



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

DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Pete Sprague, Assembly President
Members, Kenai Peninsula Borough Assembly

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

FROM: Craig Chapman, Finance Director *C Chapman*

DATE: August 25, 2010

SUBJECT: Ordinance 2009-19- 41, to record expenditures of \$980,943.46 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 legislatures passed HB 81 which appropriated \$107,953,000 to help defray the cost of increased employer contributions to the Public Employees' Retirement System (PERS) for fiscal year 2010. 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% and the actuarially determined rate of 27.65%. Pursuant to the attached letter from the Division of Retirement and Benefits dated August 13, 2010, the amount contributed on the borough's behalf for FY2010 is \$980,943.46.

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 FY2010.