



MATANUSKA-SUSITNA BOROUGH

Office of the Borough Manager

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MEMORANDUM

DATE: June 19, 2024
TO: Mayor and Assembly
FROM: Michael Brown, Borough Manager
RE: Manager's Weekly Post

Bond Rating Assessment: An Assemblymember asked about what it would take for a bond rating to increase from AA+ to AAA. The following is an analysis from our broker. The Mat-Su Borough has achieved one of the highest ratings for an Alaskan borough. Achieving Triple A ratings from S&P and Fitch will require the Borough to exceed the ratings of the US government, which is rated AA+ by the respective agencies.

That said, S&P stated in its assessment of the Borough's credit in 2022 that if the Borough's local economy improves to a level in line with that of 'AAA' rated peers, then it may consider an upgrade. Projected per capita Effective Buying Income as a percentage of the U.S. level and Total Market Value per capita combine to form the initial economic score.

Fitch cited in its recent assessment the threshold of upgrade to Triple A if (1) the Borough decreases its liability burden by nearly 40% from current levels without commensurate increases in resident personal income, governmental spending, or transfers out; and (2) a sustained improvement in the Borough's demographic and economic strength, particularly unemployment levels that track closer to or better than the national rate on a consistent basis. Fitch defines liability burden as the combined burden of direct debt and Fitch-adjusted net pension liabilities (NPL) relative to personal income and governmental revenue.

Some factors that will potentially upgrade the Borough to Triple A are out of the Borough's direct control. Reducing debt is within the Borough's direct control but reducing 40% of the Borough's outstanding debt is challenging to achieve in the near-term without compromising liquidity, reserves, or continued capital investment.

Port MacKenzie Update:

- Pile Sleeves and Cathodic Protection Project: Western Marine Construction (WMC) mobilized to the Port on June 3, 2024. They have started installing anodes on the barge dock and the deep draft piles. This project was funded by a US Economic Development Administration (EDA) grant. The first batch of pile sleeves will be delivered this week, and the barge is scheduled to arrive at the Port next week. WMC anticipates project completion by the end of August.
- Military: Another Army visit is scheduled for next week. We anticipate a proof of principle barge loadout planned for mid to late July 2024. We also anticipate exercise-related activities in August 2025.
- Barge ramp and dock: The barge ramp design and engineering are expected to be completed by December 2024, and a barge dock tactile inspection and recommendations report is expected to be completed by July 2024.
- Grants: MSB applied for the 2024 USDOT/MARAD Port Infrastructure Development Program (PIDP) grant in May 2024. We are in the process of submitting applications for the 2024 USDOT/MARAD US Marine Highway Program in July and the 2024 FEMA Port Security Grant Program in June.
- Business Development: In May 2024, QAP brought in 30,000 tons of cement, and Cruz Construction continues to barge equipment supporting projects in western Alaska. We continue to see interest from multiple alternative energy companies and are working with Enstar on the potential use of the port for importing liquified natural gas.

Unmaintained (Uncertified) Roads: The following is a link to the storymap discussing what roads are unmaintained and ways to begin making progress on maintaining these roads, <https://storymaps.arcgis.com/stories/d443417779364db0bb99a246147fd2ac>.

Public Affairs Media Flyover: June 18, 2024

Fisheries

- [Discussion from the Board of Fish and Wildlife Commission Meeting](#)
Frontiersman
- [Mat-Su's peak king salmon season](#)
Frontiersman
- [Youth-only king salmon fisheries set for Saturday in Eklutna, Ship Creek](#)
Alaska Sporting Journal

Resource development

- [State receives only three bids in Cook Inlet oil and gas lease sale](#)
Frontiersman

Providing Outstanding Borough Services to the Matanuska-Susitna Community

Community

- Mat-Su Crisis Response Team receives Bert Hall Award for Community Health Commitment
Frontiersman

Nonprofit

- Mat-Su Health Foundation supports projects in Upper Valley
KTNA
- Alaska has a new nonprofit newsroom in the Mat-Su Borough
Alaska Beacon
- [New nonprofit newsroom goes online from Mat-Su](#)
Daily Sitka Sentinel
- Defiant Mat-Su Health Foundation rebuffs members requests to vote for governing board
Alaska Watchman

Top Facebook Posts

- Construction.work related road closure.
Reach: 9k,
- EMS conducts bear mauling exercise for first responders
Reach: 7.6k
- Port MacKenzie adds cathodic protection to dock
Reach: 9k