



*Matanuska - Susitna
Borough*

Annual Report 2006

Dear fellow Mat-Su resident,

We live in a dynamic place. The Matanuska-Susitna Borough is the 28th fastest growing community in the nation, now pushing toward 80,000 residents. If it were a city, Knik-Fairview, would be the fifth largest in the state. Despite the greater demand for services from growth, the mill rate went down last year and taxes were paid at a lower rate in 2006 than in previous years. Assessments, however, are following national trends, and rose higher than the year before. The Assembly is wholly committed to reducing the strain on property owners by scrutinizing spending and diversifying tax revenues.

Alongside that growth, we have a great story to tell. A half a billion dollars in capital investment is underway in the Mat-Su. A \$44 million ferry will be delivered early 2009, nearly all of it federally funded. A \$4.5 million ferry terminal has just been completed. Ferry landings on both sides of Knik Arm are next. Nine miles up from Port MacKenzie will be a new state prison that will be built over three years, supplying new jobs and business opportunities to the economy. A new visitor center at South Denali will showcase the south face of 20,320 foot Denali, accessible now by only the rugged.

Voters approved the bonds to build two new elementary schools in the South Palmer area and in the Knik-Goose Bay Road area. A \$12 million nutrition services center is now serving up 8,000 school meals a day. A \$22 million Mat-Su Career & Technical High School is close to completion and will begin training for likely the state's next nurses, welders, chefs, architects, engineers, and IT specialists, among other professionals.

Our bond rating is as solid as ever. Standard & Poor's gives the Mat-Su Borough an A+. Our consistently strong credit helps reduce bond rates and save taxpayers money overall.

The summer of 2006 also hit us with a historic flood, later declared by President Bush as a federal disaster. Although many roads, bridges, and homes were damaged, thankfully, no human lives were lost. Much credit goes to the many agencies, dedicated volunteers, and Borough employees who worked long hours together to anticipate critical needs, to respond to calls for help, and to minimize damage.

May the fiscal year 2007-08 be not quite so interesting, but equally productive. We have a great team working together at the Borough on your behalf. Take a look inside.

Sincerely,



Curt Menard, Borough Mayor



John Duffy, Borough Manager



Borough Assembly



Top Row: **Cindy Bettine** - represents District 5 Knik-Goose Bay , Fairview – Snowshoe, Settlers Bay, Point MacKenzie, Hollywood Road and Big Lake areas; **Tom Kluberton** - District 7 Vine Road on the Parks Hwy. to the Denali Borough, Lake Louise west to the Kichatna Mountains; **Bill Allen** - District 2 Palmer and greater Palmer; **Rob Wells** - District 6 Hatcher Pass, Wasilla Fishhook, Schrock, and Memory Lake; **Michelle Church** - District 3 Trunk Road to Seward Meridian area. Front Row: **Mary Kvalheim** - District 4 Seward Meridian to Vine Road, including Wasilla. **Mayor Curt Menard**; **Lynne Woods** - District 1 Maclaren River to Lake Louise, from Glacier View south along the Glenn Highway to Fishhook, from Lazy Mountain south to Knik River.

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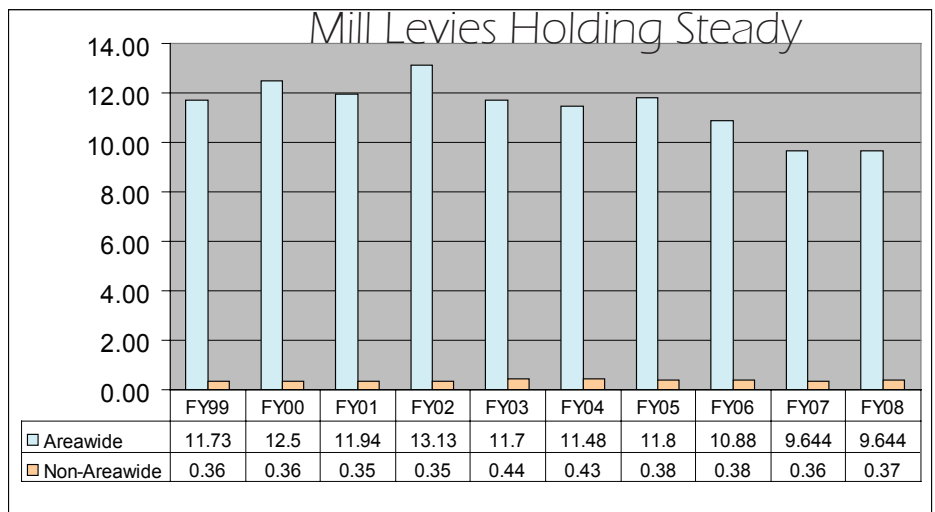
District 7 Tom Kluberton 841-7107
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Balancing the needs of education and public services while maintaining reasonable property taxes is a tough equation every year for the Assembly. In 2007, the Assembly followed through with its promise to reduce property taxes at a time of increasing demands on public services. With state help, the Assembly was able to hold the mill levy steady and give property owners tax relief. Tax rebates start at \$117 for an average (\$223,000) house on the 2008 tax bill.

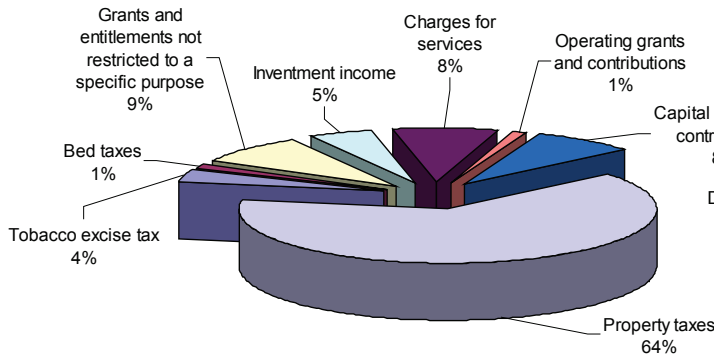
Taxes pay for emergency medical services, trails, pools, ice arenas, libraries, animal control, fire suppression, road maintenance, solid waste, disaster response, and repairs to schools, among other services.

With these dollars, Assemblymembers focus on building healthy communities that are confronted with record growth. We were the 28th fastest growing community in the nation in 2005. For the past decade that has meant building a new school nearly every year.

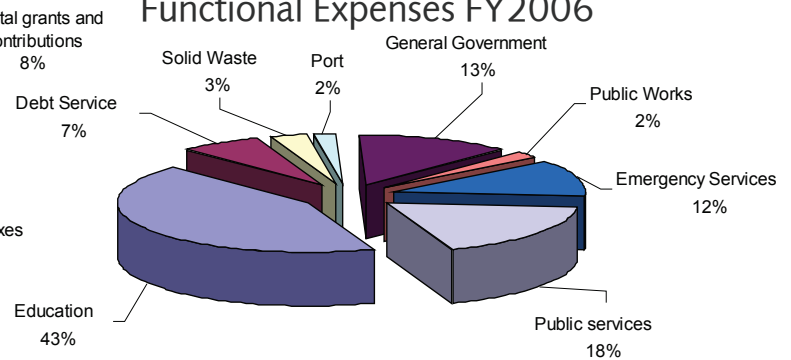
Assemblymembers remain committed to scrutinizing expenses. The mill levy in FY08 is 0.66 mills below the existing tax cap or \$4.5 million in less spending. As our economy grows more sophisticated, the tax burden will be diversified. The hundreds of subdivisions that have been built in recent years have contributed to a population base that now attracts national commercial businesses. The Assembly is taking steps to encourage the development of both tourism and agriculture to benefit our economy.



Revenue Sources FY2006



Functional Expenses FY2006



Some of the costs to run the 28th fastest growing community in the nation

One ambulance of our 18 Mat-Su ambulances in 2006
 annual wages = \$151,791.39
 vehicle = \$15,555 (amortized 7 years)
 capital = \$17,200
 telecommunications = \$17,250
 operating costs = \$165,190



One fire station of the 21 stations in 2006
 capital costs = \$131,420
 annual wages = \$86,843
 fire truck = \$49,523
 telecommunications = \$28,053
 operation costs = \$293,646



One school of our 15 elementary schools, in 2006 = \$12 million capital
 Yearly costs at Snowshoe Elementary:
 principals/teachers wages = \$1,869,089 } benefits = \$1,646,645
 support staff wages = \$238,166
 operations = \$234,787
 supplies = \$57,900



Robert Scott/MSB

Did you know...

- Every year the Borough pays \$150,000 to repair vandalized road signs.
- The Public Works Dept. manages 989 miles of roads and this year \$145 million in capital projects.
- 512 people visited the pool in Wasilla, making it a record day for visitation.
- The cost of a new cell for garbage at the landfill is \$4 million. Cells fill up about every four years.
- During the location process for a new prison the Borough Web site had 44,449 hits by visitors.

Education

For the past six years, the school district grew in student body by nearly a school a year. It's only news now when the enrollment rate starts to slow. No where else in the state is such growth taking place. Newcomers are drawn here by new jobs, affordable housing, land, and the great quality of life.

Mat-Su students stand out in the state. Forrest Lamb of Academy Charter School won the Alaska State Spelling Bee and represented us in the National Spelling Bee in Washington, D.C. Teeland Middle School made its fifth straight appearance at the National Science Olympiad in May after taking first in the state yet again. Sports programs are strong. Wasilla High School Boys and Girls Basketball teams both won state championships. The Colony High School Wrestling Team took first place in the state championship.



Residents support schools. In 2006 Mat-Su voters approved the construction of two new elementary schools by passing general obligation bonds at the polls. The \$13 million Knik Elementary School joins the existing Goose Bay Elementary School to form a campus in the fastest growing region of the state. The South Palmer area elementary will get underway in 2008.

The \$22 million Mat-Su Career & Technical High School will begin the training for the state's next generation of nurses, welders, chefs, architects, engineers, and mechanics. The Career center will maintain the Mat-Su reputation for offering the best vocational education program in Alaska.

The \$12 million Kurtis D.K. Arcala Nutrition Services Center began serving up to 8,000 meals a day. The Center was named after a Palmer High graduate who was killed in Iraq.



EDUCATION IS A BIG INVESTMENT

In 2006, 79 percent of an average homeowner's property taxes went to education or \$43 million in local property taxes. The state funded \$117 million.

Top: Shaw Elementary; right: Mat-Su Career & Technical High School; bottom: Kurtis D. K. Arcala Nutrition Services Center.



Patty Sullivan/MSB

At the Ketchikan Shipyard Aug. 24, 2006, U.S. Sen. Lisa Murkowski gave the \$44 million ship its ceremonial start to construction by signing the keel plate, a nod to shipbuilding tradition. The signed plate will be a permanent fixture on the ship. Murkowski is the ship's sponsor. The Senator donned a welder's hood and, with some help, traced a blue-hot flame over her signature in chalk.

Half a billion in capital projects are underway in the Mat-Su. That's a lot of welding and hammering for a community of 77,000, and more investment than many larger counties can claim. The funding comes through a mix of local property taxes, state, and federal dollars. Many of the projects are aimed at building new infrastructure and diversifying the local economy beyond retail to give relief to the local property taxpayer.

Roads in the Mat-Su got \$42 million in federal and state funding in 2006. The Borough requested comparable funding for our roads this year. To avoid gridlock on main roads, some \$1.2 billion will be needed over the next 20 years, according to Borough Planning Director Murph O'Brien.

A ferry that has stretched the minds of the best naval engineers in the world will be delivered to the Matanuska-Susitna Borough in 2009. The MV Susitna will not only be the first to vary its draft, but also the first ice-breaking catamaran to break ice in the world. The ferry is a prototype for the U.S. Navy.

The \$4.5 million ferry terminal building was completed this year. The 7,000 square foot, two-story facility, will provide shelter for ferry passengers awaiting transit across the Arm. Port offices will be located on the second floor.



Marc Van Dongen/MSB



Patty Sullivan/MSB

Alaska Dept. of Corrections Commissioner Joe Schmidt talks about inmate behavior with Mat-Su Assemblymember Michelle Church during a tour of the Seward prison.

The Mat-Su welcomes the smaller prison near Point MacKenzie. The prison will house up to 1,200 inmates as part of a regional expansion of state facilities. The new prison is expected to have 250 prison staff jobs with good pay (\$48,000/year average income) and benefits. The construction industry will get a boost from more jobs. Development-related impacts are going to be smaller than what was originally planned at 2,251 beds.

Ramping Up

Six million acres of wildland, one ribbon of road, as the National Parks Service description goes. In 2006, one after another, 415,935 visitors pulled into Denali National Park to view North America's tallest mountain. Another road, outside the National Park, with a view of the mountain's other face has been talked about since the 1960s.

The Mat-Su Borough, the National Park Service, and the State have recently gotten approval to develop a Denali recreation project for the south side, in part, to reduce the increasing pressure on this jammed visitor corridor. The \$26 million visitor center will be in Denali State Park, highlighting the south face of 20,320 foot Denali, an aspect only accessible to rugged bushwhackers now.

Visitors can drive the 3 1/2 miles of road to the visitor's center and be as independent as they like. The project will provide a northern anchor for adventure such as snowmobiling, hiking, and camping. Some 13 miles of trails at the site will link into the Borough's trail system. Near the Parks Highway a parking lot will fit 300 cars and 150 buses.



Tom Bo/courtesy of MSCVB

More parking, campgrounds, and trailhead improvements are part of the plan. Such visitor infrastructure is overdue when considering the growing tourism industry in the Upper Susitna Valley. About 71 percent of the taxes collected from overnight stays in the Borough come from the Upper Valley.

Curry Ridge is the scenic site for the proposed 16,000-square foot visitor center on four acres east of the George Parks Highway, some 35 miles north of Trapper Creek.



Marc Van Dongen/MSB

Port MacKenzie is the northernmost deep-draft dock in North America. A five-foot wide conveyor at the dock can load 2,000 tons per hour of bulk commodities.

A tenant, NPI, LLC, recently built a 20,000-square foot warehouse for bulk commodities such as cement. Another tenant at the Port, is AMC. Alutiiq Manufacturing Contractors partnered with an oilfield service company to build 14 truckable modules for the North Slope in 2006.

Now the Borough is poised for connecting to the mainline of the Alaska Railroad. This new 43-mile rail connection will open up natural resource development in the Interior. Shipping bulk natural resources through Port MacKenzie as opposed to other southcentral ports would save exporters \$257 to \$928 million over 30 years, assuming transport of 10 million tons per yer. The Port's 8,940 acres provides space for bulk resource storage and processing like no other port in Alaska.

When FEMA officials visited during the flood recovery they remarked upon how well the disaster was managed and the damage accounted for. So far \$967,200 has been spent on damage to public property such as to roads and culverts. Both the State and FEMA have agreed to reimburse that amount of the loss.



The 2006 Mat-Su Flood Disaster brought together hundreds of agency employees and volunteers to help out. Rivers crested at record levels. Water crossed the Parks Highway at Houston, forcing one-lane traffic and home evacuations. Rushing currents took out a few bridges, including the abutment for the Troublesome Creek Bridge on the George Parks Highway. Later a mudslide on the Old Glenn Highway temporarily covered it. The Emergency Operations Center managed the chaos for six days in August before recovery operations took over.



Jack Homer/MSB

The current tore away the abutment of Troublesome Creek Bridge on the George Parks Highway during the 2006 Mat-Su Flood. It took Dept. of Transportation employees just three days to reopen this vital approach at mile 137 to traffic.



Patty Sullivan/MSB

Palmer dispatchers Myra Lanthie (left) and Amy Hoskinson (right) work with the new computer-aided dispatch.

The Mat-Su Borough Department of Emergency Services updated the E-911 and Dispatch Center with a computer-aided dispatch (CAD) system. The Dispatch Center had no computer assistance in the day-to-day dispatch of law enforcement, fire, EMS and rescue calls. The CAD system includes a sophisticated mapping system integrated with a GIS (geographical information system) data base to accurately find any location within the Mat-Su Borough when a call comes in.

We are prepared

Central Mat-Su, also known as Wasilla-Lakes Fire Service Area, is the state's second largest fire district in terms of population and size. Each year fire calls for Central continue to rise, topping 1,100 calls for 2005. More frequent fire inspections and safer buildings, that's the change steadily sweeping through the Wasilla Lakes Fire Service Area after the fire marshal authority was deferred to local inspectors. The State Fire Marshal's Office requires that certain buildings such as churches restaurants, bars, sports facilities, schools and daycare, hospitals, hotels, assisted living and multi-family housing with 15 or more units, all be inspected once every two years. But Wasilla Lakes FSA decided to increase the number of inspections. The two inspectors have been productive. More than 75 percent of those inspections were completed in the first four months of the new program. Inspectors can now focus on inspecting potential hazard areas such as our large box stores and mercantile type occupancies.



The \$410,000 Command Van brings faster communications. The federally-funded Mat-Su Multi-Agency Mobile Command Van will serve as a forward command post during emergencies, drills, and large-crowd events.



Dennis Brodigan/MSB

Fire retardant is dropped to smother the flames in May 2006 on the Point MacKenzie Road fire, where some 700 acres burned. Many residents turned to the Borough Web site for the latest information during this fire.



Fuel for fire at Horseshoe Lake.

With pockets of fire-prone black spruce growing between subdivisions, it's not surprising that some communities in the Mat-Su took it upon themselves to be ready for fire. In fact Horseshoe Lake, a subdivision near Big Lake became the first Firewise Community in Alaska. Firewise Communities USA is a program of the National Wildfire Coordinating Group's Wildland/Urban Interface Working Team. Cathi Kramer, a resident of Horseshoe Lake, organized her neighbors to learn how to make their home safer from the threat of wildfire. Many homes around Horseshoe Lake, including the Kramer residence, were destroyed by the devastating 1996 Miller's Reach Fire.

The Borough's Wildfire Mitigation Education Program guided her efforts. The Borough program received recognition through an Alaska Municipal League award for Education & Local Government. Beatrice Adler and her team, Michieal Abé and Nancy Taylor, coordinate the program.



MICROSOFT LAUDS MAT-SU IN CASE STUDY

Take the case of the Mat-Su Borough Information Technology Office drawing the notice of computer giant Microsoft. Mat-Su IT broke new ground when it migrated the Borough's network infrastructure onto a new platform in little time and with great efficiency in 2005. The new solution helped IT reduce costs by more than 60 percent. Microsoft published a case study on the feat and promoted it on its Web site.



Alisha Deans/MSB

Randy Jones, Network Administrator, made room for expansion by splitting this tangled communications cabinet into two. Previously the computer patch cables for two floors ran into this box. Now each floor has its own cabinet. And the cables are color coded adding to the organization.



Patty Sullivan/MSB

Two elementary school kids can handle the public trail up the Butte.

Over 2,005 MILES OF TRAILS

The Mat-Su Land & Resource Division set a goal of 2,005 miles of dedicated trails in the Mat-Su. That's like running the Iditarod Trail to Nome and back. It's also more than twice the miles of Mat-Su roads. The Division continues to pursue more recreational trail easements on not only public, or Borough and State lands, but also on Native and private lands. Documenting the trails protects the public's right to access remote parts of this scenic Borough.

SPOT, THE FIRST OF ITS KIND IN ALASKA

What do you do when your animal shelter is overrun and you can't bear to put down another happy dog? (In 2005, 517 adult dogs and 32 puppies were euthanized.) Find someone with the time and skills to train the dogs so adoption is too good to pass up.

That's the opportunity that Mat-Su Animal Care Chief Dave Allison saw when he pushed for a partnership between the Mat-Su Borough and the Alaska Dept. of Corrections for SPOT, Shelter Pet Obedience Training program. The program is practiced nationwide, but is the first of its kind in Alaska. In 2006, 40 abandoned or abused dogs got a new life by graduating through the program. By the program's one-year anniversary 60 dogs had been saved.



A Hiland inmate says goodbye.

Patty Sullivan/MSB

For the female inmates at Hiland Mountain Correctional Facility in Eagle River, the program gives them a chance to be someone other than their criminal sentence. It's not uncommon at dog graduations for an inmate and new owner to embrace and blush at their own public tears over a dog that started life with hard knocks.

MAT-SU EARNS ALASKA COMMUNITY EXCELLENCE AWARD



Alsha Deans/MSB

The Mat-Su Planning Dept. drew honors from the Alaska Municipal League (AML) a nonprofit group of 140 cities, boroughs, and municipalities in 2006. The Alaska Community Excellence Award was for rewriting an out-of-date chapter in Borough code on subdivisions. The old subdivision chapter still lingered in the 1980s when the economy had bottomed out and property values had dropped 38 percent. The new rewrite, Title 27, brought Borough code up to speed. It appreciated that in the past six years, the Mat-Su has grown by 30 percent. Supplying all the new residents with homes were the plentiful new subdivisions going in. Tremendous public participation with diverse stakeholders went into the preparation of the document, a nearly six-year effort.

A NEW TOOL, BIG LAKE WATERSHED ATLAS

The "Big Lake Watershed Atlas," a 138-page document is the first Borough atlas of wetlands. It covers about ninety square miles of watershed.

This document could help protect wetlands and improve planning for land use. Last fall, several residents in downtown Big Lake were flooded, likely by the interruption of the natural drainage of a local creek.

GIS Manager Tom Herschbach and Water Quality Coordinator Lynn Fuller are already working on the next watershed atlas for the Cottonwood Creek and Wasilla Creek drainages.

Greg Goodale, Solid Waste Division Manager, heads the Central Landfill, which of all Borough



Patty Sullivan/MSB

services drew the highest praise from Mat-Su residents in a household survey in 2006.



This 2006 annual report was produced by the Office of Public Affairs to give Mat-Su residents information about Borough issues. Public Affairs Manager Patty Sullivan (907) 745-9577. Design help from Chuck Pluard and Alisha Deans.

Cover and back photos by Calvin Hall