

# **State of Alaska FY2014 Governor's Operating Budget**

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

**RDU/Component: AMBBA Operations**

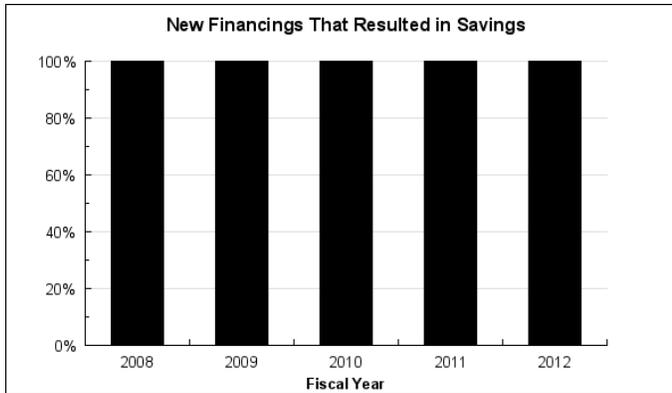
*(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)*

**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 <http://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 <http://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 2012

- During 2012 the AMBBA completed three bond issues for a total of \$149.4 million to fund projects or provide debt service savings in the City of Cordova, Aleutians East Borough, Kodiak Island Borough, City of Hoonah, Kenai Peninsula Borough, Ketchikan Gateway Borough, City of Seward, City & Borough of Juneau, City of Nome, City & Borough of Sitka, Northwest Arctic Borough, Municipality of Skagway, City of Palmer, City of Petersburg, and City of Valdez. These communities are estimated to have saved over \$17.2 million in reduced issuance costs and lower interest expense.

### Key Component Challenges

- FY2012 saw a continuation of heightened borrowing/lending activity of the AMBBA. From FY2011 to FY2012 outstanding debt increased by \$16.1 million or 2.24% to an outstanding balance of \$735.6 million on June 30, 2012. Over the prior five fiscal years outstanding debt has increased by \$197.8 million, representing an annual average increase of \$39.56 million. The \$735.6 million in outstanding bonds leaves \$264.4 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 FY2014

No changes in results delivered.

### Statutory and Regulatory Authority

AS 44.85 Alaska Municipal Bond Bank Authority

Contact Information
<p><b>Contact:</b> Jerry Burnett, Director, Administrative Services <b>Phone:</b> (907) 465-2312 <b>Fax:</b> (907) 465-1685 <b>E-mail:</b> jerry.burnett@alaska.gov</p>

AMBBA Operations Component Financial Summary			
		<i>All dollars shown in thousands</i>	
	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	134.7	139.2	139.5
72000 Travel	37.4	9.5	9.5
73000 Services	281.6	686.0	686.0
74000 Commodities	2.0	3.8	3.8
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>455.7</b>	<b>838.5</b>	<b>838.8</b>
<b>Funding Sources:</b>			
1104 Alaska Municipal Bond Bank Receipts	455.7	838.5	838.8
<b>Funding Totals</b>	<b>455.7</b>	<b>838.5</b>	<b>838.8</b>

Estimated Revenue Collections				
Description	Master Revenue Account	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Municipal Bond Bank Receipts	51417	455.7	838.5	838.8
<b>Restricted Total</b>		<b>455.7</b>	<b>838.5</b>	<b>838.8</b>
<b>Total Estimated Revenues</b>		<b>455.7</b>	<b>838.5</b>	<b>838.8</b>

**Summary of Component Budget Changes  
From FY2013 Management Plan to FY2014 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>
<b>FY2013 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>838.5</b>	<b>0.0</b>	<b>838.5</b>
<b>Adjustments which will continue current level of service:</b>					
-FY2014 Salary and Health Insurance Increases	0.0	0.0	0.3	0.0	0.3
<b>FY2014 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>838.8</b>	<b>0.0</b>	<b>838.8</b>

AMBBA Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2013 Management Plan	FY2014 Governor		
Full-time	1	1	Annual Salaries	99,979
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	48,659
			<i>Less 6.15% Vacancy Factor</i>	(9,138)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>1</b>	<b>1</b>	<b>Total Personal Services</b>	<b>139,500</b>

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

**Component Detail All Funds**  
**Department of Revenue**

**Component:** AMBBA Operations (AR15540) (108)  
**RDU:** Alaska Municipal Bond Bank Authority (44)

	FY2012 Actuals	FY2013 Conference Committee	FY2013 Authorized	FY2013 Management Plan	FY2014 Governor	FY2013 Management Plan vs FY2014 Governor	
71000 Personal Services	134.7	139.2	139.2	139.2	139.5	0.3	0.2%
72000 Travel	37.4	9.5	9.5	9.5	9.5	0.0	0.0%
73000 Services	281.6	686.0	686.0	686.0	686.0	0.0	0.0%
74000 Commodities	2.0	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%
<b>Totals</b>	<b>455.7</b>	<b>838.5</b>	<b>838.5</b>	<b>838.5</b>	<b>838.8</b>	<b>0.3</b>	<b>0.0%</b>
<b>Fund Sources:</b>							
1104 MBB Rcpts (Other)	455.7	838.5	838.5	838.5	838.8	0.3	0.0%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>455.7</b>	<b>838.5</b>	<b>838.5</b>	<b>838.5</b>	<b>838.8</b>	<b>0.3</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
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 FY2013 Conference Committee To FY2013 Authorized *****												
<b>FY2013 Conference Committee</b>												
ConfCom		838.5	139.2	9.5	686.0	3.8	0.0	0.0	0.0	1	0	0
1104 MBB Rcpts		838.5										
<b>Subtotal</b>		<b>838.5</b>	<b>139.2</b>	<b>9.5</b>	<b>686.0</b>	<b>3.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1</b>	<b>0</b>	<b>0</b>
***** Changes From FY2013 Authorized To FY2013 Management Plan *****												
<b>Subtotal</b>		<b>838.5</b>	<b>139.2</b>	<b>9.5</b>	<b>686.0</b>	<b>3.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1</b>	<b>0</b>	<b>0</b>
***** Changes From FY2013 Management Plan To FY2014 Governor *****												
<b>FY2014 Salary and Health Insurance Increases</b>												
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										
FY2014 Salary and Health Insurance increase : \$0.3												
FY2014 Health Insurance increase of \$59.00 per month per employee - from \$1,330 to \$1,389 per month Non-covered: \$0.3												
<b>Totals</b>		<b>838.8</b>	<b>139.5</b>	<b>9.5</b>	<b>686.0</b>	<b>3.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1</b>	<b>0</b>	<b>0</b>

**Personal Services Expenditure Detail**  
**Department of Revenue**

**Scenario:** FY2014 Governor (10289)  
**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	21C / D	4.3	*	27,972	0	0	15,569	43,541	0
04-5025	State Investment Officer II	FT	A	XE	Juneau	NAA	22	6.0	**	72,007	0	0	33,090	105,097	0
													<b>Total Salary Costs:</b>	99,979	
													<b>Total COLA:</b>	0	
													<b>Total Premium Pay:</b>	0	
													<b>Total Benefits:</b>	48,659	
													<b>Total Pre-Vacancy:</b>	148,638	
													<b>Minus Vacancy Adjustment of 6.15%:</b>	(9,138)	
													<b>Total Post-Vacancy:</b>	139,500	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	139,500	

	Total Positions	New	Deleted
<b>Full Time Positions:</b>	1	0	0
<b>Part Time Positions:</b>	0	0	0
<b>Non Permanent Positions:</b>	0	0	0
<b>Positions in Component:</b>	1	0	0

<b>Total Component Months:</b>	10.3
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<b>PCN Funding Sources:</b>	<b>Pre-Vacancy</b>	<b>Post-Vacancy</b>	<b>Percent</b>
1104 Alaska Municipal Bond Bank Receipts	148,638	139,500	100.00%
<b>Total PCN Funding:</b>	<b>148,638</b>	<b>139,500</b>	<b>100.00%</b>

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		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
72000	Travel		37.4	9.5	9.5
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>72000 Travel Detail Totals</b>			<b>37.4</b>	<b>9.5</b>	<b>9.5</b>
72110	Employee Travel (Instate)	Instate airfare, surface transportation, lodging, meals & incidentals	4.5	2.5	2.5
72120	Nonemployee Travel (Instate Travel)	Instate airfare, surface transportation, lodging, meals & incidentals for AMBBA Board of Directors	2.7	0.0	0.0
72410	Employee Travel (Out of state)	Out of state airfare, surface transportation, lodging, meals & incidentals	18.2	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	12.0	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			FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000	Services			281.6	686.0	686.0
Expenditure Account	Servicing Agency	Explanation		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>73000 Services Detail Totals</b>				<b>281.6</b>	<b>686.0</b>	<b>686.0</b>
73025	Education Services	Training, conferences, memberships and employee tuition		1.7	1.5	1.5
73050	Financial Services	Accounting, auditing, financial management and consulting services		227.9	645.0	645.0
73150	Information Technlgy	Software Maintenance		1.1	2.0	2.0
73156	Telecommunication	Long distance, cellular phone and data/network charges		2.6	2.5	2.5
73225	Delivery Services	Courier service		0.5	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		18.8	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
73811	Building Leases	Admin	Cost of space in state owned facility.	7.7	0.0	0.0
73812	Legal	Law	Legal services provided by Department of Law.	5.0	0.0	0.0
73814	Insurance	Admin	Risk Management	0.1	0.1	0.1
73815	Financial	Admin	Division of Finance AKSAS/AKPAY	1.7	0.1	0.1
73816	ADA Compliance	Labor	Share of cost for ADA compliance	0.1	0.1	0.1
73819	Commission Sales (IA Svcs)	Admin	State Travel Office fees	0.2	0.1	0.1
73827	Safety (IA Svcs)	Admin	Building security services.	0.1	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)	Revenue-CO	Support services provided by the Commissioner's Office	1.5	1.5	1.5

**Line Item Detail**  
**Department of Revenue**  
**Services**

**Component:** AMBBA Operations (108)

**RDU:** Alaska Municipal Bond Bank Authority (44)

Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>73000 Services Detail Totals</b>			<b>281.6</b>	<b>686.0</b>	<b>686.0</b>
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	9.2	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		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
74000	Commodities		2.0	3.8	3.8
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>74000 Commodities Detail Totals</b>			<b>2.0</b>	<b>3.8</b>	<b>3.8</b>
74200	Business	Business supplies including books and educational, equipment and furniture, office supplies, IT equipment less than \$5,000 per item, and subscriptions	2.0	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		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
78000	Miscellaneous		0.0	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>78000 Miscellaneous Detail Totals</b>			<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
78000	Miscellaneous	One-time funding for GF loan to City of Galena	0.0	0.0	0.0

**Restricted Revenue Detail**  
**Department of Revenue**

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

<b>Master Account</b>	<b>Revenue Description</b>				<b>FY2012 Actuals</b>	<b>FY2013 Management Plan</b>	<b>FY2014 Governor</b>
51417	Municipal Bond Bank Receipts				455.7	838.5	838.8
<b>Detail Information</b>							
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2012 Actuals</b>	<b>FY2013 Management Plan</b>	<b>FY2014 Governor</b>
51417	Muni Bond Bank Rec		4802000	11100	455.7	838.5	838.8

**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 Actuals	FY2013	
					Management Plan	FY2014 Governor
73805	IT-Non-Telecommunication	Computer services provided by ETS	Inter-dept Admin	0.6	0.6	0.6
<b>73805 IT-Non-Telecommunication subtotal:</b>				<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
73806	IT-Telecommunication	Telecommunications services provided by ETS	Inter-dept Admin	1.8	1.8	1.8
<b>73806 IT-Telecommunication subtotal:</b>				<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
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
<b>73809 Mail subtotal:</b>				<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
73810	Human Resources	Human resource and payroll services provided by the Division of Personnel	Inter-dept Admin	0.8	0.8	0.8
<b>73810 Human Resources subtotal:</b>				<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
73811	Building Leases	Cost of space in state owned facility.	Inter-dept Admin	7.7	0.0	0.0
<b>73811 Building Leases subtotal:</b>				<b>7.7</b>	<b>0.0</b>	<b>0.0</b>
73812	Legal	Legal services provided by Department of Law.	Inter-dept Law	5.0	0.0	0.0
<b>73812 Legal subtotal:</b>				<b>5.0</b>	<b>0.0</b>	<b>0.0</b>
73814	Insurance	Risk Management	Inter-dept Admin	0.1	0.1	0.1
<b>73814 Insurance subtotal:</b>				<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
73815	Financial	Division of Finance AKSAS/AKPAY	Inter-dept Admin	1.7	0.1	0.1
<b>73815 Financial subtotal:</b>				<b>1.7</b>	<b>0.1</b>	<b>0.1</b>
73816	ADA Compliance	Share of cost for ADA compliance	Inter-dept Labor	0.1	0.1	0.1
<b>73816 ADA Compliance subtotal:</b>				<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
73819	Commission Sales (IA Svcs)	State Travel Office fees	Inter-dept Admin	0.2	0.1	0.1
<b>73819 Commission Sales (IA Svcs) subtotal:</b>				<b>0.2</b>	<b>0.1</b>	<b>0.1</b>
73827	Safety (IA Svcs)	Building security services.	Inter-dept Admin	0.1	0.0	0.0
<b>73827 Safety (IA Svcs) subtotal:</b>				<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
73979	Mgmt/Consulting (IA Svcs)	Support services provided by the Commissioner's Office	Intra-dept Revenue-CO	1.5	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	9.2	9.2	9.2
<b>73979 Mgmt/Consulting (IA Svcs) subtotal:</b>				<b>10.7</b>	<b>10.7</b>	<b>10.7</b>
<b>AMBBA Operations total:</b>				<b>28.9</b>	<b>14.4</b>	<b>14.4</b>
<b>Grand Total:</b>				<b>28.9</b>	<b>14.4</b>	<b>14.4</b>