



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

THRU: Mike Navarre, Mayor

FROM: Brandi Harbaugh, Acting Finance Director *BH*

DATE: July 20, 2017

SUBJECT: Ordinance 2016-19- 45, To Record Expenditures of \$ ____ 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)

As part of the 2017 legislative session, the Alaska legislators passed HB256 which appropriated \$99,166,576.00 to help defray the cost of increased employer contributions to the Public Employees' Retirement System ("PERS") for fiscal year 2017 ("FY2017"). 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 26.14 percent.

Generally Accepted Accounting Principles require that the borough record expenditures paid on their behalf. This ordinance also 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.

On June 21, 2017, we received notice that the Kenai Peninsula Borough will be receiving the FY2017 on-behalf PERS amount mid-August 2017. In order to expedite the appropriation process to complete the FY2017 year-end closing in a timely manner, the amounts have been left blank for introduction. We anticipate receiving the on-behalf amount by August 15, 2017. If we do not receive the amount by that date, we will request postponement of final hearing until September 5, 2017.

FINANCE DEPARTMENT
FUNDS VERIFIED

Acct. No. N/A

Amount N/A

By: *BH* Date: 7/20/17