher than average snow/rainfall)
- ◆ The commission wishes to start saving funds for a future project and believes a tax cap adjustment is necessary (e.g. road is anticipated to need resurfacing in approx. 5-10 years and will be a substantial expenditure)
- ◆ The majority of the service area roads are in poor condition and require more than basic maintenance, but the service area's budget is not adequate enough for additional spending (e.g. can adequately perform maintenance, but will not be able to cover additional costs for road repairs)

What if our service area does not want to raise the tax cap?

⇒ Should commissions be content with the current tax cap of their service area, **NO ACTION IS REQUIRED**. This process is voluntary and only needs to be addressed if the commission feels there is a valid reason to request a change.

Help! We plan to have some work done in the future and will need funds, do we need to raise the tax cap?

⇒ Every service area is different. If you are unsure whether a tax cap election would be necessary, give Michael or Jamie a call to prepare specific information to your service area.

We need a tax cap election, but I don't know where to begin!

⇒ Call Jamie at 459-1222 for any questions, concerns or assistance you may need!

What are the costs associated with a Tax Cap Election?

⇒ Services areas must pay actual costs incurred due to a Tax Cap Election. While it is impossible to give an exact cost, prior tax cap elections have cost service areas around \$2,000. This amount will vary.

Keep in mind this is just a request to hold an official election. Increasing taxes takes a vote of the public (in this instance, residents of the service area). As commissioners you will vote to hold an election as well as the dollar amount the tax cap should be increased by.

SERVICE AREA COMMISSIONER TRAINING SEPTEMBER 2019

MEETINGS & MEETING MINUTES

Agenda: Best practices in preparing meeting agendas, taking concise, practical meeting minutes and service area meeting requirements.

All service area commissioners are encouraged to attend these sessions. Additional sessions will be scheduled if needed.

September 11 - Wednesday - 12:00 PM

September 11* - Wednesday* - 5:30 PM*

September 18 - Wednesday - 12:30 PM

***NOTE:** We will **not** hold the 5:30 p.m. evening class if no one has preregistered.

Deadline for registering for the 5:30pm class is 5pm Tuesday the 10th.

TRAINING EVENTS: October through December 2019

- October 9 & 23 - Contracts & Contractor Training
- November 13 & 20 - Work Orders & Invoices Training
- December - No Training due to the Holidays

MEETING REQUEST DEADLINES

Meeting Date	Publish Date	Submittal Date (9am)
August 11, 12, 13	8/6/2019	8/1/2019
August 14, 15, 16, 17	8/9/2019	8/6/2019
August 18, 19, 20	8/13/2019	8/8/2019
August 21, 22, 23, 24	8/16/2019	8/13/2019
August 25, 26, 27	8/20/2019	8/15/2019
August 28, 29, 30, 31	8/23/2019	8/20/2019
September 1, 2, 3	8/27/2019	8/22/2019
September 4, 5, 6, 7	8/30/2019	8/27/2019
September 8, 9, 10	9/3/2019	8/28/2019
September 11, 12, 13, 14	9/6/2019	9/3/2019
September 15, 16, 17	9/10/2019	9/5/2019
September 18, 19, 20, 21	9/13/2019	9/10/2019
September 22, 23, 24	9/17/2019	9/12/2019
September 25, 26, 27, 28	9/20/2019	9/17/2019
September 29, 30 October 1	9/24/2019	9/19/2019
October 2, 3, 4, 5	9/27/2019	9/24/2019
October 6, 7, 8	10/1/2019	9/26/2019
October 9, 10, 11, 12	10/4/2019	10/1/2019
October 13, 14, 15	10/8/2019	10/3/2019
October 16, 17, 18, 19	10/11/2019	10/8/2019
October 20, 21, 22	10/15/2019	10/10/2019