



## KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

Toll-free within the Borough: 1-800-478-4441

PHONE: (907) 262-4441 • FAX: (907) 262-1892

www.kpb.us

MIKE NAVARRE  
BOROUGH MAYOR

### MEMORANDUM

**TO:** Dale Bagley, Assembly President  
Members, Kenai Peninsula Borough Assembly

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

**FROM:** Craig Chapman, Finance Director *CChapman*

**DATE:** August 20, 2015

**SUBJECT:** Ordinance 2014-19- 62, An Ordinance to Record Expenditures of \$9,532,675.35 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

As part of last year's legislative session, the Alaska legislature passed SB 119 which appropriated \$1 billion dollars to help defray the cost of increased employer contributions to the Public Employees' Retirement System (PERS) for fiscal year 2015. The purpose of this legislation was to contribute to the PERS system an amount estimated to be equal to the difference between the borough's budgeted PERS rate of 22 percent and the actuarially determined rate of 44.03 percent. However, SB 119 provided more funding than statutorily required, resulting in a total contribution rate of 64.41 percent. Pursuant to the attached letter from the Division of Retirement and Benefits dated August 5, 2015, the amount contributed on the borough's behalf for FY2015 is \$9,532,675.35.

Generally Accepted Accounting Principles require that the borough record expenditures paid on its behalf. This ordinance amends the budget to reflect these expenditures; there will be no impact to fund balances of any fund as revenues equal to the expenditures will also be recorded.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>N/A</u>
Amount	<u>N/A</u>
By:	<u>pp</u> Date: <u>8/19/15</u>