

State of Alaska
FY2013 Governor's Operating Budget

Department of Revenue
AMBBA Operations
RDU/Component Budget Summary

RDU/Component: AMBBA Operations

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

The mission of the Alaska Municipal Bond Bank is to provide municipalities with financing options for capital projects.

Core Services

- Issue bonds to make loans to municipalities for capital projects at lower rates than the municipalities would incur elsewhere
- Help municipalities gain experience in financial markets and establish a positive credit history
- Monitor opportunities to issue bonds to refinance existing debt

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

End Result A: Municipalities will lower their cost of financing.

Target #1: 100% of new financings will result in savings.

Status #1: Savings were achieved in each of the five issues of the Alaska Municipal Bond Bank and each one of the 13 loans made with those funds and one additional loan made directly from the bond bank. Savings aggregated \$13.6 million. AMBBA has achieved its target of 100% for the past six years.

Target #2: 100% of advance refinancing will result in at least 3% savings to the issuer.

Status #2: There were no advance refinancings in FY2011.

Target #3: 100% of current refinancing will result in at least 2% savings to the issuer.

Status #3: There were no current refinancing issues in FY2011.

Strategy A1: Increase percentage of (statewide) municipal bond deals done by Alaska Municipal Bond Bank.

Target #1: The Bond Bank will finance 100% of the deals done statewide by municipalities with less than A1 ratings.

Status #1: 100% of municipalities with less than A1 ratings were financed by the Bond Bank.

Key Component Challenges

- FY2011 saw a continuation of heightened borrowing/lending activity of the AMBBA. From FY2010 to FY2011 outstanding debt increased by \$85.9 million or 13.6% to an outstanding balance of \$719.5 million on June 30, 2011. Over the prior five fiscal years outstanding debt has increased by \$273.4 million, representing an average increase of \$54.6 million. The \$719.5 million in outstanding bonds leaves \$280.5 million that the AMBBA can issue under its statutory limitation of \$1 billion.
- The AMBBA will continue to seek to maintain the diversity of the municipalities in the pool, including attempts to attract stronger municipalities with stronger credit ratings, and a broader array of municipal enterprise credits. Having a portfolio of borrowers that represents a diversity of regions and economic activity helps ensure the Bond Bank maintains its favorable credit rating.

Significant Changes in Results to be Delivered in FY2013

No changes in results delivered.

Major Component Accomplishments in 2011

- During 2011 the AMBBA completed five bond issues for a total of \$115.4 million to fund projects or provide

debt service savings in the City of King Cove, Aleutians East Borough, Kodiak Island Borough, City of Unalaska, Kenai Peninsula Borough, Ketchikan Gateway Borough, City of Ketchikan, City & Borough of Juneau, City of Soldotna, and Borough of Sitka. These communities are estimated to have saved over \$13.6 million in reduced issuance costs and lower interest expense.

- The general obligation master indenture created in 2005 allows community revenue bonds to be pooled with other revenue bonds or general obligation bonds. This 2005 program continues to increase program efficiency. In 2011 this indenture eliminated the need for three additional bond issues that would have been required prior to 2005. In 2011 the Bond Bank achieved rating upgrades on the 2005 program to Aa2 from Moody's.

Statutory and Regulatory Authority

AS 44.85 Alaska Municipal Bond Bank Authority

Contact Information
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**AMBBA Operations
Component Financial Summary**

All dollars shown in thousands

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	130.4	134.7	139.2
72000 Travel	28.5	9.5	9.5
73000 Services	532.0	686.0	686.0
74000 Commodities	4.7	3.8	3.8
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	2,450.0	0.0	0.0
Expenditure Totals	3,145.6	834.0	838.5
Funding Sources:			
1004 General Fund Receipts	2,450.0	0.0	0.0
1104 Alaska Municipal Bond Bank Receipts	695.6	834.0	838.5
Funding Totals	3,145.6	834.0	838.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Municipal Bond Bank Receipts	51417	695.6	834.0	838.5
Restricted Total		695.6	834.0	838.5
Total Estimated Revenues		695.6	834.0	838.5

**Summary of Component Budget Changes
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	0.0	0.0	834.0	0.0	834.0
Adjustments which will continue current level of service:					
-FY2013 Salary Increases	0.0	0.0	3.6	0.0	3.6
-FY2013 Health Insurance Increases	0.0	0.0	0.9	0.0	0.9
FY2013 Governor	0.0	0.0	838.5	0.0	838.5

AMBBA Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2012 Management Plan	FY2013 Governor		
Full-time	1	1	Annual Salaries	94,836
Part-time	0	0	COLA	1,788
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	46,643
			<i>Less 2.84% Vacancy Factor</i>	(4,067)
			Lump Sum Premium Pay	0
Totals	1	1	Total Personal Services	139,200

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
State Investment Officer II	0	0	1	0	1
Totals	0	0	1	0	1

Component Detail All Funds
Department of Revenue

Component: AMBBA Operations (108)

RDU: Alaska Municipal Bond Bank Authority (44)

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	130.4	134.7	134.7	134.7	139.2	4.5	3.3%
72000 Travel	28.5	9.5	9.5	9.5	9.5	0.0	0.0%
73000 Services	532.0	686.0	686.0	686.0	686.0	0.0	0.0%
74000 Commodities	4.7	3.8	3.8	3.8	3.8	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	2,450.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	3,145.6	834.0	834.0	834.0	838.5	4.5	0.5%
Fund Sources:							
1004 Gen Fund (UGF)	2,450.0	0.0	0.0	0.0	0.0	0.0	0.0%
1104 MBB Rcpts (Other)	695.6	834.0	834.0	834.0	838.5	4.5	0.5%
Unrestricted General (UGF)	2,450.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	695.6	834.0	834.0	834.0	838.5	4.5	0.5%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	1	1	1	1	1	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Revenue

Component: AMBBA Operations (108)
RDU: Alaska Municipal Bond Bank Authority (44)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2012 Conference Committee To FY2012 Authorized *****												
FY2012 Conference Committee												
1104 MBB Rcpts	ConfCom	834.0	134.7	9.5	686.0	3.8	0.0	0.0	0.0	1	0	0
		834.0										
Subtotal		834.0	134.7	9.5	686.0	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
Subtotal		834.0	134.7	9.5	686.0	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
FY2013 Salary Increases												
1104 MBB Rcpts	SalAdj	3.6	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
		3.6										
FY2013 Salary Increases: \$3.6												
FY2013 Health Insurance Increases												
1104 MBB Rcpts	SalAdj	0.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
		0.9										
FY2013 Health Insurance Increases: \$0.9												
Totals		838.5	139.2	9.5	686.0	3.8	0.0	0.0	0.0	1	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2013 Governor (9494)
Component: AMBBA Operations (108)
RDU: Alaska Municipal Bond Bank Authority (44)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
04-5022	Operations Res Anl I	FT	A	GP	Juneau	205	21B / C	4.5	*	28,242	0	0	15,888	44,130	0
04-5025	State Investment Officer II	FT	A	XE	Juneau	NAA	22	6.0	**	66,594	1,788	0	30,755	99,137	0
													Total Salary Costs:	94,836	
													Total COLA:	1,788	
													Total Premium Pay::	0	
													Total Benefits:	46,643	
													Total Pre-Vacancy:	143,267	
													Minus Vacancy Adjustment of 2.84%:	(4,067)	
													Total Post-Vacancy:	139,200	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	139,200	
Total Component Months:		10.5													

<u>PCN Funding Sources:</u>	<u>Pre-Vacancy</u>	<u>Post-Vacancy</u>	<u>Percent</u>
1104 Alaska Municipal Bond Bank Receipts	143,267	139,200	100.00%
Total PCN Funding:	143,267	139,200	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Revenue
Travel

Component: AMBBA Operations (108)
RDU: Alaska Municipal Bond Bank Authority (44)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000	Travel		28.5	9.5	9.5
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000 Travel Detail Totals			28.5	9.5	9.5
72110	Employee Travel (Instate)	Instate airfare, surface transportation, lodging, meals & incidentals	7.1	2.5	2.5
72120	Nonemployee Travel (Instate Travel)	Instate airfare, surface transportation, lodging, meals & incidentals for AMBBA Board of Directors	2.4	0.0	0.0
72410	Employee Travel (Out of state)	Out of state airfare, surface transportation, lodging, meals & incidentals	13.4	6.0	6.0
72420	Nonemployee Travel (Out of state Emp)	Out of state airfare, surface transportation, lodging, meals & incidentals for AMBBA Board of Directors	5.6	1.0	1.0

Line Item Detail
Department of Revenue
Services

Component: AMBBA Operations (108)

RDU: Alaska Municipal Bond Bank Authority (44)

Line Number	Line Name			FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000	Services			532.0	686.0	686.0
Expenditure Account	Servicing Agency	Explanation		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals				532.0	686.0	686.0
73025	Education Services	Training, conferences, memberships and employee tuition		1.0	1.5	1.5
73050	Financial Services	Accounting, auditing, financial management and consulting services		493.8	645.0	645.0
73150	Information Technlgy	Software Maintenance		1.0	2.0	2.0
73156	Telecommunication	Long distance, cellular phone and data/network charges		2.2	2.5	2.5
73225	Delivery Services	Courier service		2.1	1.0	1.0
73450	Advertising & Promos	Advertising and public notice		0.0	0.1	0.1
73668	Room/Space	Storage Rental		0.1	0.5	0.5
73750	Other Services (Non IA Svcs)	Printing of AMBBA annual report		18.7	19.0	19.0
73805	IT-Non-Telecommunication	Admin	Computer services provided by ETS	0.6	0.6	0.6
73806	IT-Telecommunication	Admin	Telecommunications services provided by ETS	1.8	1.8	1.8
73809	Mail	Admin	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	0.1	0.1	0.1
73810	Human Resources	Admin	Human resource and payroll services provided by the Division of Personnel	0.8	0.8	0.8
73814	Insurance	Admin	Risk Management	0.0	0.1	0.1
73815	Financial	Admin	Division of Finance AKSAS/AKPAY	0.1	0.1	0.1
73816	ADA Compliance	Labor	Share of cost for ADA compliance	0.0	0.1	0.1
73819	Commission Sales (IA Svcs)	Admin	State Travel Office fees	0.2	0.1	0.1
73979	Mgmt/Consulting (IA Svcs)	Revenue-CO	Support services provided by the Commissioner's Office	1.8	1.5	1.5
73979	Mgmt/Consulting (IA Svcs)	Revenue-ASD	Administrative services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support	7.7	9.2	9.2

Line Item Detail
Department of Revenue
Commodities

Component: AMBBA Operations (108)
RDU: Alaska Municipal Bond Bank Authority (44)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000	Commodities		4.7	3.8	3.8
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000 Commodities Detail Totals			4.7	3.8	3.8
74200	Business	Business supplies including books and educational, equipment and furniture, office supplies, IT equipment less than \$5,000 per item, and subscriptions	4.7	3.8	3.8

Line Item Detail
Department of Revenue
Miscellaneous

Component: AMBBA Operations (108)
RDU: Alaska Municipal Bond Bank Authority (44)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
78000	Miscellaneous		2,450.0	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
78000 Miscellaneous Detail Totals			2,450.0	0.0	0.0
78000	Miscellaneous	One-time funding for GF loan to City of Galena	2,450.0	0.0	0.0

Restricted Revenue Detail
Department of Revenue

Component: AMBBA Operations (108)
RDU: Alaska Municipal Bond Bank Authority (44)

Master Account	Revenue Description				FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51417	Municipal Bond Bank Receipts				695.6	834.0	838.5
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51417	Muni Bond Bank Rec		4802000	11100	695.6	834.0	838.5

Inter-Agency Services
Department of Revenue

Component: AMBBA Operations (108)
RDU: Alaska Municipal Bond Bank Authority (44)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2012			
				FY2011 Actuals	Management Plan	FY2013 Governor	
73805	IT-Non-Telecommunication	Computer services provided by ETS	Inter-dept	Admin	0.6	0.6	0.6
73805 IT-Non-Telecommunication subtotal:					0.6	0.6	0.6
73806	IT-Telecommunication	Telecommunications services provided by ETS	Inter-dept	Admin	1.8	1.8	1.8
73806 IT-Telecommunication subtotal:					1.8	1.8	1.8
73809	Mail	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	Inter-dept	Admin	0.1	0.1	0.1
73809 Mail subtotal:					0.1	0.1	0.1
73810	Human Resources	Human resource and payroll services provided by the Division of Personnel	Inter-dept	Admin	0.8	0.8	0.8
73810 Human Resources subtotal:					0.8	0.8	0.8
73814	Insurance	Risk Management	Inter-dept	Admin	0.0	0.1	0.1
73814 Insurance subtotal:					0.0	0.1	0.1
73815	Financial	Division of Finance AKSAS/AKPAY	Inter-dept	Admin	0.1	0.1	0.1
73815 Financial subtotal:					0.1	0.1	0.1
73816	ADA Compliance	Share of cost for ADA compliance	Inter-dept	Labor	0.0	0.1	0.1
73816 ADA Compliance subtotal:					0.0	0.1	0.1
73819	Commission Sales (IA Svcs)	State Travel Office fees	Inter-dept	Admin	0.2	0.1	0.1
73819 Commission Sales (IA Svcs) subtotal:					0.2	0.1	0.1
73979	Mgmt/Consulting (IA Svcs)	Support services provided by the Commissioner's Office	Intra-dept	Revenue-CO	1.8	1.5	1.5
73979	Mgmt/Consulting (IA Svcs)	Administrative services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support	Intra-dept	Revenue-ASD	7.7	9.2	9.2
73979 Mgmt/Consulting (IA Svcs) subtotal:					9.5	10.7	10.7
AMBBA Operations total:					13.1	14.4	14.4
Grand Total:					13.1	14.4	14.4