



## 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.borough.kenai.ak.us

MIKE NAVARRE  
BOROUGH MAYOR

### MEMORANDUM

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

**THRU:** Mike Navarre, Mayor *M.N.*

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

**DATE:** August 8, 2012

**SUBJECT:** Ordinance 2011-19-92, to record expenditures of \$2,175,259.65 paid by the State of Alaska Department of Administration, Division of Retirement & Benefits on behalf of the KPB toward the borough's unfunded PERS liability

As part of last year's legislative session, the Alaska legislature passed HB108 which appropriated \$242,609,397 to help defray the cost of increased employer contributions to the Public Employees' Retirement System (PERS) for fiscal year 2012. 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 33.49 percent. Pursuant to the attached letter from the Division of Retirement and Benefits dated July 27, 2012, the amount contributed on the borough's behalf for FY2012 is \$2,175,259.65.

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 FY2012.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>N/A</u>
Amount	<u>N/A</u>
By:	<u>pc</u> Date: <u>8/9/12</u>