

**SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING MSB 2.08.060 AND MSB 2.12.060, COMPENSATION FOR THE MAYOR AND ASSEMBLY.**

**AGENDA OF: March 18, 2025**

<b>ASSEMBLY ACTION:</b>
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**AGENDA ACTION REQUESTED:** Introduce and set for public hearing.

Route To	Signatures
Originator	<div style="text-align: right;">3 / 7 / 2 0 2 5</div> <hr/> X N S f o r A s s y m F o n o v <hr/> Signed by: N i c h o l a s S p i r o p o u l o s
Finance Director	<div style="text-align: center;">                      Recoverable Signature                 </div> <hr/> X C h e y e n n e H e i n d e l <hr/> Signed by: C h e y e n n e H e i n d e l
Borough Attorney	<div style="text-align: right;">3 / 7 / 2 0 2 5</div> <hr/> X N i c h o l a s S p i r o p o u l o s <hr/> Signed by: N i c h o l a s S p i r o p o u l o s
Borough Manager	<div style="text-align: right;">3 / 7 / 2 0 2 5</div> <hr/> X M i c h a e l B r o w n <hr/> Signed by: M i k e B r o w n
Borough Clerk	<div style="text-align: center;">                      Recoverable Signature                 </div> <hr/> X L o n n i e M c K e c h n i e <hr/> Signed by: L o n n i e M c K e c h n i e

**ATTACHMENT (S):** Ordinance Serial No. 25-047 (3 pp)  
 Commission on Salaries and Emoluments Resolution Serial No. 26-001 (4 pp)

**SUMMARY STATEMENT:** This ordinance is sponsored by Assemblymember Fonov to adjust Assembly compensation to current inflationary levels, take into account the increase in health insurance costs, provide for indexing of future compensation, and deletes a pay differential for the position of Deputy Mayor. The ordinance also adjusts the Mayor's compensation to current inflationary levels and provides for indexing of future compensation.

ASSEMBLY COMPENSATION

In 1979, the Borough Assembly enacted Ordinance 79-84 which set Assembly compensation at \$500 per month which is \$6,000 per year.

In 1991, Ordinance 91-016 added \$10 *per diem* to cover expenses. In 2007, Ordinance 07-092 increased the *per diem* to \$20 per day which is \$7,300 per year.

In 2009, Ordinance 09-057 combined the annual compensation and *per diem* into one sum of \$13,300.

As of 2025, the Assembly compensation remains at \$13,300.

It should also be noted that an Assemblymember's constituency has grown significantly since 1979. For example, the 1980 census for the Matanuska-Susitna Borough recorded a population of 17,816. As of January 2025, the official population of the Matanuska-Susitna Borough is 116,313. This results in many more constituents being represented by each assemblymember and the corresponding demand on time for calls, emails, texts, and meetings.

Year	Borough Population	Population per Assemblymember
1980	17,186	2,545
2025	116,131	16,590

In addition, in the past several years, health insurance participation costs have skyrocketed for the participants of the Matanuska-Susitna Borough health plan. Contribution rates for the family plan for healthcare (not including dental and vision) with comparable deductibles were as follows:

FY	Cost per month	Cost per year
2022	\$292.45	\$3,509.40
2023	\$386.40	\$4,636.80
2024	\$591.80	\$7,101.60
2025	\$713.00	\$8,556.00

Adding dental and vision costs to FY 2025 brings the monthly contribution to \$759 and an annual cost of \$9,108.

To address this situation which has accumulated over time, this ordinance will adjust the compensation in MSB 2.12.060 and index it for the future so that on an annual basis, the Assembly compensation increases with the same cost of living adjustment as that received by the Borough employees.

The new compensation rate has been determined by: 1) applying an inflation index adjustment to the 1979 compensation rate; 2) applying an inflation index adjustment to the 2007 *per diem* rate; and 3) adding \$700 per month to help offset future insurance contribution costs.

Applying an inflation adjustment to the 1979 value of \$6,000 per year results in a 2025 value of \$26,083.06 which when rounded slightly down would be \$26,000. Applying an inflation adjustment to the 2007 *per diem* of \$7,300 per year results in a 2025 value of \$11,111.67 which when rounded slightly down would be \$11,100. Adding \$700 per month for insurance is \$8,400 per year.

The total of these amounts is \$45,400.

Since the amounts for Assembly compensation are being updated to reflect 2025 levels, the differential for the deputy mayor is being deleted from code. All Assemblymembers will be compensated in the same amount.

#### MAYORAL COMPENSATION

In 2022, after 8 months of continuances and consideration, Ordinance 21-040 amended the Mayor's compensation to \$65,000. This ordinance here will not repeat, second guess, or re-analyze the considerations of the Mayor's compensation from just 4 years ago. However, these past 4 years have seen high levels of inflation such that the value of \$65,000 from 2021 is now \$75,706.95.

The ordinance here will adjust the Mayor's compensation to \$75,700 and include an index for the future so that on an annual basis, the Mayor's compensation increases with the same cost of living adjustment as that received by the Borough employees.

**RECOMMENDATION OF ADMINISTRATION:** Introduce and set for public hearing.

**MATANUSKA-SUSITNA BOROUGH**

**FISCAL NOTE**

Agenda Date: March 18, 2025

**SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING MSB 2.08.060 AND MSB 2.12.060, COMPENSATION FOR THE MAYOR AND ASSEMBLY.**

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <b>YES</b> NO
AMOUNT REQUESTED *	FUNDING SOURCE Assembly's Budget
FROM ACCOUNT # 100.100.101 4XX.XXX	PROJECT
TO ACCOUNT:	PROJECT #
VERIFIED BY:  X M e r i s s a C a r r e l l Signed by: M e r i s s a C a r r e l l	

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>						

CAPITAL		*	*	*	*	*
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REVENUE						
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**FUNDING:**

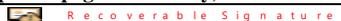
(Thousands of Dollars)

General Fund		*	*	*	*	*
State/Federal Funds						
Other						
<b>TOTAL</b>		*	*	*	*	*

**POSITIONS:**

Full-Time						
Part-Time						
Temporary						

**ANALYSIS: (Attach a separate page if necessary) \* Amount depends on ECI each year and the number of Assemblymembers.**

APPROVED BY:	 X C h e y e n n e H e i n d e l Signed by: C h e y e n n e H e i n d e l
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Amended: 02/20/26  
Adopted: 02/20/26

**MATANUSKA-SUSITNA BOROUGH  
COMMISSION ON SALARIES AND EMOLUMENTS  
RESOLUTION SERIAL NO. 26-001**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH COMMISSION ON SALARIES AND EMOLUMENTS RECOMMENDING AMENDMENT OF ASSEMBLY ORDINANCE SERIAL NO. 25-047, AN ORDINANCE AMENDING MSB 2.08.060 AND 2.12.060, COMPENSATION FOR THE MAYOR AND ASSEMBLY; AND RECOMMENDING CHANGES TO THE COMPENSATION FOR THE SCHOOL BOARD AND SCHOOL BOARD PRESIDENT AND NO CHANGES TO THE PLANNING COMMISSION, AND THE PLATTING BOARD.

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WHEREAS, the Commission on Salaries and Emoluments (Commission) last met in March of 2024 and with Commission Resolution No. 24-001, recommended no increases to the salaries and emoluments of those under their purview; and

WHEREAS, Assemblymember Fonov brought forward Ordinance Serial No. 25-047 and accompanying IM No. 25-083, that was subsequently referred to the Commission for 365 days; and

WHEREAS, the length of the referral allowed the Commission to stay within the code requirements that require them to meet at least every two years; and

WHEREAS, Ordinance Serial No. 25-047 proposes eliminating separate pay for the Deputy Mayor and paying that position the same proposed annual amount as all other Assembly Members; and

WHEREAS, the ordinance proposes to increase the salaries of the Mayor, Deputy Mayor, and Assembly as follows:

<b>Position</b>	<b>Current annual Salary</b>	<b>Proposed Annual salary</b>	<b>Total increase above current salary</b>
<b>Mayor</b>	\$65,000	\$75,700	+\$10,700
<b>Deputy Mayor</b>	\$15,100	\$45,400	+\$30,300
<b>Assembly Members</b>	\$13,300 x 6 = \$79,800	\$45,400 x 6 = \$272,400	\$32,300 x 6 = \$192,600

WHEREAS, with the proposed Assembly ordinance, the current budget to the Borough for the salaries and emoluments of the Mayor and the Assembly would increase from \$480,774.25 annually, to \$797,352.75 annually; and

WHEREAS, the proposed increase calculated above does not include the annual automatic inflationary increases that are being proposed; and

WHEREAS, Assembly Ordinance Serial No. 25-047 only proposes increases to the Mayor and the Assembly and no other bodies under the Commission's purview; and

WHEREAS, the Planning Commission and Platting Board received increases in 2023, which increased their per meeting rate from \$50 to \$100; and

WHEREAS, the Borough has no authority over the School Board's salaries and emoluments, and instead provides recommendations to the School District through this Commission; and

WHEREAS, the School Board, the Planning Commission, and the Platting Board are currently compensated at the following rates and the Commission is recommending some increases as follows:

<b>Body</b>	<b>Current Compensation</b>	<b>Recommending Increase?</b>	<b>Recommended increased</b>
School Board Members	\$275	Yes	\$300 with retention of emoluments
School Board President	\$300	Yes	\$400 with retention of emoluments
Planning Commission	\$100	No	N/A
Platting Board	\$100	No	N/A

WHEREAS, the Commission recommends that the Assembly compensation be increased from \$13,300 to \$20,000 with retention of current emoluments; and

WHEREAS, the Commission recommends that the Deputy Mayor compensation be increased from \$15,100 to \$23,000 with retention of current emoluments; and

WHEREAS, the Commission recommends no changes to the Mayor's annual compensation and emoluments; and

WHEREAS, the Commission recommends no automatic annual inflationary increases for the Assembly, Deputy Mayor, and Mayor as that would eliminate oversight of the Commission.

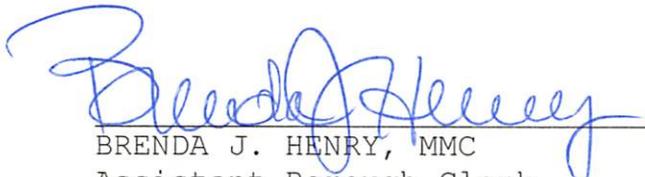
NOW, THEREFORE, BE IT RESOLVED, the Commission on Salaries and Emoluments recommends amendment of Assembly Ordinance Serial No. 25-047, to include their recommendations in this resolution.

ADOPTED by the Matanuska-Susitna Borough Commission on Salaries and Emoluments this 20 day of February, 2026.



JESSICA VIERA, Chairperson

ATTEST:



BRENDA J. HENRY, MMC  
Assistant Borough Clerk

PASSED UNANIMOUSLY: Viera, Johnson, Silva, and Nelles