


Kenai Peninsula Borough

Finance

MEMORANDUM

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

THRU: Charlie Pierce, Mayor 

FROM: Brandi Harbaugh, Finance Director *SD for Bkt*

DATE: August 20, 2020

SUBJECT: Amendment to Ordinance 2019-19-43, To Record FY2020 Expenditures Paid by the State of Alaska Department of Administration, Division of Retirement & Benefits on Behalf of the Kenai Peninsula Borough Towards the Borough's Unfunded PERS Liability (Mayor)

In June 2020, we received notice that the Kenai Peninsula Borough will be receiving the FY2020 on-behalf PERS amount early August 2020. In order to expedite the appropriation process to complete the FY2020 year-end closing in a timely manner, the amounts were left blank for introduction. As the on-behalf amount was received on August 11, 2020, this amendment is requested to complete the ordinance:

[Please note, the bold underline text is new and the bold strikethrough language in brackets is to be deleted.]

➤ Amend Section 1, as follows:

SECTION 1. That FY2020 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:

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Fund	Amount
General fund	<u>528,689.27</u>
Nikiski Fire Service Area	<u>127,467.00</u>
Bear Creek Fire Service Area	<u>9,717.00</u>
Anchor Point Fire Service Area	<u>18,905.00</u>
Central Emergency Services	<u>218,628.00</u>
Kachemak Emergency Service Area	<u>22,352.00</u>
North Peninsula Recreation Service Area	<u>40,543.00</u>
Road Service Area	<u>39,135.00</u>
School Maintenance	<u>235,815.00</u>
Land Trust	<u>24,325.00</u>
Seward Bear Creek Flood Service Area	<u>6,771.00</u>
911 Emergency Communications	<u>71,603.00</u>
Solid Waste	<u>81,027.00</u>
Risk Management	<u>21,464.00</u>
	<u><u>1,446,441.27</u></u>

➤ Amend Section 2, as follows:

SECTION 2. That \$1,446,441.27 is appropriated to the following accounts:

Fund	Department	Project	Object	Amount
100	11110	00000	40221	<u>231.27</u>
100	11120	00000	40221	<u>20,290.00</u>
100	11130	00000	40221	<u>26.00</u>
100	11140	00000	40221	<u>7,392.00</u>
100	11210	00000	40221	<u>28,837.00</u>
100	11227	00000	40221	<u>40,428.00</u>
100	11230	00000	40221	<u>26,455.00</u>

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100	11231	00000	40221	<u>65,800.00</u>
100	11232	00000	40221	<u>15,862.00</u>
100	11233	00000	40221	<u>3,069.00</u>
100	11235	00000	40221	<u>4,404.00</u>
100	11250	00000	40221	<u>20,057.00</u>
100	11310	00000	40221	<u>33,368.00</u>
100	11410	00000	40221	<u>19,002.00</u>
100	11430	00000	40221	<u>36,103.00</u>
100	11440	00000	40221	<u>28,898.00</u>
100	11441	00000	40221	<u>16,998.00</u>
100	11510	00000	40221	<u>41,811.00</u>
100	11520	00000	40221	<u>65,344.00</u>
100	21110	00000	40221	<u>37,130.00</u>
100	21135	00000	40221	<u>17,184.00</u>
206	51110	00000	40221	<u>127,467.00</u>
207	51210	00000	40221	<u>9,717.00</u>
209	51410	00000	40221	<u>18,905.00</u>
211	51610	00000	40221	<u>218,628.00</u>
212	51810	00000	40221	<u>22,352.00</u>
225	61110	00000	40221	<u>40,543.00</u>
236	33950	00000	40221	<u>39,135.00</u>
241	11235	00000	40221	<u>4,403.00</u>
241	41010	00000	40221	<u>231,412.00</u>
250	21210	00000	40221	<u>24,325.00</u>
259	21212	00000	40221	<u>6,771.00</u>
264	11255	00000	40221	<u>71,603.00</u>
290	32010	00000	40221	<u>26,665.00</u>
290	32122	00000	40221	<u>54,340.00</u>
290	32150	00000	40221	<u>8.00</u>
290	32310	00000	40221	<u>12.00</u>
290	32570	00000	40221	<u>2.00</u>
700	11234	00000	40221	<u>21,464</u>
				<u><u>1,446,441.27</u></u>

Your consideration of this ordinance is appreciated.



THE STATE
of
ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Administration

DIVISION OF RETIREMENT AND BENEFITS

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August 11, 2020

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: FY2020 Employer On-Behalf Funding - PERS ER 180

During the 2019 legislative session, House Bill HB39 (HB39) passed providing on-behalf funding for PERS employer contributions for Fiscal Year 2020 (FY2020). HB39, Section 35 reads as follows:

*(b) The sum of **\$159,055,000** is appropriated from the general fund to the Department of Administration 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, 2020.*

HB39 at <http://www.akleg.gov/PDF/31/Bills/HB0039Z.PDF> (Section 35, page 83).

The Alaska Retirement Management Board approved the actuarially determined rate of 28.62% for FY2020, with HB39 providing an on-behalf rate of 6.62% for each FY2020 employer payroll. On-behalf funding is applied with the processing of each employer payroll with payroll end dates between July 1, 2019 and June 30, 2020 and fully received by the Division by July 15, 2020. 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). All such payrolls have been processed, thus we have trued-up your account and made an adjusting entry.

Included is a report detailing the Employer On-Behalf Funding allocated for fiscal year 2020 payrolls. **This is your final adjusted statement for FY2020.** Please work with your accountant or auditor to determine where to show this funding on your financial statements. Feel free to contact me at tamara.criddle@alaska.gov if you have any questions or need additional information regarding HB39.

Sincerely,

Tamara Criddle, Accountant

**State of Alaska, Division of Retirement & Benefits
FY2020 - HB39 Employer On-Behalf Detail as of 8/10/2020
KENAI PENINSULA BOROUGH - ER 180**

Payroll Ending Date	On-Behalf		Total	
	Pension	Other Post-employment Healthcare		
07/05/2019	55,076.97	0.00	55,076.97	
07/19/2019	53,705.92	0.00	53,705.92	
08/02/2019	51,903.17	0.00	51,903.17	
08/16/2019	52,101.92	0.00	52,101.92	
08/30/2019	60,550.97	0.00	60,550.97	
09/13/2019	54,857.15	0.00	54,857.15	
09/27/2019	51,771.46	0.00	51,771.46	
10/11/2019	52,560.12	0.00	52,560.12	
10/25/2019	51,215.19	0.00	51,215.19	
11/08/2019	51,742.13	0.00	51,742.13	
11/22/2019	51,670.96	0.00	51,670.96	
12/06/2019	56,389.90	0.00	56,389.90	
12/20/2019	53,262.92	0.00	53,262.92	
01/03/2020	53,110.20	0.00	53,110.20	
01/17/2020	51,773.16	0.00	51,773.16	
01/31/2020	52,929.83	0.00	52,929.83	
02/14/2020	51,828.90	0.00	51,828.90	
02/28/2020	52,383.27	0.00	52,383.27	
03/13/2020	51,424.71	0.00	51,424.71	
03/27/2020	53,846.90	0.00	53,846.90	
04/10/2020	52,050.95	0.00	52,050.95	
04/24/2020	51,610.69	0.00	51,610.69	
05/08/2020	51,839.97	0.00	51,839.97	
05/22/2020	51,787.56	0.00	51,787.56	
06/05/2020	53,499.49	0.00	53,499.49	
06/19/2020	53,848.96	0.00	53,848.96	
06/30/2020	Year-End Adjustment	67,698.90	0.00	67,698.90
TOTALS FOR KENAI PENINSULA BOROUGH				
	\$1,446,442.27	\$0.00	\$1,446,442.27	

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.