

**State of Alaska
FY2018 Governor's Operating Budget**

**Department of Revenue
AMBBA Operations
RDU/Component Budget Summary**

RDU/Component: AMBBA Operations

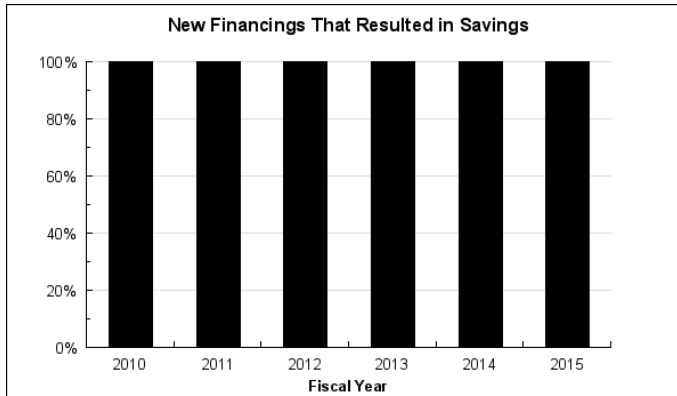
(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

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

Results

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



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

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

Core Services

- Provide lowest cost financing for Alaska municipal governments

Measures by Core Service

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

1. Provide lowest cost financing for Alaska municipal governments

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



Major Component Accomplishments in 2016

- The Bond Bank sold four series of bonds in FY 2016, the 2015 Series Three, the 2016 Series One, the 2016 Series Two, and the 2016 Series A. During FY 2016 the Bond Bank issued \$233.0 million in bonds, which resulted in \$256.9 million in loans to communities, the University, and a Regional Health Organization for refinancing loans or funding new projects. The Bond Bank used these funds to enter into 16 loan agreements with 8 authorized borrowers: The City of Ketchikan, Fairbanks, North Star Borough, University of Alaska, Haines Borough, Kenai Peninsula Borough, City of King Cove, City of Seward, Kodiak Island Borough, City of Klawock, and Tanana Chief's Conference. These borrowers are estimated to have saved over \$75.3 million in reduced issuance costs and lower future interest expense in their funding of schools, school renovations, hydroelectric projects, health care facilities, harbors, utilities, and community projects.

Key Component Challenges

- FY2016 was another year of heightened activity level at the Bond Bank. From FY2015 to FY2016 outstanding debt increased by \$149.5 million or 15.89 % to an outstanding balance of \$1,090.4 million on June 30, 2016. Over the prior five fiscal years outstanding debt has increased by \$370.9 million, representing an annual average increase of approximately \$74.2 million since FY 2011. The \$1,090.4 million in outstanding bonds leaves \$497.0 million that the Bond Bank can issue under its statutory limitation of \$1.5875 billion.
- In FY 2015, additional authority was provided to the Bond Bank to allow joint action agencies to use the Bond Bank as well as allow for up to \$205 million of additional lending to regional health organizations. The first issuance of \$44.1 million was made with this authority in FY 2016.
- The Bond Bank will continue to seek to maintain the diversity of the municipalities in the pool, including an attempt 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 FY2018

No changes in results delivered.

Statutory and Regulatory Authority

AS 44.85 Alaska Municipal Bond Bank Authority

Contact Information
<p>Contact: Deven Mitchell, Executive Director Phone: (907) 465-3409 Fax: (907) 465-2902 E-mail: deven.mitchell@alaska.gov</p>

AMBBA Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2017</u> <u>Management</u> <u>Plan</u>	<u>FY2018</u> <u>Governor</u>		
Full-time	1	1	Annual Salaries	130,384
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	63,014
			<i>Less 0.96% Vacancy Factor</i>	(1,856)
			Lump Sum Premium Pay	0
Totals	1	1	Total Personal Services	191,542

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
State Investment Officer	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)

Non-Formula Component

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
71000 Personal Services	185.1	208.1	208.1	190.0	191.5	1.5	0.8%
72000 Travel	19.5	14.5	14.5	14.5	14.5	0.0	0.0%
73000 Services	651.7	778.4	778.4	796.5	796.5	0.0	0.0%
74000 Commodities	0.4	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	856.7	1,004.8	1,004.8	1,004.8	1,006.3	1.5	0.1%
Fund Sources:							
1104MBB Rcpts (Other)	856.7	899.8	899.8	899.8	901.3	1.5	0.2%
1108Stat Desig (Other)	0.0	105.0	105.0	105.0	105.0	0.0	0.0%
Unrestricted General (UGF)	0.0	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	856.7	1,004.8	1,004.8	1,004.8	1,006.3	1.5	0.1%
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 FY2017 Conference Committee To FY2017 Authorized *****												
FY2017 Conference Committee												
ConfCom		1,004.8	208.1	14.5	778.4	3.8	0.0	0.0	0.0	1	0	0
1104 MBB Rcpts		899.8										
1108 Stat Desig		105.0										
Subtotal		1,004.8	208.1	14.5	778.4	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2017 Authorized To FY2017 Management Plan *****												
Align Authority to Continue Existing Service Levels												
LIT		0.0	-18.1	0.0	18.1	0.0	0.0	0.0	0.0	0	0	0
Align authority to continue existing service levels.												
Subtotal		1,004.8	190.0	14.5	796.5	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2017 Management Plan To FY2018 Governor *****												
FY2018 Salary and Health Insurance Increases												
SalAdj		0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		0.3										
Includes: ACOA COLA, 2.25% per contract ending 6/30/2018; GGU HI increase from \$1346 to \$1389; LTC HI increase from \$1363 to \$1432.: \$0.3												
FY2018 PS Health Ins.: \$0.3												
FY2018 Alaska Care & PSEA Health Insurance Increase												
SalAdj		1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		1.2										
Alaska Care rate increase from \$1346 to \$1555 per month for exempt and partially exempt employees. \$1.2												
Totals		1,006.3	191.5	14.5	796.5	3.8	0.0	0.0	0.0	1	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2018 Governor (13956)
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	UGF Amount
04-5022	Operations Res Anl I	FT	A	GP	Juneau	205	21G	6.0	*	45,066	0	0	24,049	69,115	0
04-5025	State Investment Officer	FT	A	XE	Juneau	N05	22	6.0	**	85,318	0	0	38,965	124,283	0
													Total Salary Costs:	130,384	
													Total COLA:	0	
													Total Premium Pay::	0	
													Total Benefits:	63,014	
													Total Pre-Vacancy:	193,398	
													Minus Vacancy Adjustment of 0.96%:	(1,856)	
													Total Post-Vacancy:	191,542	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	191,542	

	Total Positions	New	Deleted
Full Time Positions:	1	0	0
Part Time Positions:	0	0	0
Non Permanent Positions:	0	0	0
Positions in Component:	1	0	0

Total Component Months:	12.0
--------------------------------	------

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1104 Alaska Municipal Bond Bank Receipts	193,398	191,542	100.00%
Total PCN Funding:	193,398	191,542	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 (1676)
Department of Revenue
Travel

Component: AMBBA Operations (108)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000	Travel		19.5	14.5	14.5
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000 Travel Detail Totals			0.0	14.5	14.5
2000	In-State Employee Travel	Employee instate travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals	0.0	7.5	9.0
2002	Out of State Employee Travel	Employee out of state travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals	0.0	7.0	5.5

Line Item Detail (1676)
Department of Revenue
Services

Component: AMBBA Operations (108)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000	Services		651.7	796.5	796.5
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			0.0	796.5	796.5
3000	Education Services	Training, conferences, memberships, and employee tuition	0.0	1.4	1.1
3001	Financial Services	Accounting, auditing, management/consulting services	0.0	606.3	482.9
3003	Information Technology	IT training, consulting, software licensing, software maintenance, and IT equipment leases	0.0	0.5	0.3
3004	Telecommunications	Local, long distance, cellular and telecommunications equipment charges; data/network; and television	0.0	2.0	1.1
3006	Delivery Services	Delivery and courier services	0.0	0.2	0.6
3007	Advertising and Promotions	Advertising of legal notices for regulations and public hearings	0.0	3.1	4.8
3010	Equipment/Machinery	Repairs, maintenance, rentals and/or leases of office furniture and equipment	0.0	0.1	0.5
3011	Other Services	Admin - Department-wide Professional management and consulting services; printing and copying services; and State Travel Office fees	0.0	0.5	0.3
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide ETS chargeback for computer services (including EPR, MICS charges for mainframe usage, and VPN	0.0	0.7	0.7
3018	Inter-Agency Information Technology	Admin - Department-wide ETS chargeback for	0.0	1.8	1.8

Line Item Detail (1676)
Department of Revenue
Services

Component: AMBBA Operations (108)

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			0.0	796.5	796.5
Telecommunications		telecommunications EPR, phone lines and service requests			
3021 Inter-Agency Mail	Admin - Department-wide	Central mailroom services including pickup and delivery of U.S. mail, postage, mailing of state warrants	0.0	3.0	0.6
3022 Inter-Agency Human Resources	Admin - Department-wide	Human resource and payroll services provided by the Division of Personnel	0.0	0.6	0.6
3023 Inter-Agency Building Leases	Admin - Department-wide	Cost of space in state-owned facilities	0.0	7.7	7.0
3024 Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law	0.0	149.6	275.0
3026 Inter-Agency Insurance	Admin - Department-wide	Risk Management	0.0	0.1	0.1
3027 Inter-Agency Financial	Admin - Department-wide	Division of Finance IRIS and AKPAY	0.0	0.1	0.4
3028 Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	ADA compliance	0.0	0.2	0.1
3036 Inter-Agency Safety	Admin - Department-wide	Parking enforcement at State Office Building located in Juneau	0.0	0.1	0.1
3038 Inter-Agency Management/Consulting	Rev - Administrative Services (125)	Support services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support	0.0	16.9	16.9
3038 Inter-Agency Management/Consulting	Rev - Commissioner's Office (123)	Support services provided by the Commissioner's Office	0.0	1.6	1.6

Line Item Detail (1676)
Department of Revenue
Commodities

Component: AMBBA Operations (108)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000	Commodities		0.4	3.8	3.8
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000 Commodities Detail Totals			0.0	3.8	3.8
4000	Business	Business supplies including book and educational equipment and furniture; office supplies; desktop computers, printers and IT equipment less than \$5,000 per item; and subscriptions including electronic access to information	0.0	3.8	3.8

Revenue Detail (1681)
Department of Revenue

Component: AMBBA Operations (108)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
5104 MBB Rcpts (1104 MBB Rcpts)			0.0	899.8	901.3
5419 Alaska Municipal Bond Bank Receipts	Rev - AMBBA Operations (108)	Municipal Bond Bank Receipts	0.0	899.8	901.3
5108 Stat Desig (1108 Stat Desig)			0.0	105.0	105.0
5205 Statutory Dsgntd Prgrm Rcpts Development - Charges for Svcs		Proceeds of the bond issues of the regional health organizations	0.0	105.0	105.0

Inter-Agency Services (1682)
Department of Revenue

Component: AMBBA Operations (108)

				FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
Component Totals				0.0	182.9	305.2
With Department of Administration				0.0	14.8	11.7
With Department of Law				0.0	149.6	275.0
With Department of Revenue				0.0	18.5	18.5
Object Class	Servicing Agency	Explanation		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3011	Other Services	Admin - Department-wide	Professional management and consulting services; printing and copying services; and State Travel Office fees	0.0	0.5	0.3
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	ETS chargeback for computer services (including EPR, MICS charges for mainframe usage, and VPN	0.0	0.7	0.7
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	ETS chargeback for telecommunications EPR, phone lines and service requests	0.0	1.8	1.8
3021	Inter-Agency Mail	Admin - Department-wide	Central mailroom services including pickup and delivery of U.S. mail, postage, mailing of state warrants	0.0	3.0	0.6
3022	Inter-Agency Human Resources	Admin - Department-wide	Human resource and payroll services provided by the Division of Personnel	0.0	0.6	0.6
3023	Inter-Agency Building Leases	Admin - Department-wide	Cost of space in state-owned facilities	0.0	7.7	7.0
3024	Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law	0.0	149.6	275.0
3026	Inter-Agency Insurance	Admin - Department-wide	Risk Management	0.0	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide	Division of Finance IRIS and AKPAY	0.0	0.1	0.4
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	ADA compliance	0.0	0.2	0.1
3036	Inter-Agency Safety	Admin - Department-wide	Parking enforcement at State Office Building located in Juneau	0.0	0.1	0.1

Inter-Agency Services (1682)
Department of Revenue

Component: AMBBA Operations (108)

Object Class		Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3038	Inter-Agency Management/Consulting	Rev - Administrative Services (125)	Support services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support	0.0	16.9	16.9
3038	Inter-Agency Management/Consulting	Rev - Commissioner's Office (123)	Support services provided by the Commissioner's Office	0.0	1.6	1.6