

# MATANUSKA- SUSITNA BOROUGH



## FISCAL YEAR 2027 PROPOSED BUDGET

APRIL 9, 2026





# Agenda

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# BUDGET DEVELOPMENT CALENDAR

JANUARY	FEBRUARY	MARCH	APRIL	MAY
<ul style="list-style-type: none"> <li>LOGOS budget system is activated</li> <li>Preliminary Tax Roll completed by Assessments</li> <li>Assessment notices are mailed</li> <li>Personnel requests submitted to Manager &amp; Finance Director</li> </ul>	<ul style="list-style-type: none"> <li>Appeal period for assessed valuations</li> <li>Salary and benefit data entered to budget system</li> <li>Training, travel, professional services, other contractual, furnishings &amp; equipment requests are submitted</li> <li>Local education funding allocation calculated</li> <li>Budget is reviewed by boards + commissions</li> </ul>	<ul style="list-style-type: none"> <li>Revised tax roll is prepared</li> <li>Joint meeting with Assembly and School Board</li> <li>Final mill rates for RSA, FSA, and SSAs submitted</li> <li>School District provides budget to Borough</li> </ul>	<ul style="list-style-type: none"> <li>Minimum funding resolution prepared</li> <li>Introduction of Manager's proposed budget and Department budget presentations</li> <li>Finalization of proposed budget</li> <li>Budget hearings (4/23, 4/28, &amp; 4/30)</li> </ul>	<ul style="list-style-type: none"> <li>Budget deliberations (5/7, 5/12, &amp; 5/14)</li> <li>Assembly adoption of budget</li> </ul>

# KEY HIGHLIGHTS

FY 2027 Proposed  
Areawide Mill Rate:  
7.966  
Non-areawide Mill Rate:  
0.160

1. Decrease of \$50 in taxes (areawide and non-areawide) for average single-family residential home
2. Areawide and non-areawide operating expenditures increased 0.9%
3. Increases to user fees to reduce reliance on property taxes
4. No increases for recurring grants
5. Road Service Areas (RSAs): 11 RSAs no increase to taxes, 3 have 3% increase, and two were kept at existing mill rates
6. Fire Service Areas (FSAs): Each FSA realizes at least a 3% increase
7. Local education contribution increased by 2.2% to \$79,761,745

# HISTORICAL AREAWIDE MILL RATES

FY 2027 Proposed  
Areawide Mill Rate:  
7.966

Non-areawide Mill Rate:  
0.160

Fiscal Year	Areawide Mill Rate	% Change
2016	9.984	↑ 3.3%
2017	9.984	→ 0%
2018	10.332	↑ 3.5%
2019	10.331	↓ -.001%
2020	10.386	↑ 0.5%
2021	10.322	↓ -0.6%
2022	9.942	↓ -3.7%
2023	8.901	↓ -10.5%
2024	8.396	↓ -5.7%
2025	8.748	↑ 4.2%
2026	8.485	↓ -3.0%
2027	7.966	↓ -6.1%

Value of 1 mill for FY26 = \$16,288,700 (increase of \$1,416,920 per mill from last year)



WHAT THIS  
BUDGET DOES

## Service demand informs resourcing priorities

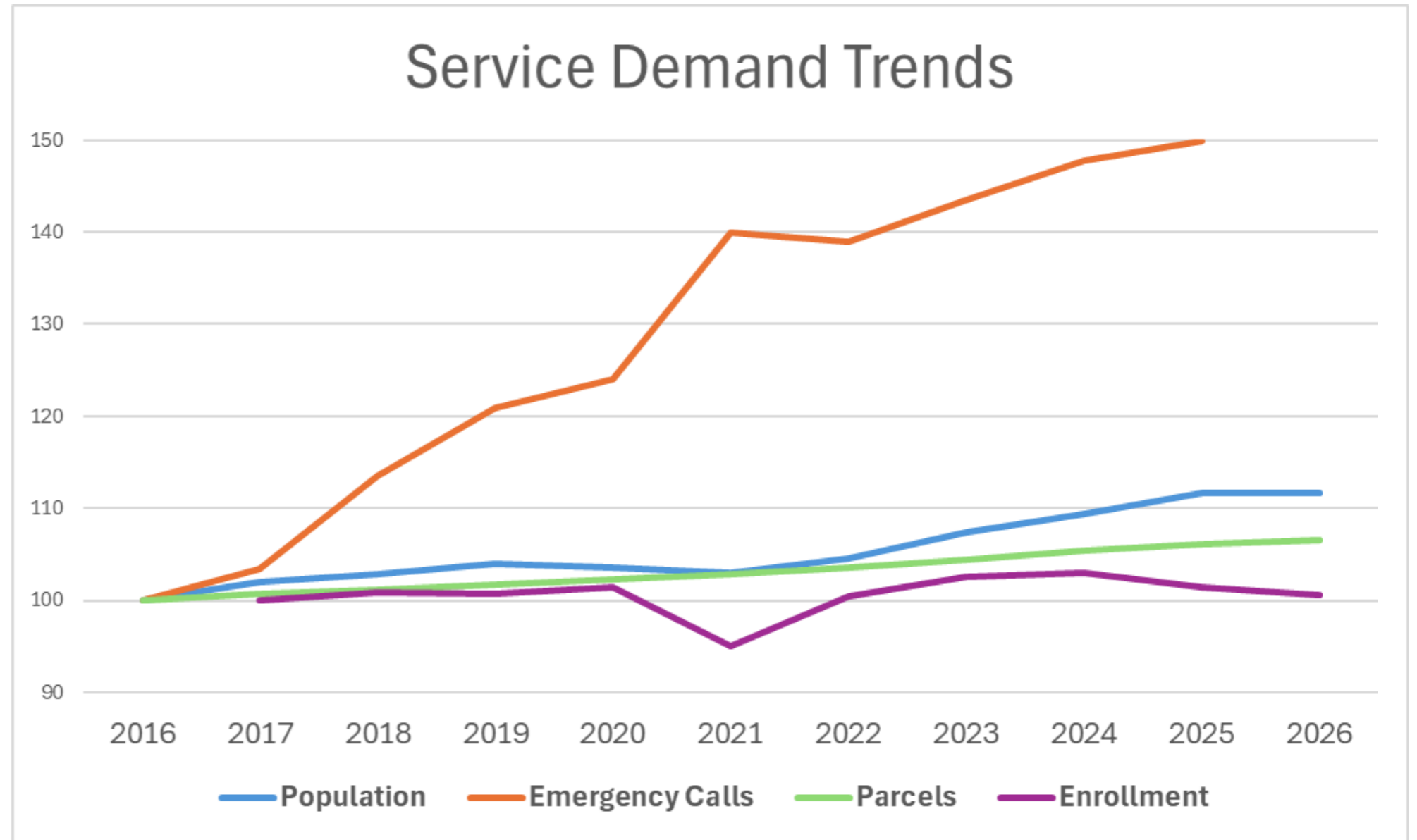
Population: Increased by nearly 12% since 2016.

School Enrollment: Increased by one-half of a percent since 2017.

Emergency Services (EMS, Fire and Rescue): EMS calls increasing by 1.3 times the population.

Parks and Recreation: Utilization up 5%-15% from previous year.

Parcels: Drive staffing for Platting, Planning, Assessments, Code Enforcement, and GIS.

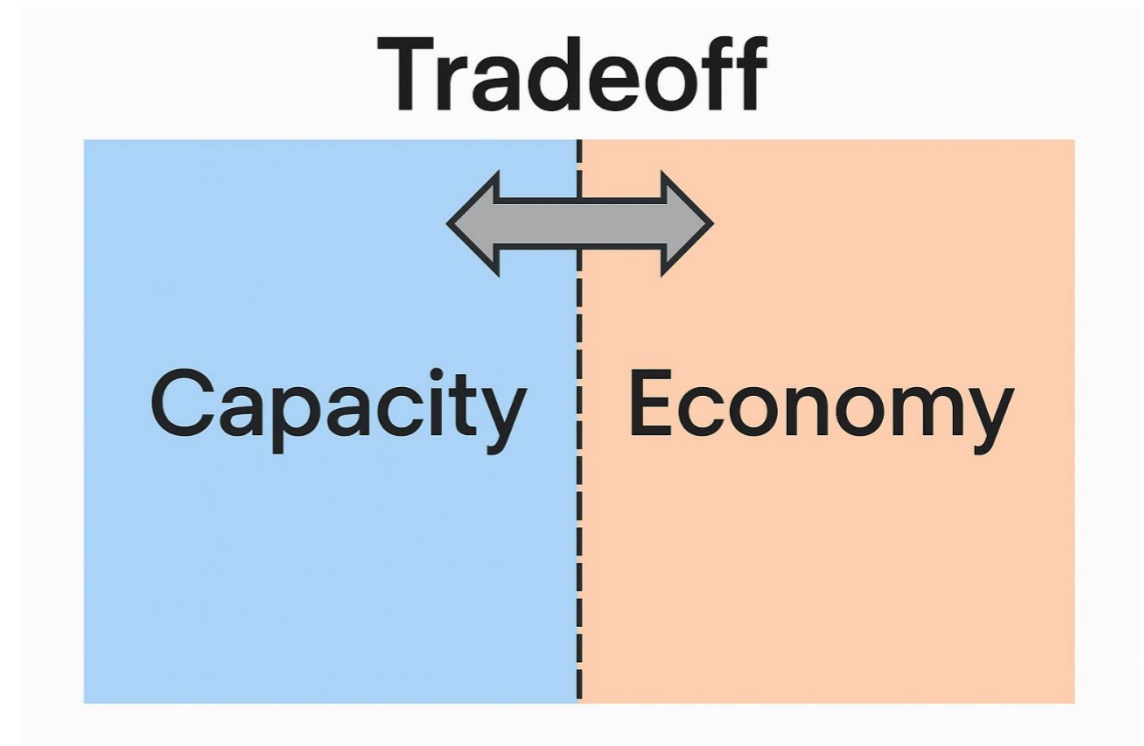




# Fiscal Year 2027 Proposed Budget

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- Leaning (trading capacity for economy)
- Offset increases in property values



# “ECONOMY” IN THIS BUDGET

- Staffing changes
  - One new staff position due to absorbing animal code enforcement for the three cities (OR 26-019)
  - Reducing six full-time positions
- Areawide and non-areawide operating expenditures increased by 0.9%
- Consolidated Community Clean-up under one department
- Bond refinancing: saving nearly \$500,000
- Seven road maintenance contracts rebid, reducing per mile costs by 20%
- No increases in capital for recurring grants such as trail grooming, transit, etc.

- Increases to user fees for various services (parks, trails, pools, etc.) to reduce reliance on property taxes
- Three scenarios considered when setting service area mill rates
  - No increase to taxes
  - 3% increase in tax revenue
  - Flat (rollover) mill rate
- Road Service Areas (RSAs): 11 RSAs no increase to taxes, 3 have 3% increase, and two were kept at existing mill rates
- Fire Service Areas (FSAs): Each FSA realizes at least a 3% increase in revenue to support operations and capital



# REVENUES & EXPENDITURES

# KEY REVENUE CHANGES

- Overall projected increase in rates and fees: 19%
- Recreation facility fees budgeted increase: 25%
- Estimated tax revenue increased from FY26 to FY27 by 2.2%
- Taxable assessed value increased by 10.95%
- Average value of a single-family residential home increased by 7.41% and land appraisals increased by 15%
- 680 new single-family residential homes added this year
- Senior/disabled veteran exemptions increased by 4.85% this year; they make up 52% of all exemptions

# KEY EXPENDITURES

- Local education contribution increased by 2.2% to \$79,761,745; this is less than the School Board request of \$87,469,440 (↑12%)

- \$2.05 million for school capital needs

- **NEW** Reconstitute major maintenance reserve used for Iditarod Elementary: \$1 million

- **NEW** FTA payment (Ferry): ~\$1 million

- Wages and salaries - based on the employment cost index (ECI) with regular movement on salary schedule

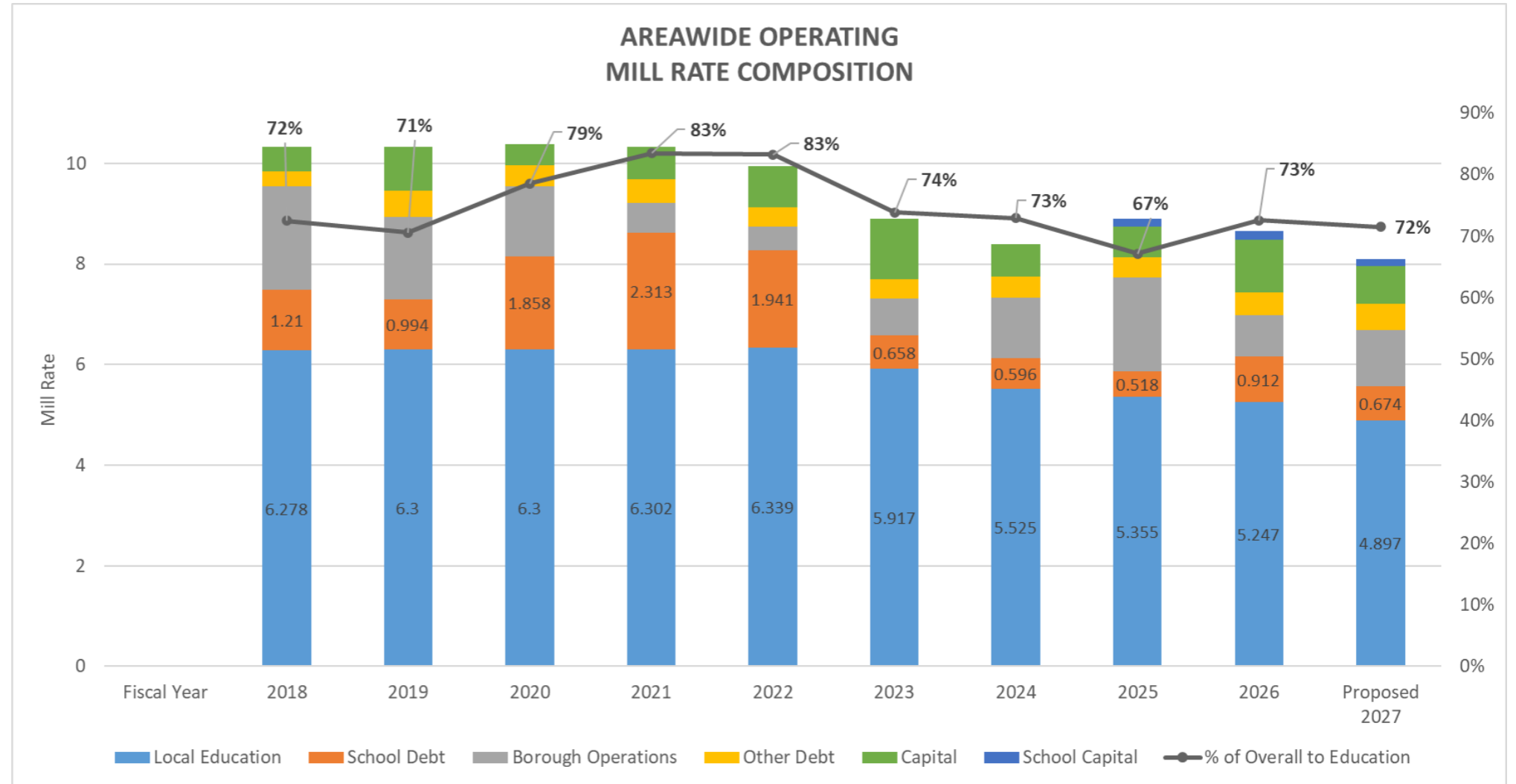
- **NEW** Increase in annual transportation debt service: \$1,479,572

- Employer healthcare budgeted expenses increased by 3%
- Included items added to past budgets (junk vehicle removal, firearm training, and Palmer airport snow removal)
- Transit funding held at \$750,000 which was funded in FY26 on a 9-month service period; FY27 funding will cover a 12-month period; total federal and local funding for services is ~\$2.25 million

# LOCAL EDUCATION FUNDING

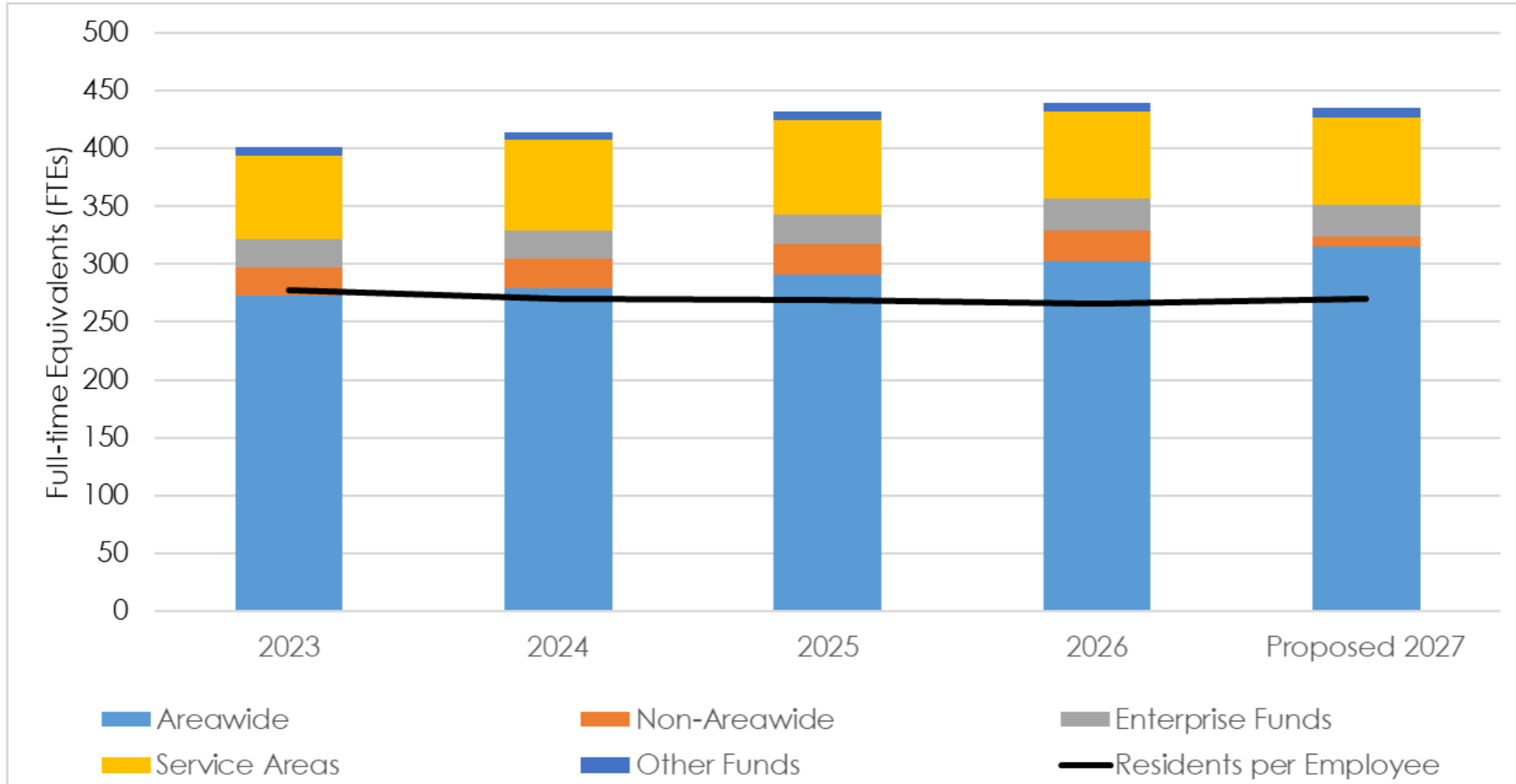
FY27 proposed education spending (operating, debt service, and capital) is 72% of areawide mill rate

School deferred maintenance in the capital budget: \$2,050,000



# STAFFING COMPARISON

The ratio of residents to the number of full-time employees remains relatively flat



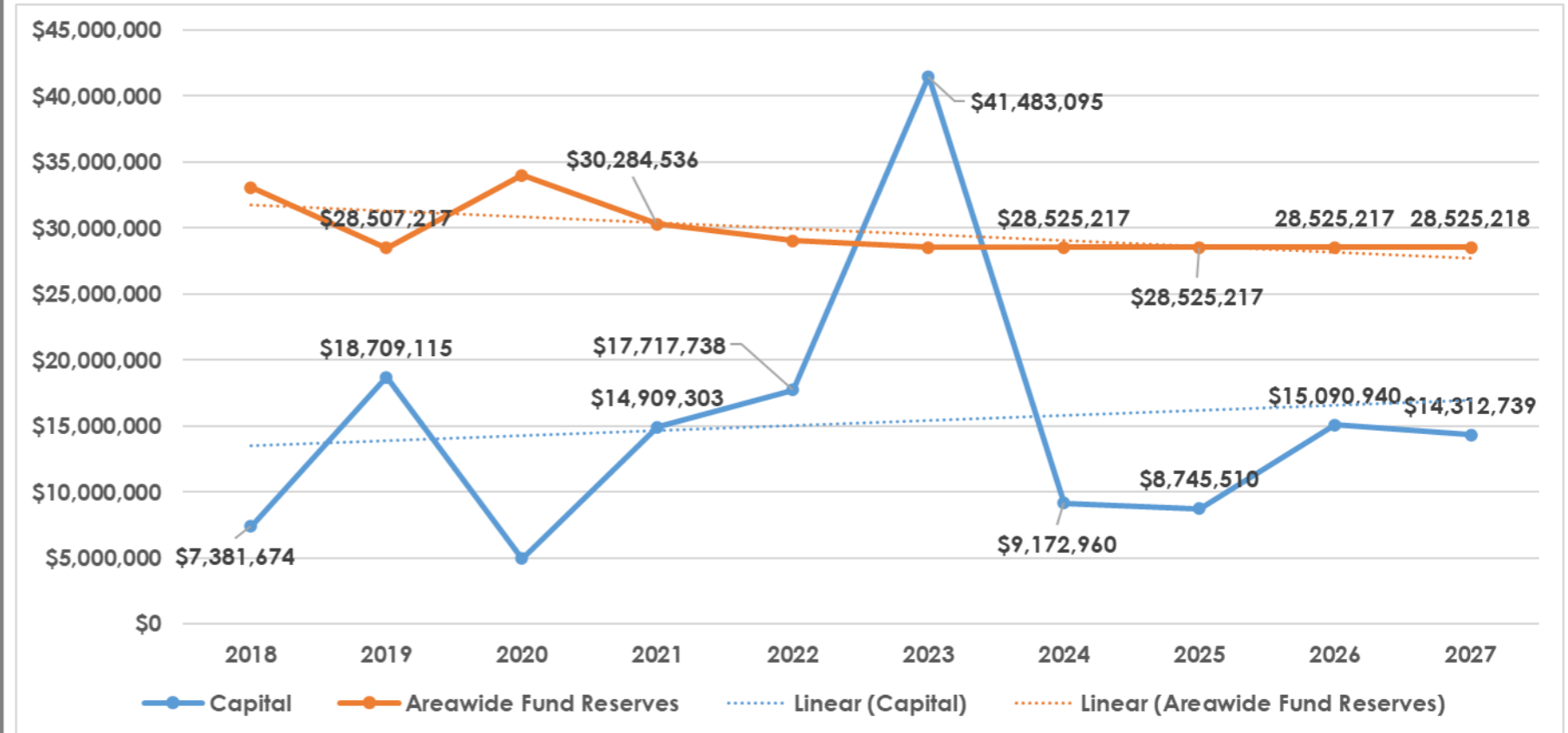
Majority of staffing increases are attributable to emergency medical services (EMS) and firefighters to meet growing service demands

# AREAWIDE FUND RESERVES & CAPITAL BUDGET

FY 2027 (Proposed)  
Reserves: \$28,525,217  
Capital: \$14,162,739

Key Takeaway:  
Consistent reserves  
for financial stability

## AREAWIDE FUND RESERVES & CAPITAL BUDGET 10-YEAR LOOKBACK



## KEY CAPITAL BUDGET ITEMS

### AREAWIDE

- School major maintenance (\$2,050,000)
- Safe Streets for All match funding (\$283,000)
- Jonesville shooting park (\$500,000)
- Fish passage (\$500,000)
- Ambulance refurb (\$525,000)
- Transit match (\$750,000)
- Winter trail grooming (\$200,000)
- Regional Dispatch Center design (\$500,000)
- Aerial Imagery & LIDAR (\$250,000)

- Human services matching grant (\$150,000)
- Mat-Su Convention and Visitors Bureau (\$1,000,000)
- GWCC Tourism (\$100,000)
- Seismic Resiliency (\$250,000)
- Bridge & railroad match funding (\$985,220)
- Ferry repayment (\$1,065,519)

### ROAD SERVICE AREAS (RSA):

Including RSA projects in capital budget for first time

# MORE THAN ONE APPROACH TO ADDRESSING NEEDS

## Anchorage 2026 Propositions

- Prop. 3: Parks and Recreation: \$6,050,000 for renovating and rehabilitating trails, parks, and facilities (100% of this type of work in our operating or capital budget)
- Prop. 6: Public Safety
  - Ambulance Replacement - \$1,140,000; Replaced approximately every 7 years
  - Traffic Calming and Safety - \$2,700,000
  - Typically, 100% of this type of work is in our operating or capital budget
- Prop. 7: Fire Service: \$2,500,000 for fire engine replacement (included in FSA budgets)

## Examples in MSB Proposed

### Capital Budget

- Schools deferred maintenance
- Ambulance refurbishment
- Fire and rescue apparatus replacement
- Jonesville PUA, Butte trailhead, and Alcantra field improvements
- Fire station, equipment, and apparatus needs are programmed into annual FSA budgets

A pay-as-you-go approach is more challenging than spreading costs over time



# PROPOSED MILL LEVIES

# FY27 PROPOSED MILL LEVIES

Code	Description	FY 2026 Approved	FY 2027 Proposed	% Change in Revenues
	Areawide	8.485	7.966	3.1%
	Non-Areawide	0.371	0.160	-53.1%
FSA 2	Butte Fire Service Area	2.830	2.634	4.3%
FSA 4	Sutton Fire Service Area	4.043	3.900	6.1%
SSA 7	Talkeetna Flood Control	1.500	1.500	9.0%
RSA 9	Midway Road Service Area	1.817	1.691	0.3%
RSA 14	Fairview Road Service Area	1.516	1.447	3.1%
RSA 15	Caswell Road Service Area	4.000	3.724	1.0%
RSA 16	South Colony Road Service Area	1.278	1.278	9.9%
RSA 17	Knik Road Service Area	2.161	2.011	-0.2%
RSA 19	Lazy Mountain Road Service Area	2.316	2.156	3.9%
RSA 20	Greater Willow Road Service Area	3.362	3.173	3.0%
RSA 21	Big Lake Road Service Area	2.987	2.780	5.3%
RSA 23	North Colony Road Service Area	4.244	3.951	-0.8%
FSA 24	Talkeetna Fire Service Area	2.846	2.846	9.4%
RSA 25	Bogard Road Service Area	1.399	1.302	0.4%
RSA 26	Greater Butte Road Service Area	2.767	2.576	4.2%
RSA 27	Meadow Lakes Road Service Area	2.714	2.526	1.9%
RSA 28	Gold Trails Road Service Area	1.703	1.703	6.5%
RSA 29	Greater Talkeetna Road Service Area	3.039	2.829	1.8%
RSA 30	Trapper Creek Road Service Area	4.266	3.971	0.3%
RSA 31	Alpine Road Service Area	3.382	3.167	3.0%
SSA 69	Pt. MacKenzie Service Area	9.500	9.500	-1.2%
FSA 130	Central Mat-Su Fire Service Area	1.780	1.700	4.8%
SSA 131	Circle View / Stampede Estates	2.364	2.300	12.5%
FSA 132	Gr Palmer Fire Service Area	0.850	0.850	9.1%
FSA 136	West Lakes Fire Service Area	1.946	1.880	6.4%
FSA 140	Willow/Caswell Fire Service Area	2.637	2.491	2.4%
	Jimmy's Drive Service Area	5.030	5.030	13.8%

# TAX IMPACT

Decrease of \$50 in taxes (areawide and non-areawide) for average single-family residential home

The average value of a single-family residential home is \$416,848

Impact	FY26	FY27	Change
Average % Change in Values			7.41%
Average Areawide Taxes	\$3,293	\$3,321	\$28
Average Non-Areawide Taxes	\$144	\$67	-\$77
<b>Total</b>	<b>\$3,437</b>	<b>\$3,387</b>	<b>-\$50</b>
FY 2027 % of Total Property Value that is Tax Exempt		17.5%	down from 17.76% in FY26

- The Borough has 5 general tax areas:
1. Areawide
  2. Non-areawide
  3. Road Service Areas
  4. Fire Service Areas
  5. Special Service Areas



# DEPARTMENT PRESENTATIONS

**DEPARTMENT  
BUDGET  
PRESENTATIONS**

Emergency Services

Ken Barkley

Community Development

Jillian Morrissey

Public Works

Tom Adams

Planning

Alex Strawn

Animal Care and Regulation

Vanessa Forbes

Port MacKenzie

Dave Griffin

Finance

Cheyenne Heindel