

State of Alaska FY2012 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.

- Savings were achieved in each of the four issues of the Alaska Municipal Bond Bank and each one of the 12 loans made with those funds and one additional loan made directly from the bond bank. Savings aggregated \$9.6 million. AMBBA has achieved its target of 100% for the past five years.
- There were no advance refinancings in FY2010.
- There were no current refinancing issues in FY2010.

Status of Strategies to Achieve End Result

- 95% of municipalities with less than A1 ratings were financed by the Bond Bank.

Key Component Challenges

- FY2010 saw a continuation of heightened borrowing/lending activity of the AMBBA. From FY2009 to FY2010 outstanding debt increased by \$46.4 million or 7.9% to an outstanding balance of \$633.6 million on June 30, 2010. Over the prior six fiscal years outstanding debt has increased by \$300.1 million, representing an average increase of \$50.0 million. The \$633.6 million in outstanding bonds leaves \$366.4 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 FY2012

No changes in results delivered.

Major Component Accomplishments in 2010

- During 2010 the AMBBA completed four bond issues for a total of \$85.1 million to fund projects or provide debt service savings in the City of King Cove, Northwest Arctic Borough, City of Cordova, City of Unalaska, Kenai Peninsula Borough, Ketchikan Gateway Borough, City & Borough of Juneau, City of Kenai, and City of Petersburg. These communities are estimated to have saved over \$9.6 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 2009 this indenture eliminated the need for two additional bond issues that would have been

required prior to 2005. In 2010 the Bond Bank achieved rating upgrades on the 2005 program to AA from Fitch Ratings and AA3 from Moody's.

- Statutory changed and increased limit on borrowing, increased program flexibility and designated AMBBA to reallocate Recovery Zone Bonds.

Statutory and Regulatory Authority

AS 44.85 Alaska Municipal Bond Bank Authority

Contact Information
<p>Contact: Ginger Blaisdell, Director, Administrative Services Phone: (907) 465-2312 Fax: (907) 465-1685 E-mail: ginger.blaisdell@alaska.gov</p>

**AMBBA Operations
Component Financial Summary**

All dollars shown in thousands

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	123.8	132.1	134.7
72000 Travel	18.2	29.5	9.5
73000 Services	515.7	746.0	686.0
74000 Commodities	0.3	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	2,450.0	0.0
Expenditure Totals	658.0	3,361.4	834.0
Funding Sources:			
1004 General Fund Receipts	0.0	2,450.0	0.0
1104 Alaska Municipal Bond Bank Receipts	658.0	911.4	834.0
Funding Totals	658.0	3,361.4	834.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2010 Actuals	FY2011 Management Plan	FY2012 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	658.0	911.4	834.0
Restricted Total		658.0	911.4	834.0
Total Estimated Revenues		658.0	911.4	834.0

**Summary of Component Budget Changes
From FY2011 Management Plan to FY2012 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>
FY2011 Management Plan	2,450.0	0.0	911.4	0.0	3,361.4
Adjustments which will continue current level of service:					
-Reverse Bond Bank Loan to City of Galena CH43 SLA10 Sec30(a) P161 L22 (SB230)	-2,450.0	0.0	0.0	0.0	-2,450.0
-FY 2012 Personal Services increases	0.0	0.0	2.6	0.0	2.6
-Recovery Zone Volume Cap SB 269 year 2	0.0	0.0	-80.0	0.0	-80.0
FY2012 Governor	0.0	0.0	834.0	0.0	834.0

**AMBBA Operations
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2011 Management Plan	FY2012 Governor		
Full-time	1	1	Annual Salaries	94,208
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	43,987
			<i>Less 2.53% Vacancy Factor</i>	(3,495)
			Lump Sum Premium Pay	0
Totals	1	1	Total Personal Services	134,700

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)

	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Management Plan	FY2012 Governor	FY2011 Management Plan vs FY2012 Governor	
71000 Personal Services	123.8	130.3	132.1	132.1	134.7	2.6	2.0%
72000 Travel	18.2	9.5	29.5	29.5	9.5	-20.0	-67.8%
73000 Services	515.7	686.0	746.0	746.0	686.0	-60.0	-8.0%
74000 Commodities	0.3	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	2,450.0	2,450.0	0.0	-2,450.0	-100.0%
Totals	658.0	829.6	3,361.4	3,361.4	834.0	-2,527.4	-75.2%
Fund Sources:							
1004 Gen Fund	0.0	0.0	2,450.0	2,450.0	0.0	-2,450.0	-100.0%
1104 MBB Rcpts	658.0	829.6	911.4	911.4	834.0	-77.4	-8.5%
Unrestricted General (UGF)	0.0	0.0	2,450.0	2,450.0	0.0	-2,450.0	-100.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	658.0	829.6	911.4	911.4	834.0	-77.4	-8.5%
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 FY2011 Conference Committee (Final) To FY2011 Authorized *****												
FY2011 Conference Committee												
1104 MBB Rcpts	ConfCom	829.6	130.3	9.5	686.0	3.8	0.0	0.0	0.0	1	0	0
		829.6										
ADN 0411020 Economic Stimulus Bonds Reallocation/Waiver CH68 SLA10 (SB269) (CH41 SLA10 P54 L4) (HB300)												
1104 MBB Rcpts	FisNot	80.0	0.0	20.0	60.0	0.0	0.0	0.0	0.0	0	0	0
		80.0										
ADN 0411021 FY11 Non-covered Salary Increase Year 1 CH56 SLA10 (HB421) (CH41 SLA10 P51 L5) (HB300)												
1104 MBB Rcpts	FisNot	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
		1.8										
: \$1.8												
ADN 0411022 Bond Bank Loan to City of Galena CH43 SLA10 Sec30(a) P161 L22 (SB230)												
1004 Gen Fund	OthApr	2,450.0	0.0	0.0	0.0	0.0	0.0	0.0	2,450.0	0	0	0
		2,450.0										
Subtotal		3,361.4	132.1	29.5	746.0	3.8	0.0	0.0	2,450.0	1	0	0
***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
Subtotal		3,361.4	132.1	29.5	746.0	3.8	0.0	0.0	2,450.0	1	0	0
***** Changes From FY2011 Management Plan To FY2012 Governor *****												
Reverse Bond Bank Loan to City of Galena CH43 SLA10 Sec30(a) P161 L22 (SB230)												
1004 Gen Fund	OTI	-2,450.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,450.0	0	0	0
		-2,450.0										
Reverse one time language section appropriation.												
FY 2012 Personal Services increases												
1104 MBB Rcpts	SalAdj	2.6	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
		2.6										
This change record includes the following personal services increases: : \$2.6												
Alaska State Employees Assn (GGU) FY2012 Health Insurance Increased Costs : \$0.5												

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	
Non-Covered Employees FY2012 Health Insurance Increased Costs : \$1.0												
Alaska State Employees Association (GGU) FY 12 COLA increases : \$0.5												
Alaska State Employees Association - ASEA Geographic Differential for GGU : \$0.6												
Recovery Zone Volume Cap SB 269 year 2												
	OTI	-80.0	0.0	-20.0	-60.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		-80.0										
Totals		834.0	134.7	9.5	686.0	3.8	0.0	0.0	0.0	1	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2012 Governor (8665)
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
04-5007	Accountant IV	FT	A	GP	Juneau	202	20L	3.0	*	21,635	0	0	11,215	32,850	0
04-5025	State Investment Officer II	FT	A	XE	Juneau	AA	22	6.6	**	72,573	0	0	32,772	105,345	0
													Total Salary Costs:	94,208	
													Total COLA:	0	
													Total Premium Pay:	0	
													Total Benefits:	43,987	
													Total Pre-Vacancy:	138,195	
													Minus Vacancy Adjustment of 2.53%:	(3,495)	
													Total Post-Vacancy:	134,700	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	134,700	

<u>PCN Funding Sources:</u>	<u>Pre-Vacancy</u>	<u>Post-Vacancy</u>	<u>Percent</u>
1104 Alaska Municipal Bond Bank Receipts	138,195	134,700	100.00%
Total PCN Funding:	138,195	134,700	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		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000	Travel		18.2	29.5	9.5
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000 Travel Detail Totals			18.2	29.5	9.5
72110	Employee Travel (Instate)	Instate airfare, surface transportation, lodging, meals & incidentals	6.9	7.0	2.5
72410	Employee Travel (Out of state)	Out of state airfare, surface transportation, lodging, meals & incidentals	9.2	14.5	6.0
72420	Nonemployee Travel (Out of state Emp)	Out of state airfare, surface transportation, lodging, meals & incidentals for AMBBA Board of Directors	2.1	8.0	1.0

Line Item Detail
Department of Revenue
Services

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

Line Number	Line Name			FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000	Services			515.7	746.0	686.0
Expenditure Account				FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Expenditure Account	Servicing Agency	Explanation		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000 Services Detail Totals				515.7	746.0	686.0
73025	Education Services	Training, conferences, memberships and employee tuition		1.1	1.5	1.5
73050	Financial Services	Accounting, auditing, financial management and consulting services		490.3	717.2	657.2
73150	Information Technlgy	Software Maintenance		1.9	2.0	2.0
73156	Telecommunication	Long distance, cellular phone and data/network charges		2.3	2.5	2.5
73225	Delivery Services	Courier service		0.6	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		7.0	8.0	8.0
73805	IT-Non-Telecommnctns	Admin	Computer services provided by ETS	0.6	0.6	0.6
73806	IT-Telecommunication	Admin	Telecommunications services provided by ETS	1.7	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	0.1	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	0.1	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	1.5	1.8	1.8
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	7.2	7.7	7.7

Line Item Detail
Department of Revenue
Commodities

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

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000	Commodities		0.3	3.8	3.8
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000 Commodities Detail Totals			0.3	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	0.3	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		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
78000	Miscellaneous		0.0	2,450.0	0.0
			FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Expenditure Account	Servicing Agency	Explanation			
78000 Miscellaneous Detail Totals			0.0	2,450.0	0.0
78000	Miscellaneous	One-time funding for GF loan to City of Galena	0.0	2,450.0	0.0

Restricted Revenue Detail
Department of Revenue

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

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51417	Municipal Bond Bank Receipts	658.0	911.4	834.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51417	Muni Bond Bank Rec		4802000	11100	658.0	911.4	834.0

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	FY2011			
				FY2010 Actuals	Management Plan	FY2012 Governor	
73805	IT-Non-Telecommnctns	Computer services provided by ETS	Inter-dept	Admin	0.6	0.6	0.6
73805 IT-Non-Telecommnctns subtotal:					0.6	0.6	0.6
73806	IT-Telecommunication	Telecommunications services provided by ETS	Inter-dept	Admin	1.7	1.8	1.8
73806 IT-Telecommunication subtotal:					1.7	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	0.1	0.1	0.1
73814 Insurance subtotal:					0.1	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	0.1	0.1	0.1
73816 ADA Compliance subtotal:					0.1	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	1.5	1.8	1.8
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	7.2	7.7	7.7
73979 Mgmt/Consulting (IA Svcs) subtotal:					8.7	9.5	9.5
AMBBA Operations total:					12.4	13.2	13.2
Grand Total:					12.4	13.2	13.2