

MEMORANDUM

TO: Brent Hibbert, Assembly President
Members of the Kenai Peninsula Assembly

THRU: Charlie Pierce, Mayor *CP*

FROM: Sovala Kisenia, Claims Manager *SK*
Brandi Harbaugh, Finance Director *BH*

DATE: July 22, 2021

SUBJECT: Ordinance 2021-19-07, Appropriating \$330,000 from the Insurance and Litigation Unrestricted Net Position for Additional Cost of Insurance Premium for FY2022 (Mayor)

The Kenai Peninsula Borough, including service areas, and the Kenai Peninsula School District, are self-insured for insurance including, but not limited to, property, liability, workers compensation and travel.

On June 28, 2021, the Risk Fund's Third Party Administrator (TPA) provided FY2022 insurance premium rates above the original estimated amount by approximately \$330,000.

The unanticipated increases primarily occurred in the property insurance premium as a result of adding and updating property values over the past year as well as an overall hardening of the insurance market, especially in the excess market.

This ordinance would appropriate \$330,000 from the Insurance and Litigation unrestricted net position to provide the additional funds needed to cover the increased premiums.

**FINANCE DEPARTMENT
ACCOUNT / FUNDS VERIFIED**

Acct. No. 700.27910 (net position)

Amount: \$ 330,000

By: *PP* Date: 7/19/2021