



MATANUSKA-SUSITNA BOROUGH

Office of the Borough Manager

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MEMORANDUM

DATE: September 28, 2022
TO: Mayor and Assembly
FROM: Michael Brown, Borough Manager
RE: Manager's Weekly Post

Alaska LNG Follow-Up: Below is a follow-up from Alaska Gasline Development Corporation to the questions that came up during the Alaska LNG presentation at the September 27, 2022 Assembly Meeting.

1) How much gas from the pipeline would be available for Alaskans?

There isn't a regulatory limit at this point. The current basis of design uses a projected high demand case for in-state gas of 500 million cubic feet per day. That is about twice the amount of gas we use in state now and approximately 20% of the amount that will be exported.

2) How many jobs were created by the Trans-Alaska Pipeline System (TAPS) in comparison with the estimate for the Alaska LNG Project?

Online sources indicate the peak TAPS construction workforce was about 23,000, and there was a peak of about 1,500 longer term operations and maintenance jobs.

In comparison, the Alaska LNG Project is estimated to have a peak of 12,000 direct construction jobs and about 1,000 long term operations and maintenance jobs. In addition, there would be indirect jobs such as food service, transportation, etc.

It may be worth noting there are structural and logistics differences between the two projects. For example:

- Alaska LNG will use existing infrastructure (gravel pads, access roads, etc.) where available, such as when the gas pipeline is in proximity to TAPS and road systems;
- TAPS was about 50% above ground and 50% buried, while Alaska LNG will be mostly buried; and
- TAPS build out included 12 pump stations (although one didn't end up being needed), whereas the Alaska LNG Project has 8 compressor stations and a heater station.

Employee Health Plan Update: Employee health benefits are a significant portion of an employee's overall compensation, and influences employee recruitment and retention. Additionally, health care costs are a significant contributor to an employer's overall benefit

expense. Given these, 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, the Borough pays the claims, using a third-party administrator (TPA). The TPA processes and pays the claims, in accordance with the Borough’s health plan, and provides data regarding usage and cost. The Borough reviews health plan cost and usage quarterly, and strives to balance the needs of the workforce while managing costs.

For the first three quarters of the current plan year (November 1, 2021 through July 31, 2022), total plan expenses were \$9,122,463 or \$2,711 per employee per month (PEPM), which puts our position to expected liability at 99.4%. This was a 15% increase in total plan costs from the same period last year.

The following are highlights compared to the same period last year:

- Medical (not including stop loss reimbursement) – 30.7% increase in gross costs
- Prescription Drugs – 5% decrease in gross costs
- Dental – 1.1% decrease in gross costs
- Vision – 7.8% decrease in gross costs
- Large Claims (over \$35,000) totaling \$5,186,313 have been paid year to date on behalf of 42 claimants – accounting for 57% of the year to date total plan expenses

The Borough purchases stop loss insurance to protect the health plan from unpredicted or catastrophic claims. Stop loss insurance reimburses the health plan for claims above a specific dollar amount.

The following chart shows the annual premium paid for stop loss insurance and the reimbursements received for claims that exceeded the established threshold. An Assembly member requested this information at the September 27, 2022 Assembly meeting:

Plan Year	Annual Premium	Annual Reimbursement
2012-2013	\$ 1,103,735	\$ 539,596
2013-2014	\$ 953,562	\$ -
2014-2015	\$ 996,597	\$ 258,789
2015-2016	\$ 1,054,503	\$ 162,514
2016-2017	\$ 962,374	\$ 583,109
2017-2018	\$ 863,201	\$ 291,934
2018-2019	\$ 981,744	\$ 673,211
2019-2020	\$ 902,108	\$ 1,315,192
2020-2021	\$ 1,256,147	\$ 2,026,966
2021-2022	\$ 1,342,348	\$ 1,549,386

Many of the cost containment strategies and plan design changes implemented over the years have been effective in managing health plan costs. However, plan design changes will aid in a more sustainable health plan over time. The following is a list of upcoming changes intended to provide options, ensure health plan sustainability, and drive stewardship:

- **Transparent Implementation:** September 1, 2022, the existing program (formerly BridgeHealth), which includes medical tourism and virtual physical therapy was enhanced with the addition of oncology care, health guides, and teledoc benefits.
- **Capstone Primary Care/Near Site Clinic:** October 1, 2022, members covered by the Health Plan can receive primary care, preventative care, and urgent care, with no cost and no co-pay, at one of the 3 Capstone clinics located in Wasilla and Palmer.
- **TPA change:** November 1, 2022, the TPA for the Health Plan will change from EBMS to Allied. Improved customer service and plan administration is expected as a result.
- **Plan Design Changes:** January 1, 2023, Borough employees will have 3 plan options and tiered coverage levels:
 - Three plan options have varying deductibles and out-of-pocket limits. A health reimbursement account (HRA) is also included for those who choose a higher deductible plan option.
 - Tiered coverage levels will allow employees to choose who will be covered under the plan. Options include Employee Only; Employee and Child(ren); Employee and Spouse; and Employee and Family.
 - Monthly contributions will vary based on the plan type and coverage level.
- **Plan year change:** The plan year is changing from November 1-October 31 to January 1 through December 31.

During the month of October, a number of small information sessions will be held to engage with employees. Additional benefit information can be found at <https://benefits.matsugov.us/>.

Employees are encouraged to regularly review benefit information to ensure they are taking advantage of the benefits offered, and familiarize themselves with any changes made to the plan and any plan requirements (pre-authorization, preferred providers, etc.) that may affect benefit coverage and/or payment by the plan. If you have any questions, please do not hesitate to contact Sonya Conant, HR Director at (907) 861-8432 for additional information.

Bus Barn CUP Update:

- Initially, the Borough asked Durham to submit their Conditional Use Permit (CUP) by August 19, 2022. Staff set a proposed timeframe for the Planning Commission (PC) of September 19, 2022 for the introduction, and October 3, 2022 for the public hearing.
- MSB received Durham's application on August 15, 2022, and additional information was received on August 22, 2022. The CUP received on August 22, 2022, was incomplete and it was clear the applications would not make the proposed timeframes for the PC.
- The Borough provided Dowl Engineering, Durham's consultant, a letter requesting more information on August 23, 2022 to meet the specific requirements of the CUP.
- Dowl provided an update on August 28, 2022, indicating that Durham has employed a mitigation plan to prevent potential violations during the interim period before a potential CUP issuance. A summary of the plans are listed below:

Providing Outstanding Borough Services to the Matanuska-Susitna Community

1. Adjust and shift employee departure trips past peak hours.
 2. Employees can park off-site and Durham would provide shuttle services to their bus facility on Tanya Court.
- On September 27, 2022, MSB sent Dowl a comprehensive list of questions for an update.
 - The Borough will rely on Durham’s mitigation plan to prevent violations while the CUP is processed. MSB Code Compliance will continue to monitor and conduct random sampling.

Public Affairs Media Flyover:

MSBSD

- [Mat-Su school district passes policy implementing daily moment of silence](#)
Alaska's News Source
- [Opponents push back against Mat-Su school district bathroom policy](#)
Alaska Public Media

Community

- [9-year-old boy attacked by bear receiving care at Harborview in Seattle](#)
KATU
- [Bear attacks continued throughout the weekend, despite reports of bear being shot](#)
Frontiersman

Emergency Preparedness

- [Mat-Su Emergency Preparedness Expo takes place at the Menard Center](#)
KTUU
- [Emergency Preparedness Expo draws high attendance](#)
Frontiersman

Elections

- [Ranked-choice voting worked well, state election officials say. So did Dominion voting machines](#)
Frontiersman

Facebook Post

- [Mayor’s Minute Social Media Post](#)
- [Preparedness Expo](#) (3 live streams, 2 posts with photos)

Future Events:

- Thurs., Oct. 20, 2022 from 3pm to 7pm, Mat-Su Transportation Fair, Curtis D. Menard Memorial Sports Center, 1001 S. Clapp Street, Wasilla.