

# Kenai Peninsula Borough Finance Department

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## MEMORANDUM

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

**THRU:** Charlie Pierce, Mayor *cp*

**FROM:** Brandi Harbaugh, Finance Director *BH*

**DATE:** August 8, 2019

**RE:** Amendment to Ordinance 2018-19-39, To Record FY2019 Expenditures Paid by the State of Alaska Department of Administration, Division of Retirement & Benefits on Behalf of the Kenai Peninsula Borough Toward the Borough's Unfunded PERS Liability (Mayor)

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The administration respectfully requests the assembly approve the following amendments to this ordinance pursuant to the attached letter from the State of Alaska, dated July 24, 2019: (Please note the bold underlined language is new and the bold strikeout language in brackets is to be deleted.)

➤ Amend Section 1, as follows:

**SECTION 1.** That FY2019 revenue budgets are increased by the following amounts to reflect funds the Department of Administration, Division of Retirement & Benefits received on behalf of the Kenai Peninsula Borough:

<u>Fund</u>	<u>Amount</u>
General fund	<u>\$ 441,605.58</u>
Nikiski Fire Service Area	<u><del>116,066.00</del></u>
Bear Creek Fire Service Area	<u>7,841.00</u>
Anchor Point Fire Service Area	<u><del>17,060.00</del></u>
Central Emergency Services	<u>214,661.00</u>
Kachemak Emergency Service Area	<u>19,367.00</u>

North Peninsula Recreation Service Area	<u>35,447.00</u>
<b>[Eastern Peninsula Highway Emergency Service Area]</b>	
Road Service Area	<u>35,874.00</u>
School Maintenance	<u>195,768.00</u>
Land Trust	<u>19,114.00</u>
Seward Bear Creek Flood Service Area	<u>5,723.00</u>
911 Emergency Communications	<u>52,217.00</u>
Solid Waste	<u>64,648.00</u>
Risk Management	<u>12,521.00</u>
	<u><u>\$1,237,912.58</u></u>

**SECTION 2.** That \$1,237,912.58 is appropriated to the following accounts:

<b>Fund</b>	<b>Department</b>	<b>Project</b>	<b>Object</b>	<b>Amount</b>
100	11100	00000	40221	<u>\$ 676.58</u>
100	11120	00000	40221	<u>14,858.00</u>
100	11130	00000	40221	<u>10.00</u>
100	11140	00000	40221	<u>6,250.00</u>
100	11210	00000	40221	<u>23,085.00</u>
100	11227	00000	40221	<u>32,295.00</u>
100	11230	00000	40221	<u>18,825.00</u>
100	11231	00000	40221	<u>56,038.00</u>
100	11232	00000	40221	<u>11,902.00</u>
100	11233	00000	40221	<u>3,496.00</u>
100	11235	00000	40221	<u>3,873.00</u>
100	11250	00000	40221	<u>16,592.00</u>
100	11310	00000	40221	<u>28,425.00</u>
100	11410	00000	40221	<u>14,902.00</u>
100	11430	00000	40221	<u>28,081.00</u>
100	11440	00000	40221	<u>27,636.00</u>
100	11441	00000	40221	<u>10,142.00</u>
100	11510	00000	40221	<u>36,239.00</u>

100	11520	00000	40221	<u>57,649.00</u>
100	21110	00000	40221	<u>32,761.00</u>
100	21135	00000	40221	<u>17,870.00</u>
206	51110	00000	40221	<u>116,066.00</u>
207	51210	00000	40221	<u>7,841.00</u>
209	51410	00000	40221	<u>17,060.00</u>
211	51610	00000	40221	<u>214,661.00</u>
212	51810	00000	40221	<u>19,367.00</u>
225	61110	00000	40221	<u>35,447.00</u>
<b>235</b>	<b>51710</b>	<b>00000</b>	<b>40221</b>	
236	33950	00000	40221	<u>35,874.00</u>
241	11235	00000	40221	<u>3,872.00</u>
241	41010	00000	40221	<u>191,896.00</u>
250	21210	00000	40221	<u>19,114.00</u>
259	21212	00000	40221	<u>5,723.00</u>
264	11255	00000	40221	<u>52,217.00</u>
290	32010	00000	40221	<u>23,524.00</u>
290	32122	00000	40221	<u>41,082.00</u>
<b>290</b>	<b>32150</b>	<b>00000</b>	<b>40221</b>	<u>6.00</u>
<b>290</b>	<b>32310</b>	<b>00000</b>	<b>40221</b>	<u>25.00</u>
<b>290</b>	<b>32570</b>	<b>00000</b>	<b>40221</b>	<u>11.00</u>
700	11234	00000	40221	<u>12,521.00</u>
				<u><u>\$1,237,912.58</u></u>



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Administration**  
DIVISION OF RETIREMENT AND BENEFITS

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333 Willoughby Avenue  
P.O. Box 110203  
Juneau, AK 99811-0203  
Phone: (907) 465-4460  
Toll-Free: (800) 821-2251  
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Alaska.gov/drb

July 24, 2019

BRANDI R HARBAUGH, FINANCE DIRECTOR  
KENAI PENINSULA BOROUGH  
144 N BINKLEY ST  
SOLDOTNA AK 99669-7520

Sent via email to: BHARBAUGH@BOROUGH.KENAI.AK.US

RE: FY2019 Employer On-Behalf Funding - PERS ER 180

During the 2018 legislative session, House Bill HB286 (HB286) passed providing on-behalf funding for PERS employer contributions for Fiscal Year 2019 (FY2018). HB286, Section 25 reads as follows:

*(b) The sum of \$135,219,000 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the **public employees' retirement system** as an additional state Contribution under AS 39.35.280 for the fiscal year ending June 30, 2019.*

HB286 at <http://www.akleg.gov/PDF/30/Bills/HB0286Z.PDF> (Section 2 and 25).

The Alaska Retirement Management Board approved the actuarially determined rate of 27.58% for FY2019, with HB286 providing an on-behalf rate of 5.58% for each FY2019 employer payroll. On-behalf funding is applied with the processing of each employer payroll with payroll end dates between July 1, 2018 and June 30, 2019 and fully received by the Division by July 15, 2019. A fully received and processable payroll must include payment, an employer summary, and any other required documentation (WIRE and ACH payments must have a corresponding Memo). All such payrolls have been processed, thus we have trued-up your account and made an adjusting entry.

Included is a report detailing the Employer On-Behalf Funding allocated for fiscal year 2019 payrolls. **This is your final adjusted statement for FY2019.** Please work with your accountant or auditor to determine where to show this funding on your financial statements. Feel free to contact me via telephone at (907)465-2279 or email at [tamara.criddle@alaska.gov](mailto:tamara.criddle@alaska.gov) if you have any questions or need additional information regarding HB286.

Sincerely,

A handwritten signature in blue ink that reads "Tamara Criddle".

Tamara Criddle, Accountant

**State of Alaska, Division of Retirement & Benefits**  
**FY2019 - HB286 Employer On-Behalf Detail as of 7/24/2019**  
**KENAI PENINSULA BOROUGH - ER 180**

Payroll Ending Date	On-Behalf		Total	
	Pension	Other Post-employment Healthcare		
07/06/2018	43,111.41	0.00	43,111.41	
07/20/2018	44,057.14	0.00	44,057.14	
08/03/2018	43,767.74	0.00	43,767.74	
08/17/2018	43,873.92	0.00	43,873.92	
08/31/2018	43,066.17	0.00	43,066.17	
09/14/2018	44,466.19	0.00	44,466.19	
09/28/2018	45,613.80	0.00	45,613.80	
10/12/2018	43,988.07	0.00	43,988.07	
10/26/2018	44,686.01	0.00	44,686.01	
11/09/2018	44,098.21	0.00	44,098.21	
11/23/2018	45,388.80	0.00	45,388.80	
12/07/2018	44,978.96	0.00	44,978.96	
12/21/2018	44,933.26	0.00	44,933.26	
01/04/2019	45,932.90	0.00	45,932.90	
01/18/2019	44,907.66	0.00	44,907.66	
02/01/2019	46,041.90	0.00	46,041.90	
02/15/2019	44,931.00	0.00	44,931.00	
03/01/2019	45,150.38	0.00	45,150.38	
03/15/2019	44,434.28	0.00	44,434.28	
03/29/2019	45,214.48	0.00	45,214.48	
04/12/2019	44,062.14	0.00	44,062.14	
04/26/2019	44,409.28	0.00	44,409.28	
05/10/2019	44,473.72	0.00	44,473.72	
05/24/2019	44,837.37	0.00	44,837.37	
06/07/2019	45,072.01	0.00	45,072.01	
06/21/2019	44,495.59	0.00	44,495.59	
06/30/2019	Year-End Adjustment	77,920.19	0.00	77,920.19
<b>TOTALS FOR KENAI PENINSULA BOROUGH</b>				
	<b>\$1,237,912.58</b>	<b>\$0.00</b>	<b>\$1,237,912.58</b>	

**DISCLAIMER:** The information contained in this letter is based on the specific facts and circumstances presented and cannot be applied to other facts and circumstances. This letter may contain a summary description of benefits, costs, rates, valuations, other calculations, policies or procedures for one or more pension or benefit plans administered by the Division of Retirement and Benefits, including but not limited to, the Public Employees' Retirement System, the Teachers' Retirement System, the Judicial Retirement System, the Supplemental Annuity Plan, the Deferred Compensation Plan, the AlaskaCare Employee Health Plan, or the AlaskaCare Retiree Benefit Plan. The Division of Retirement and Benefits has made every effort to ensure, but does not guarantee, that the information provided is accurate and up to date. Where this letter conflicts with the relevant Plan Document, the Plan Document controls.