


Kenai Peninsula Borough

Finance

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor 

FROM: Brandi Harbaugh, Finance Director *BH*

DATE: July 28, 2022

SUBJECT: Ordinance 2021-19-59, Recording FY2022 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)

As part of the 2021 legislative session, the Alaska legislators passed HB69 which appropriated funds to help defray the cost of increased employer contributions to the Public Employees' Retirement System (PERS) for fiscal year 2022. 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 30.11 percent. Pursuant to the attached letter from the Division of Retirement and Benefits, the amount contributed on the Borough's behalf for FY2022 is estimated to be \$1,854,372.93.

Generally Accepted Accounting Principles require that the Borough record expenditures paid on its 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.

Your consideration of the ordinance is appreciated.