



## KENAI PENINSULA BOROUGH

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**MIKE NAVARRE**  
**BOROUGH MAYOR**

### MEMORANDUM

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

**THRU:** Mike Navarre, Mayor *MN*

**FROM:** Craig Chapman, Director of Finance *C Chapman*  
Mark Dixson, Director of General Services *MD*

**DATE:** April 5, 2012

**SUBJECT:** Ordinance 2011-19-82, 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 FY2012

The borough is self-insured for health insurance. As part of the FY2012 budget, the borough budgeted \$17,000 per covered participant for health insurance. Based upon expenditures that have been incurred through March 2012, the estimated cost of health insurance per covered participant will be approximately \$19,850.

Based upon the claims that have been incurred, it is estimated that the borough's health insurance fund will need to increase the charges to the departments by \$849,000 to have the resources available to pay the total expected claims to be paid during fiscal year 2012.

The attached ordinance would appropriate funds to cover the estimated increase.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>Various Trust Balances</u>
Amount	<u>\$771,714.00</u>
By:	<u><i>CBW</i></u> Date: <u>4/5/12</u>