



MATANUSKA-SUSITNA BOROUGH

Office of the Borough Manager

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MEMORANDUM

DATE: September 22, 2021
 TO: Mayor and Assembly
 FROM: Michael Brown, Borough Manager
 RE: Manager's Weekly Post

Motor Vehicle Tax Distribution: In 2020 legislation was approved to change the allocation of Motor Vehicle Taxes. Under the old formula RSAs received \$8 per capita, FSAs and other service areas received \$2-\$3 per capita and the Cities received \$7 per capita. The current formula allocated \$20 per capita to all Cities and RSAs. Any remaining tax is allocated to the Bridge & Railroad Crossing Major Maintenance & Repair Project. The allocation to the RSAs for Fiscal Year 2022 is as follows.

AREA	2021 AMOUNT	2022 POPULATION	2022 AMOUNT
CITY OF HOUSTON	43,040	2,129	42,580
CITY OF PALMER	123,110	6,026	120,520
CITY OF WASILLA	178,030	9,007	180,130
SERVICE AREAS			-
MIDWAY R.S.A.	127,580	6,410	128,200
FAIRVIEW R.S.A.	176,200	8,853	177,060
CASWELL R.S.A.	-	3,243	64,860
SOUTH COLONY R.S.A.	290,020	14,572	291,440
KNIK R.S.A.	300,200	15,084	301,680
LAZY MOUNTAIN R.S.A	38,800	1,950	39,000
GREATER WILLOW R.S.A.	99,000	4,974	99,480
BIG LAKE R.S.A.	183,140	9,202	184,040
NORTH COLONY R.S.A.	19,780	994	19,880
BOGARD R.S.A	278,580	13,997	279,940
GREATER BUTTE R.S.A.	113,700	5,713	114,260
MEADOW LAKES R.S.A	207,140	10,408	208,160
GOLD TRAILS R.S.A.	306,320	15,391	307,820
GREATER TALKEETNA R.S.A	72,800	3,658	73,160
TRAPPER CREEK R.S.A.	24,760	1,244	24,880
ALPINE R.S.A.	45,560	2,289	45,780
TOTAL SERVICE AREAS			2,359,640

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 September 21, 2021 the Borough's Health Care Committee met to review the 2020/2021 Plan year-to-date information (November 1, 2020 through August 31, 2021). Total net paid claims for this period were \$7,726,416 or \$2,126 per employee per month (PEPM), which puts our position to expected liability at 99.3%. This was a 15.2% increase in total claim costs from the full prior plan year (\$1,846 PEPM). Total paid claims for April through August 2021 exceeded expected liability by approximately 20% each month, while claims for the prior five (5) months were under the expected liability by approximately 15.7% each month.

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

- Medical (not including stop loss reimbursement) – 16.5% increase in gross costs. This increase in medical costs is attributed to large claims over \$50,000, six of which have exceeded our stop loss deductible of \$175,000. None of the claims appear to be COVID related or due to deferment of care due to COVID. This data does not include claims related to the recent spike in COVID cases.
- Prescription Drugs – 0.2% increase in gross costs.
- Dental – 8.6% increase in gross costs. The increase in dental costs is attributed to the continued normalization of services post-COVID-19.
- Vision – 17.5% increase in gross costs. The increase in vision costs is attributed to the continued normalization of services post-COVID-19.
- Large Claims (over \$35,000) – 30.4% increase in total paid. The increase in large claims paid is attributed to the increase in the number of large claims (10 more than the same period last year).

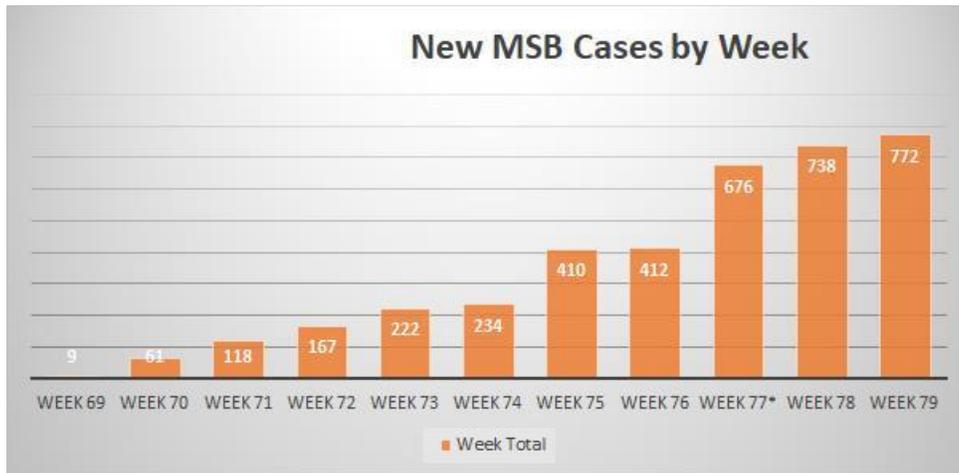
Many of the cost containment strategies and plan design changes implemented have been instrumental in effectively managing the Borough's health plan costs. For example, the AETNA utilization has been strong with 59.4% savings for the 2020/2021 plan year to date. Additional strategies are being considering 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.

Bond Sales Schedule: The Borough is putting together a bond sale for \$53,865,000. It includes \$12,000,000 from the 2018 voter approved transportation bonds for the projects that have CTP match from the State and \$41,865,000 to refund 2012 through 2014 school and transportation bonds previously issued. The projected savings from the refunding is 11% over the life of the bonds. In dollars this is approximately \$4-5 million. The calendar for the issuance is below.

- October 6: Introduce legislation for the approval to issue \$12,000,000 in new debt. Approval was previously obtained for the 2012 – 2014 bond refunding.
- November 3: Rating Agency Presentations
- December 1: Bond Pricing (Sale)
- December 15: Bond Closing

COVID-19 Update: New cases are up from the previous week. Vaccinations are holding steady compared to previous weeks. The Borough has 34,884 persons who are fully vaccinated.



Public Affairs Media Flyover:

Assembly

- [School Board member recognized for nearly two decades of service- Frontiersman](#)

COVID

- [Choices difficult inside Alaska’s inundated hospitals – ADN](#)

State

- [Governor Dunleavy welcomes two new communications staffers – State of Alaska-press release](#)
- [Testifiers rebuke preliminary maps by redistricting board](#)

Cities

- [Wasilla returns to mask requirement in city buildings](#)

Elections

- [Local elections upcoming - Frontiersman](#)
- [Valley election officials confident in Dominion voting equipment– Anchorage Free Press](#)

Schools

- [TikTok trend makes its way to Alaska Schools – ADN](#)

Resource Development

- [Alaska’s metal mines do well, despite pandemic](#)
- [Dunleavy vows to fight Biden admin over Alaska’s resources](#)

Fisheries

- [New Board of Fisheries nominee has roots in Soldotna - KDLL- Kenai Public Radio](#)

Future Events:

13th Annual Emergency Preparedness Expo, Saturday, September 25, 2021 from 10am-3pm, Menard Center