



## KENAI PENINSULA BOROUGH

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DAVID R. CAREY  
BOROUGH MAYOR

### MEMORANDUM

**TO:** Gary Knopp, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** David R. Carey, Mayor *DR Carey*

**FROM:** Craig Chapman, Finance Director *C Chap*

**DATE:** August 4, 2011

**SUBJECT:** Ordinance 2010-19-51, to record expenditures of \$1,466,037 paid by the State of Alaska Department of Administration, Division of Retirement & Benefits on behalf of the Borough toward the Borough's unfunded PERS liability

As part of last year's legislative session, the Alaska legislature passed HB300 which appropriated \$165,841,171 to help defray the cost of increased employer contributions to the Public Employees' Retirement System (PERS) for fiscal year 2011. 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 27.96 percent. Pursuant to the attached letter from the Division of Retirement and Benefits dated July 29, 2011, the amount contributed on the borough's behalf for FY2011 is \$1,466,037.

Generally accepted accounting principles require that the borough record expenditures paid on its behalf. This ordinance 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.

Shortened hearing is requested for this ordinance as it is effective for FY2011.

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| FINANCE DEPARTMENT                      |                     |
| Acct #                                  | FUNDS VERIFIED      |
| Acct. No. <u>XXX.XXXXXX.XXXXX.40221</u> |                     |
| Amount <u>N/A</u>                       |                     |
| By: <u>CBW</u>                          | Date: <u>8/4/11</u> |