

Kenai Peninsula Borough Finance Department

MEMORANDUM

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

THRU: Charlie Pierce, Mayor *CP*

FROM: Brandi Harbaugh, Finance Director *BH*

DATE: August 23, 2018

RE: Amendment to Ordinance 2017-19-27, To Record FY2018 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)

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 23, 2018: (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 FY2018 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>\$248,428.47</u>
Nikiski Fire Service Area	<u>65,966.02</u>
Bear Creek Fire Service Area	<u>2,641.35</u>
Anchor Point Fire Service Area	<u>10,700.85</u>
Central Emergency Services	<u>106,669.91</u>
Kachemak Emergency Service Area	<u>9,617.22</u>

North Peninsula Recreation Service Area	<u>17,947.63</u>
Eastern Peninsula Highway Emergency Service Area	<u>67.73</u>
Road Service Area	<u>19,640.81</u>
School Maintenance	<u>106,060.37</u>
Land Trust	<u>11,919.94</u>
Seward Bear Creek Flood Service Area	<u>3,115.44</u>
911 Emergency Communications	<u>29,935.30</u>
Solid Waste	<u>35,353.45</u>
Risk Management	<u>9,684.94</u>
	<u><u>\$677,749.43</u></u>

SECTION 2. That \$677,749.43 is appropriated to the following accounts:

Fund	Department	Project	Object	Amount
100	11100	00000	40221	<u>\$ 338.63</u>
100	11120	00000	40221	<u>8,736.77</u>
100	11130	00000	40221	<u>135.45</u>
100	11140	00000	40221	<u>3,318.62</u>
100	11210	00000	40221	<u>11,107.22</u>
100	11227	00000	40221	<u>22,078.98</u>
100	11230	00000	40221	<u>11,039.49</u>
100	11231	00000	40221	<u>30,618.67</u>
100	11232	00000	40221	<u>8,872.23</u>
100	11233	00000	40221	<u>2,099.53</u>
100	11235	00000	40221	<u>2,031.81</u>
100	11250	00000	40221	<u>6,704.97</u>
100	11310	00000	40221	<u>14,561.29</u>
100	11410	00000	40221	<u>6,434.06</u>
100	11430	00000	40221	<u>16,322.19</u>
100	11440	00000	40221	<u>14,696.74</u>
100	11441	00000	40221	<u>7,788.60</u>
100	11510	00000	40221	<u>20,724.44</u>

100	11520	00000	40221	<u>28,445.31</u>
100	21110	00000	40221	<u>20,995.35</u>
100	21135	00000	40221	<u>11,378.12</u>
206	51110	00000	40221	<u>65,966.02</u>
207	51210	00000	40221	<u>2,641.35</u>
209	51410	00000	40221	<u>10,700.85</u>
211	51610	00000	40221	<u>106,669.91</u>
212	51810	00000	40221	<u>9,617.22</u>
225	61110	00000	40221	<u>17,947.63</u>
235	51710	00000	40221	<u>67.73</u>
236	33950	00000	40221	<u>19,640.81</u>
241	11235	00000	40221	<u>2,031.81</u>
241	41010	00000	40221	<u>104,028.56</u>
250	21210	00000	40221	<u>11,919.94</u>
259	21212	00000	40221	<u>3,115.44</u>
264	11255	00000	40221	<u>29,935.30</u>
290	32010	00000	40221	<u>12,935.84</u>
290	32122	00000	40221	<u>22,417.61</u>
700	11234	00000	40221	<u>9,684.94</u>
				<u><u>\$677,749.43</u></u>



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Administration

DIVISION OF RETIREMENT AND BENEFITS

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August 23, 2018

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

CORRECTED FINAL STATEMENT

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

RE: FY18 Employer On-Behalf Funding - PERS ER 180

During the 2017 legislative session, House Bill HB57 (HB57) passed providing on-behalf funding for PERS employer contributions for Fiscal Year 2018 (FY2018). HB57, Section 41 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, 2018:

- (1) the sum of **\$64,005,100** from the general fund;
- (2) the sum of **\$8,565,900** from the Alaska higher education investment fund (AS 37.14.750).

HB57 at <http://www.akleg.gov/PDF/30/Bills/HB0057Z.PDF> (Section 41, page 118).

Additional funding of **\$148,000** was provided in late May 2018 via House Bill HB286.

The Alaska Retirement Management Board approved the actuarially determined rate of 25.01% for FY18, with HB57 and HB286 providing an on-behalf rate of 3.01% for each FY18 employer payroll. On-behalf funding is applied with the processing of each employer payroll with payroll end dates between July 1, 2017 and June 30, 2018 and fully received by the Division by July 15, 2018.

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). 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 2018.

Included is a report detailing the Employer On-Behalf Funding allocated for fiscal year 2018 payrolls. **This is your final adjusted statement for FY2018.** 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 HB57 and HB286.

Sincerely,

Tamara Criddle, Accountant

State of Alaska, Division of Retirement & Benefits
FY2018 - HB57 Employer On-Behalf Detail as of 8/23/2018
KENAI PENINSULA BOROUGH - ER 180

Payroll Ending Date	On-Behalf		CORRECTED FINAL STATEMENT Total	
	Pension	Other Post-employment Healthcare		
07/07/2017	23,966.68	0.00	23,966.68	
07/21/2017	24,135.23	0.00	24,135.23	
08/04/2017	23,545.93	0.00	23,545.93	
08/18/2017	23,839.84	0.00	23,839.84	
09/01/2017	25,453.61	0.00	25,453.61	
09/15/2017	24,038.27	0.00	24,038.27	
09/29/2017	24,136.27	0.00	24,136.27	
10/13/2017	24,434.15	0.00	24,434.15	
10/27/2017	23,932.56	0.00	23,932.56	
11/10/2017	24,296.95	0.00	24,296.95	
11/24/2017	24,079.74	0.00	24,079.74	
12/08/2017	23,995.95	0.00	23,995.95	
12/22/2017	23,599.46	0.00	23,599.46	
01/05/2018	23,963.20	0.00	23,963.20	
01/19/2018	23,369.12	0.00	23,369.12	
02/02/2018	23,670.49	0.00	23,670.49	
02/16/2018	23,680.79	0.00	23,680.79	
03/02/2018	23,827.44	0.00	23,827.44	
03/16/2018	23,573.91	0.00	23,573.91	
03/30/2018	23,625.83	0.00	23,625.83	
04/13/2018	23,425.49	0.00	23,425.49	
04/27/2018	23,674.91	0.00	23,674.91	
05/11/2018	23,411.23	0.00	23,411.23	
05/25/2018	23,453.13	0.00	23,453.13	
06/08/2018	23,617.00	0.00	23,617.00	
06/22/2018	23,748.27	0.00	23,748.27	
06/30/2018	Year-End Adjustment	57,253.98	0.00	57,253.98
TOTALS FOR KENAI PENINSULA BOROUGH				
	\$677,749.43	\$0.00	\$677,749.43	

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.