



KENAI PENINSULA BOROUGH

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DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Gary Knopp, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: David R. Carey, Mayor *DR Carey*

FROM: Craig Chapman, Finance Director *C Chapman*

DATE: January 6, 2011

SUBJECT: Ordinance 2010-19-31, Reducing Charges from the Insurance and Litigation Reserve Fund to Users of the Fund

When the FY2011 budget was prepared it was estimated that the equity in the Insurance and Litigation Fund (Risk Fund) for FY2010 would decrease by \$391,925. Based upon this projected decrease, it was necessary to increase charges to the users of the Risk Fund for FY2011.

At the end of FY2010 the equity in the Risk Fund actually increased by \$1,387,882. Based upon this increase to the fund equity, the administration has recommends that charges to the users of the Risk Fund be reduced by 7.5 percent for FY2011. The Risk Management Committee is scheduled to meet and consider this ordinance on January 13, 2011. Its recommendation will be provided to the assembly prior to the January 18, 2011, assembly meeting.

This ordinance would also authorize an amount equal to the reduction in charges to the School Fund be moved from the insurance premium account to the school district operations account. It will have no impact on the cap.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>xxx.xxxxx.xxxxx.43510</u>
Amount	<u>\$304,923</u>
By: <i>CBW</i>	Date: <u>1/6/11</u>