



KENAI PENINSULA BOROUGH

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**MIKE NAVARRE
BOROUGH MAYOR**

MEMORANDUM

TO: Dale Bagley, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MN*

FROM: Craig Chapman, Finance Director *C Chapman*
Stormy Brown, Human Resources Director *S Brown*

DATE: May 21, 2015

SUBJECT: Ordinance 2014-19- 60, An Ordinance Appropriating Supplemental Funding to the Borough's Health Insurance Fund to Cover Estimated Cost to be Incurred to the Borough's Health Care Plan For FY2015

The borough is self-insured for health insurance. As part of the FY2015 budget, the borough budgeted \$21,400 per covered participant for health insurance or \$1,783 per month. Based upon expenditures incurred through March 2015, the estimated cost of health insurance per covered participant is approximately \$2,008 per month.

Based upon the above it is estimated that the borough's Health Insurance Fund will need to increase the charges to the departments by \$743,140 to have the resources available to pay the total expected claims for Fiscal Year 2015.

The attached ordinance would appropriate funds to cover the estimated increase. Of the \$743,140 in additional contributions to the Health Insurance Fund, all but \$129,570 will be able to be absorbed into individual department/service area budgets.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No. <u>100.27900 (Fund balance)</u>	Amount <u>\$96,485.00</u>
Acct. No. <u>212.27900 (Fund balance)</u>	Amount <u>\$10,180.00</u>
Acct. No. <u>225.27900 (Fund balance)</u>	Amount <u>\$22,905.00</u>
Acct. No. <u>241.41010.00000.40321</u>	Amount <u>\$ 3,181.00</u>
By: <u>pp</u>	Date: <u>5/21/15</u>