



KENAI PENINSULA BOROUGH

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JOHN J. WILLIAMS
MAYOR

Memorandum

TO: Grace Merkes, Assembly President
Members of the Kenai Peninsula Borough Assembly

THRU: John J. Williams, Borough Mayor

FROM: Craig Chapman, Finance Director

DATE: October 2, 2008

RE: Ordinance 2007-19-56, to record expenditures of \$1,262,752 paid by the State of Alaska Department of Administration on behalf of the borough toward the borough's unfunded PERS liability

As part of last year's legislative session, the Alaska legislature passed SB 53 which appropriated \$185,000,000 to help defray the cost of increased employer contributions to the Public Employees' Retirement System (PERS) for fiscal year 2008. 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 30.84 percent. Pursuant to the attached letter from the Division of Retirement and Benefits dated September 8, 2008, the amount contributed on the Borough's behalf for FY2008 is \$1,262,752.

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 revenue equal to the expenditures will also be recorded.

Shortened hearing is being requested on this ordinance, as it is effective for the fiscal year ended June 30, 2008.