



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Kelly Cooper, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MN*

FROM: Brandi Harbaugh, Acting Finance Director *BH*

DATE: August 3, 2017

SUBJECT: Amendment to Ordinance 2016-19-45, To Record Expenditures of \$939,308.78 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)

The administration respectfully requests the assembly approve the following amendment to this ordinance pursuant to the attached letter from the State of Alaska, dated August 2, 2017:

- Amend the title of the ordinance by inserting the **bold and underlined** language below:

AN ORDINANCE TO RECORD EXPENDITURES OF **\$939,308.78** 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

- Amend the second whereas clause by inserting the **bold and underlined** language below:

WHEREAS, the borough was notified on August 02, 2017, that the amount received by the Department of Administration, Division of Retirement & Benefits on behalf of the borough was **\$939,308.78**, an amount estimated to be equal to the difference between the borough's budgeted PERS rate of 22 percent and a total contribution rate of 4.14 percent; and

- Amend Section 1 by inserting the **bold and underlined** language below:

SECTION 1. That FY2017 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:

Fund	Amount
General fund	<u>\$341,063.02</u>
Nikiski Fire Service Area	<u>92,615.85</u>
Bear Creek Fire Service Area	<u>3,757.24</u>
Anchor Point Fire Service Area	<u>12,774.60</u>
Central Emergency Services	<u>149,913.68</u>
Kachemak Emergency Service Area	<u>10,426.33</u>
North Peninsula Recreation Service Area	<u>24,609.89</u>
Road Service Area	<u>29,118.57</u>
School Maintenance	<u>151,792.30</u>
Land Trust	<u>16,156.11</u>
Seward Bear Creek Flood Service Area	<u>3,287.58</u>
Hazard Tree Removal Program	<u>3,005.79</u>
911 Emergency Communications	<u>38,887.38</u>
Solid Waste	<u>48,937.99</u>
Risk Management	<u>12,962.45</u>
	<u><u>\$939,308.78</u></u>

- Amend Section 2 by deleting the language in [~~**bolded**~~ ~~**strikeout**~~] and inserting the **bold and underlined** language below:

SECTION 2. That [~~\$1,192,674.66~~] **\$939,308.78** is appropriated to the following accounts:

Fund	Department	Project	Object	Amount
100	11120	00000	40221	<u>\$11,647.43</u>
100	11140	00000	40221	<u>4,320.82</u>
100	11210	00000	40221	<u>16,062.18</u>
100	11227	00000	40221	<u>13,338.18</u>

100	11230	00000	40221	<u>15,968.25</u>
100	11231	00000	40221	<u>40,953.86</u>
100	11232	00000	40221	<u>10,802.05</u>
100	11233	00000	40221	<u>3,005.79</u>
100	11235	00000	40221	<u>2,724.00</u>
100	11250	00000	40221	<u>6,481.23</u>
100	11310	00000	40221	<u>20,289.07</u>
100	11410	00000	40221	<u>11,647.43</u>
100	11430	00000	40221	<u>22,355.55</u>
100	11440	00000	40221	<u>19,913.35</u>
100	11441	00000	40221	<u>9,487.02</u>
100	11510	00000	40221	<u>29,400.36</u>
100	11520	00000	40221	<u>39,544.90</u>
100	21110	00000	40221	<u>28,554.99</u>
100	21135	00000	40221	<u>15,216.80</u>
100	31110	00000	40221	<u>19,349.76</u>
206	51110	00000	40221	<u>92,615.85</u>
207	51210	00000	40221	<u>3,757.24</u>
209	51410	00000	40221	<u>12,774.60</u>
211	51610	00000	40221	<u>149,913.68</u>
212	51810	00000	40221	<u>10,426.33</u>
225	61110	00000	40221	<u>24,609.89</u>
236	33950	00000	40221	<u>29,118.57</u>
241	11235	00000	40221	<u>2,724.00</u>
241	41010	00000	40221	<u>149,068.30</u>
250	21210	00000	40221	<u>16,156.11</u>
259	21212	00000	40221	<u>3,287.58</u>
262	21320	00000	40221	<u>3,005.79</u>
264	11255	00000	40221	<u>38,887.38</u>
290	32010	00000	40221	<u>17,752.94</u>
290	32122	00000	40221	<u>31,185.05</u>
700	11234	00000	40221	<u>12,962.45</u>
				<u><u>\$939,308.78</u></u>



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Administration

DIVISION OF RETIREMENT AND BENEFITS

6th Floor State Office Building
333 Willoughby Avenue
P.O. Box 110203
Juneau, AK 99811-0203
FAX: (907) 465-3086
Phone: (907) 465-4460
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August 02, 2017

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: FY17 Employer On-Behalf Funding - PERS ER 180

During the 2016 legislative session, House Bill 256 (HB256) passed providing on-behalf funding for PERS employer contributions for Fiscal Year 2017 (FY17). HB256, Section 28 (a) reads as follows:

(a) The following amounts are appropriated to the Department of Administration from the specified sources 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, 2017:

(1) the sum of \$34,718,076 from the general fund;

(2) the sum of \$64,448,500 from the Alaska higher education investment fund (AS 37.14.750).

HB256 at <http://www.akleg.gov/PDF/29/Bills/HB0256Z.PDF>

(Section 28, page 91).

The Alaska Retirement Management Board approved the actuarially determined rate of 26.14% or FY17, with HB256 providing an on-behalf rate of 4.14% for each FY17 employer payroll. On-behalf funding is applied with the processing of each employer payroll with payroll end dates between July 1, 2016 and June 30, 2017, and received by the Division by July 15, 2017. Once all such payrolls have been processed we will true-up your account and make an adjusting entry, then send a final statement via email in early August 2017.

Included is a report detailing the Employer On-Behalf Funding allocated for fiscal year 2017 payrolls. **This is your final statement for FY2017.** 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 if you have any questions or need additional information regarding HB256.

Sincerely,

Handwritten signature of Tamara Criddle in black ink.

Tamara Criddle, Accountant

State of Alaska, Division of Retirement & Benefits
FY2017 - HB256 Employer On-Behalf Detail as of 7/31/2017
KENAI PENINSULA BOROUGH - ER 180

Payroll Ending Date	On-Behalf		Total
	Pension	Other Post-employment Healthcare	
07/08/2016 B	33,459.98	0.00	33,459.98
07/22/2016 B	34,076.47	0.00	34,076.47
08/05/2016 B	33,364.58	0.00	33,364.58
08/19/2016 B	33,234.39	0.00	33,234.39
09/02/2016 B	33,045.46	0.00	33,045.46
09/16/2016 B	35,921.63	0.00	35,921.63
09/30/2016 B	33,156.53	0.00	33,156.53
10/14/2016 B	32,913.08	0.00	32,913.08
10/28/2016 B	32,327.91	0.00	32,327.91
11/11/2016 B	32,977.89	0.00	32,977.89
11/25/2016 B	33,096.79	0.00	33,096.79
12/09/2016 B	32,628.84	0.00	32,628.84
12/23/2016 B	32,489.02	0.00	32,489.02
01/06/2017 B	33,019.18	0.00	33,019.18
01/20/2017 B	32,846.59	0.00	32,846.59
02/03/2017 B	32,919.68	0.00	32,919.68
02/17/2017 B	32,221.81	0.00	32,221.81
03/03/2017 B	32,578.08	0.00	32,578.08
03/17/2017 B	32,214.61	0.00	32,214.61
03/31/2017 B	32,677.13	0.00	32,677.13
04/14/2017 B	32,392.28	0.00	32,392.28
04/28/2017 B	32,679.80	0.00	32,679.80
05/12/2017 B	32,336.20	0.00	32,336.20
05/26/2017 B	32,780.57	0.00	32,780.57
06/09/2017 B	32,697.87	0.00	32,697.87
06/23/2017 B	32,895.09	0.00	32,895.09
Year-End Adjustment	82,357.32	0.00	82,357.32
TOTALS FOR KENAI PENINSULA BOROUGH			
	\$939,308.78	\$0.00	\$939,308.78

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.