



MATANUSKA-SUSITNA BOROUGH

Office of the Borough Manager

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8689 • Fax (907) 861-8669

Mike.Brown@matsugov.us

MEMORANDUM

DATE: June 9, 2021
TO: Mayor and Assembly
FROM: Michael Brown, Borough Manager
RE: Manager's Weekly Post

Landfill Material Extraction: Material extraction is a necessary part of building cells for disposal of collected solid waste. Each cell is designed and constructed for the type of waste to be stored. Landfill cell construction is regulated and approved by the Alaska Department of Environmental Conservation (ADEC).

In the past few years, Central landfill has had to build cell 4 to accept municipal solid waste (MSW) and the construction and demolition debris (C&D) cell that was partially completed to accept construction and demolition material. These cells were built with no cost to extract gravel saving the Central Landfill approx. \$5 million. At the time of building these cells, Alaska Sand and Gravel (AS&G) needed the gravel material for projects near the landfill and future use at their nearby site. Later that contract was terminated because AS&G no longer needed that material.

Since that time, Central Landfill has published two separate requests for bids hoping to find another customer to extract the gravel for their own use at no cost to the Borough. The Borough received no offers on either solicitation.

Currently, the C&D cell has 577,000 cubic yards of material remaining to extract. Once this gravel is removed from the C&D cell an additional estimated 15 years of life will be added to the cell. If the Borough chose not to excavate the rest of this cell and use it as is, we would not only lose a significant amount of space to bury debris, but we would have to build a new cell much sooner.

Solid Waste Division intends to use the gravel extracted from the C&D cell. Solid Waste and O&M are jointly planning how extracted gravel can be used in the Borough for things such as Borough construction projects, selling material, etc. In the near term Solid Waste intends to stage some material to create sand and gravel chips that O&M can purchase for winter road traction material.

Solid Waste Division also intends to use some of the material for a new access road to the landfill. This project is in conceptual development to be executed in several years. The idea is to move the main access

to the landfill off 49th State Street and onto the landfill through a new entrance improving safety and traffic flow for the local community. The extracted material will be moved to where the new entrance road is intended saving the landfill road construction costs.

Lastly, any unusable material has already been approved by ADEC for use as alternative daily cover in the C&D cell and cells 3 and 4.

Summary on Planning and Platting Division On-Call Positions: The Planning Department is requesting to use FY2021 operating funds to hire two on-call positions.

The Platting Division has had a surge in platting cases which the Division has struggled to keep up with due to a variety of factors including staff turnover and prolonged vacancies. An on-call Platting Technician will help the Platting Division get through what is thought is to be a temporary surge.

The Planning Division has a wide variety of projects they are currently working on and has identified several other important projects that have not been initiated due to capacity issues. An on-call Planner I is requested in order to assist existing staff as they work to initiate, continue, and complete a wide variety of projects.

Employee Health Plan Update: Employee health benefit costs make up a significant portion of an employer's overall benefit expense. Given this, reviewing health plan usage and costs, engaging and educating employees, and managing plan design is essential.

The Borough is self-insured which provides for more flexibility in plan design and benefits. As a self-insured plan, instead of paying an insurance company to pay medical, dental and vision claims, we pay the claims ourselves, using a third-party administrator (TPA). The TPA processes and pays the claims on our behalf, in accordance with the Borough's health plan, and provides data regarding usage and cost. The Borough reviews the health plan cost and usage quarterly, and strives to balance the needs of the workforce while managing costs.

On June 9, 2021 the Borough's Health Care Committee met to review information for Quarter 1 - Quarter 2 of the 2020/2021 Plan Year (November 1, 2021 through March 31, 2021). Total net paid claims for this period were \$3,873,381 or \$1,766 per employee per month (PEPM), which puts our position to expected liability at 84.7%. This was a 4.3% decrease in total claim costs from the full prior plan year (\$1,846 PEPM).

Following are highlights from our review and comparison to the same period last year:

- Medical (not including stop loss reimbursement): 22.8% decrease in gross costs
- Prescription Drugs: 2% increase in gross costs
 - The number of prescription drugs purchased increased by 3.8% and the cost per claim increased by 2.2%.
 - Utilization of "generic" prescription drugs decreased slightly, and there was a continued increase in utilization of "brand name" drugs.

- Dental: 14.4% increase in gross costs. The increase in dental costs is attributed to normalization of services post-COVID-19.
- Vision: 21.5% increase in gross costs. The increase in dental costs is attributed to normalization of services post-COVID-19.
- Large Claims (over \$35,000): 32.5% decrease in total paid. The decrease in large claims paid is attributed to the decrease in the number of large claims.

Many of the cost containment strategies and plan design changes implemented have been instrumental in effectively managing the Borough's health plan costs. For example, the AETNA utilization has been strong with 62.3% savings for the 2020/2021 plan year to date, and renewal of Caremark as our Plan's Pharmacy Benefit Management (PBM) vendor will result in a 5.8% improvement in pricing with the estimated savings to be approximately \$53,000. Additional strategies are being considering that will help to mitigate increasing health care costs.

If you have any questions regarding the information provided herein please do not hesitate to contact Sonya Conant, HR Director at (907) 861-8432 for additional information.

Public Affairs Media Flyover:

Assembly

- [Wetlands mitigation ordinance fails Assembly](#)
- [Protest filed on Houston Middle School reconstruction project](#)
- [Assembly narrowly approves lower transfer site and landfill fees](#)

Community

- [AWG Board Volunteers needed](#)

Trails

- [National Trails Day kicks off a return to trail volunteering](#)

State

- [State rolls out tourism grants](#)

Fisheries

- [Low king counts to close Anchor, Deep Creek to fishing](#)

Technology

- [MTA partners with school district on Girls Who Code program](#)

Schools

- [School Board tables election changes resolution](#)
- [School Board thanks school staff after school year](#)

Future Events: Mat-Su Convention and Visitors Bureau President & CEO Bonnie Quill will provide an update at the June 15, 2021 Assembly meeting.