



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Blaine Gilman, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MN*

FROM: Craig Chapman, Finance Director *CChapman*

DATE: August 25, 2016

SUBJECT: Ordinance 2015-19-36, An Ordinance to Record Expenditures of \$1,192,674.66 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 2015 legislative session, the Alaska legislators passed HB2001 which appropriated \$126,520,764 to help defray the cost of increased employer contributions to the Public Employees' Retirement System (PERS) for fiscal year 2016. 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 27.19 percent. Pursuant to the attached letter from the Division of Retirement and Benefits dated August 11, 2016, the amount contributed on the borough's behalf for FY2016 is \$1,192,674.66.

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.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>N/A</u>
Amount	<u>N/A</u>
By: <u>pp</u>	Date: <u>8/23/16</u>