



MATANUSKA-SUSITNA BOROUGH

Office of the Borough Manager

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MEMORANDUM

DATE: February 26, 2025
TO: Mayor and Assembly
FROM: Michael Brown, Borough Manager
RE: Manager's Weekly Post

Fitch and Standard & Poor's (S&P) Rate Matanuska-Susitna Borough 2025 General Obligation Bonds

AA+: Here is a link to the Fitch Press Release announcing an AA+ rating for the Borough: <https://www.fitchratings.com/site/pr/10301126>. We also received an AA+ rating from S&P. Below are highlights mentioned by both rating agencies:

The Borough's growing economy, stable financial position, and favorable debt profile support the Borough's creditworthiness. The Borough's stable finances have been supported by a strong management team that is conservative in its budgeting and manages many of its capital needs with cash on hand instead of through debt issuances. Continued development has supported persistent assessed value (AV) growth. We expect continued financial stability, given the steadily growing property tax base, with plenty of residential, commercial, and industrial development occurring, and with a management team that intends to maintain reserves above its formal policy of \$25 million in the general fund.

S&P stated their rating also reflects our view of the Borough's:

- Growing economy and population in a state with typically declining population trends;
- Stable financial profile, with reserves that officials have conservatively built up, then spent down for capital projects;
- Conservative management team that uses long-term planning; and
- Minimal debt outstanding compared with its tax base, given the Assembly's conservative attitude toward debt.

Transfer of Powers for Opioid Settlement Distributions: The Houston City Council approved transferring powers to the Borough to facilitate the distribution of proceeds received from the opioid settlement. The City of Wasilla introduced legislation for the transfer at their February 24 meeting for public hearing on March 10. No date has been scheduled with the City of Palmer at this time.

Transit Update: Below is a project timeline for the release of the Borough's transit request for proposals (RFP) for urban transit services. The Borough sent a letter to the State Department of Transportation

and Public Facilities Commissioner requesting a 90-day extension to urban funds to support this transition and provide time for a contractor to get services up and running

- February 21, 2025: Grant application process initiated
- March 11, 2025: Advertise RFP
- April 7, 2025: Grant application finalized and submitted to FTA
- April 15, 2025: RFP advertisement closes
- April 30, 2025: Finalize selection process from RFP
- May 20, 2025: Earliest anticipated FTA approval of the grant application
- June 16, 2025: Earliest anticipated estimated date for the grant agreement after revision by the Borough and the FTA
- June 17, 2025: Introduce legislation to the Assembly to accept and appropriate federal funding
- July 15, 2025: Assembly public hearing to adopt legislation

Healthcare Update: At the end of this report is a chart showing the 2024 total Borough healthcare cost with a 10-year lookback. This past year's total plan costs decreased by 9.1% from the previous year. Total prescription claims decreased by 3.2%, dental claims decreased by 7.4%, and vision claims increased by 0.5%. The average number of covered employees increased by 2.6%.

\$8,105,784 was paid in large claims (over \$35,000) on behalf of 55 claimants. This was a decrease of 24 claimants and an 18.6% decrease in the total paid from the 2023 plan year for the same period. This decrease largely accounts for the overall reduction in overall expenses for the plan year.

One area we will look to improve is maintaining the healthcare reserve, which, according to our current estimate, will be approximately \$5.9 million by the end of this fiscal year. Finance recommends maintaining it at 50% of the health plan's annual expenditures, roughly \$9 million.

Public Affairs Media Flyover:

Assembly

- Borough Assembly bans vote-counting devices but delays action on Election procedure reform
Frontiersman
- Assembly delays vote on Road Board Membership Increase
KTNA
- Mat-Su Borough to have special Assembly Meeting this weekend
KTNA

Fisheries

- Alaska Governor proposes lifting State's longtime ban on fish farms
Alaska Beacon
- Dunleavy aims to create new fish farming industry with new legislation
Intrafish
- When Sockeye Fishing is Mat-Su Magnificent
Alaska Sporting Journal
- Top Alaska House legislators reject plan to allow fish farms
Alaska Beacon

Education

- [School Board votes to create new Mat-Su Hybrid Learning](#)
Frontiersman

Iditarod

- [Iditarod restart in Fairbanks sparks mixed feelings among communities](#)
Your Alaska Link

Aviation

- [Reflecting on the dangers of Alaska's aviation](#)
Alaska Beacon

Facebook Posts

- [Mount Spurr Advisory – Feb. 19](#)
Reach: 105K. Views: 220K
- [Iditarod Trail Invitational Race \(VIDEO\)](#)
Reach: 12K. Views: 220K

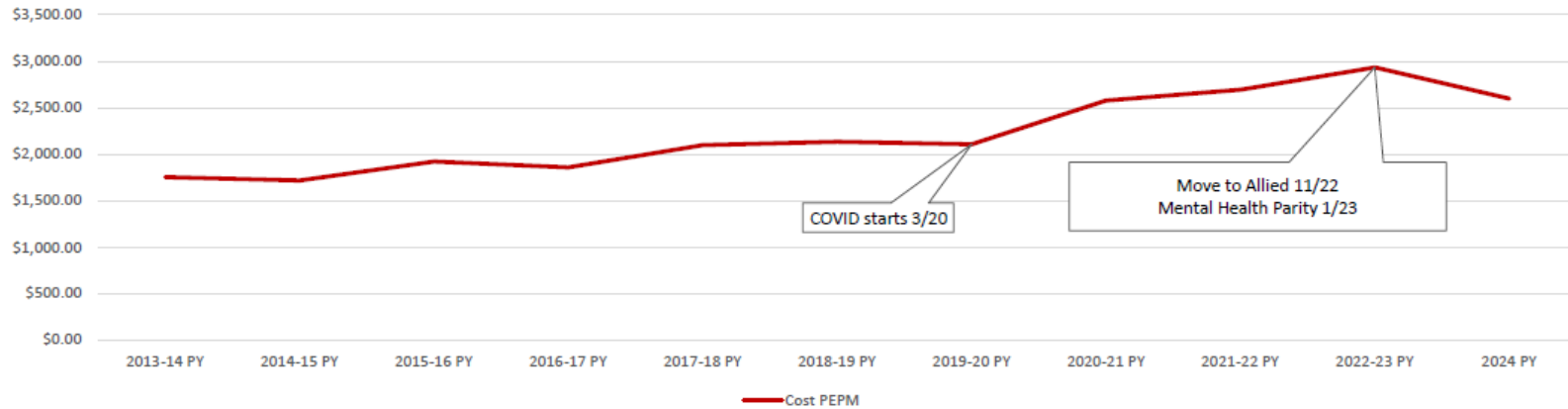
Future Events:

- Sat., March 1, 2025 at 9 a.m., Assembly Strategic Planning Session, Station 65
- Fri., April 4, 2025 at 1 p.m., Mat-Su Central School Ribbon Cutting, 8316 E Katherine Drive, Palmer

Matanuska-Susitna Borough Rate History 24



Plan History



Plan Year	Employees	Membership	Total Plan Cost	Cost PEPM	% Change in Cost PEPM	CPI % Trend	Public Sector Trend
2013-14 PY	280	748	\$5,891,531	\$1,753.43	-	2.5%	6.5%
2014-15 PY	293	811	\$6,039,770	\$1,717.80	-2.0%	2.3%	6.8%
2015-16 PY	310	853	\$7,151,525	\$1,922.45	11.9%	3.3%	7.1%
2016-17 PY	309	855	\$6,897,327	\$1,860.12	-3.2%	3.6%	5.7%
2017-18 PY	316	895	\$7,956,860	\$2,098.33	12.8%	2.0%	6.3%
2018-19 PY	331	918	\$8,484,694	\$2,136.13	1.8%	2.4%	6.8%
2019-20 PY	353	991	\$8,926,644	\$2,107.33	-1.3%	5.1%	-2.1%
2020-21 PY	363	1,025	\$11,240,092	\$2,578.59	22.4%	2.9%	14.0%
2021-22 PY	376	1,036	\$12,162,322	\$2,696.15	4.6%	2.7%	7.3%
2022-23 PY	390	978	\$13,750,761	\$2,935.69	8.9%	3.0%	7.4%
2024 PY	401	940	\$12,493,938	\$2,599.65	-11.4%	0.6%	7.9%

Notes

- CPI trend is for medical care services for January (ie, the trend listed for 2019-20 is for January 2020).
- Public sector trends are taken from Segal reports named "What Are the Projected Health Plan Cost Trends?" for PPO/POS plans for the calendar year that the Borough renewed (ie, the trend listed for 2019-20 is the 2020 trend).
- Fund Balance at 6/30/2024(audited) \$6,218,013. Estimated at 6/30/2025 \$5,872,344.