




Kenai Peninsula Borough

Finance

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor 

FROM: Brandi Harbaugh, Finance Director 
Sovala Kisenia, Claims Manager 

DATE: November 8, 2019

SUBJECT: Ordinance 2018-19- 22, Appropriating \$500,000 from the Insurance and Litigation Fund Balance for Additional Costs of Insurance Premiums and Claims Incurred in FY2019 (Mayor)

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

During FY2019, the number of potentially large claims and their associated reserves for costs has been higher than projected. The original FY2019 budgeted amount was based on historical claims experience. However, in the first four months of FY2019, a higher number of such claims have been recorded with aggregate potential liability estimated to potentially be up to a total of \$500,000. Additionally, the excess insurance coverage premiums were higher than projected.

This ordinance would appropriate \$500,000 from the Insurance and Litigation Fund Balance to provide the additional funds needed to ensure adequate funds are available for the increased premiums and claims received to date, as well as potential additional claims for this fiscal year.

**FINANCE DEPARTMENT
ACCOUNT / FUNDS VERIFIED**

Acct. No. 700.27910 (FB)

Amount: \$ 500,000

By: pp Date: 11/07/2018