



## MATANUSKA-SUSITNA BOROUGH

### Office of the Borough Manager

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### MEMORANDUM

DATE: May 22, 2024  
TO: Mayor and Assembly  
FROM: Michael Brown, Borough Manager  
RE: Manager's Weekly Post

**Budget Revenues:** Recently, an Assembly Member raised a question about revenues outside of property taxes related to potential future road capital improvements. The following are the projected other revenues included in the approved FY25 budget.

1. Tobacco excise tax: \$9.5 million
2. Bed tax: \$1.7 million
3. Marijuana sales tax: \$1.85 million

In late 2020, the Assembly established a committee to investigate possible revenue options due to a shortfall in State funding to reimburse school bond debt. The following outlines the options explored and the potential revenue generated by each item.

1. Fuel Excise Tax: One cent in tax was estimated to yield between \$300,000 to \$800,000 annually (e.g. 5 cent tax per gallon = estimated between \$1 million and \$4 million annually). This estimate is based on the estimate that all the registered vehicles in the Borough would use an average of 700 gallons of fuel per year.
2. Tobacco Excise Tax: We currently tax \$2.25 per pack and this coming fiscal year projection is \$9.5 million.
3. Severance (Gravel) Excise Tax: A severance tax would apply on earth materials. A \$.25 per ton tax was estimated to generate between \$500,000 and \$1 million annually. There is currently no severance tax.
4. Marijuana Sales Tax: The Borough already has a 5% sales tax. Any change to this tax requires voter approval. The marijuana sales tax is projected to generate \$1.85 million this coming FY.
5. Bed Sales Tax: We currently have a 5% bed tax, which is projected at \$1.7 million for FY 25. Any change to this tax requires voter approval.

**Library Citizens' Advisory Committee (LCAC) Update:** With the LCAC confirmed at last night's Assembly meeting, information will be emailed to the new Committee members via the address

provided in their application this week. The meetings will take place in the Assembly Chambers and a few options of dates/times have been secured as placeholders to bring to the Chair and the Vice Chair of the LCAC to consider for a first meeting. After the first meeting has been selected, the Clerk's office will notify the public. On June 13, there will be training in the Open Meetings Act and parliamentary procedure for all MSB Board and Commission members to support their role and process. The LCAC will be notified of this training opportunity and encouraged to attend if possible.

Currently, two library materials are in the queue for the LCAC to review. "Identical" and "Red Hood" are the two books that were reviewed at the January 18th meeting but have not completed the review process. Ultimately, the LCAC will choose library materials to review, and once they have selected the material and date for review, the [LCAC page](#) will be updated with the current information.

### **Public Affairs Media Flyover:**

#### **Economic Development**

- [Federal planning for Alaska long trail hits potential pushback in Mat-Su](#)  
AlaskasLink

#### **Emergency Services**

- [Fire season is here](#)  
KTNA

#### **Fisheries**

- [Mat-Su stocked lakes top fish catching opportunities](#)  
Frontiersman

#### **Port MacKenzie**

- [Peltola submits FY25 spending requests including funds for Port MacKenzie](#)  
Alaska Native News

#### **Assembly**

- [Mat-Su Borough approves grant to offer weapons training for residents](#)  
ADN

#### **State**

- [Legislative-committee advances bill to fund Alaska railroads-Seward dock project kills new rail spur funding](#)  
Trains.com

#### **Top 4 Facebook Posts**

- [Cement Ship Arrives at Port MacKenzie \(photos\)](#)  
Reach: 69k, Engagement 9k (engagement is active clicks)
- [30,000 metric tons off-loaded at Port Mac \(video\)](#)  
Reach: 11.1k Views: 5K
- [Operations at the Port continue through the night \(Photos\)](#)  
Reach: 11.5k Engagement 1,249
- [Finance Job Posting](#)  
Reach: 3.3k Engagement 147

**Facebook Followers – 27,379 (158 new followers in the last 28 days)**