

**State of Alaska
FY2017 Governor's Operating Budget**

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

RDU/Component: AMBBA Operations

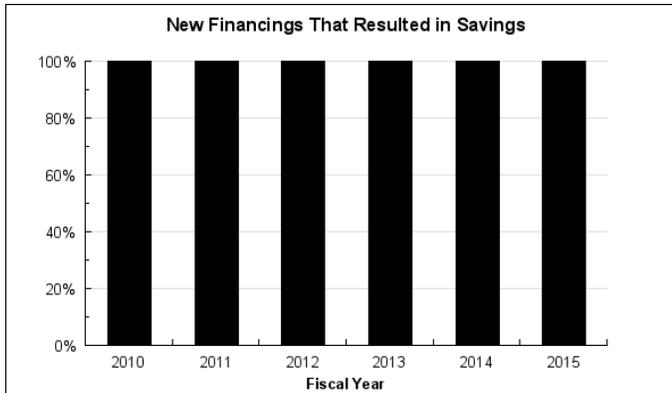
(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

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 2015

- The Bond Bank sold three series of bonds in FY 2015, the 2014 Series Three (A & B), the 2015 Series One (A & B), and the 2015 Series Two. During FY 2015 the Bond Bank issued \$175.6 million in bonds, which resulted in \$199.9 million in loans to communities for refinancing loans or new projects. The Bond Bank used these funds to make 29 municipal loan agreements for refinancing loans for savings and new projects in 19 communities: The City and Borough of Juneau, the City of Saxman, the City of Adak, the Municipality of Anchorage, the Haines Borough, the Kenai Peninsula Borough, the City of Seward, the Petersburg Borough, the City of Cordova, the Aleutians East Borough, the City of Ketchikan, the Ketchikan Gateway Borough, the Northwest Arctic Borough, the City and Borough of Sitka, the Municipality of Skagway, the City of Unalaska, the City and Borough of Wrangell, the City of Nome, and the City of Craig. These communities are estimated to have saved over \$25 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 which correlates to a present value of almost \$17 million.

Key Component Challenges

- FY2015 was another year of heightened activity level at the Bond Bank. From FY2014 to FY2015 outstanding debt increased by \$17.5 million or 1.9% to an outstanding balance of \$940.9 million on June 30, 2015. Over the prior five fiscal years outstanding debt has increased by \$307.3 million, representing an annual average increase of approximately \$61.5 million since FY 2010. The \$940.9 million in outstanding bonds leaves \$646.5 million, of which \$87.5 million is specifically designated for the University of Alaska 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 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 FY2017

No changes in results delivered.

Statutory and Regulatory Authority

AS 44.85 Alaska Municipal Bond Bank Authority

Contact Information
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AMBBA Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2016</u> <u>Management</u> <u>Plan</u>	<u>FY2017</u> <u>Governor</u>		
Full-time	1	1	Annual Salaries	142,644
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	65,431
			<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
Totals	1	1	Total Personal Services	208,075

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

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 Governor	
71000 Personal Services	175.5	184.1	184.1	184.1	208.0	23.9	13.0%
72000 Travel	36.7	9.5	9.5	9.5	14.5	5.0	52.6%
73000 Services	491.4	702.3	702.3	702.3	778.4	76.1	10.8%
74000 Commodities	0.6	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	704.2	899.7	899.7	899.7	1,004.7	105.0	11.7%
Fund Sources:							
1104MBB Rcpts (Other)	704.2	899.7	899.7	899.7	899.7	0.0	0.0%
1108Stat Desig (Other)	0.0	0.0	0.0	0.0	105.0	105.0	100.0%
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	704.2	899.7	899.7	899.7	1,004.7	105.0	11.7%
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 FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee												
ConfCom		899.7	184.1	9.5	702.3	3.8	0.0	0.0	0.0	1	0	0
1104 MBB Rcpts		899.7										
Subtotal		899.7	184.1	9.5	702.3	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
MUNI BOND BK;REG HEALTH ORGS; JT ACT AGENCY Ch28 SLA2015 (SB46) (Sec2 Ch23 SLA2015 P44 L18 (HB72))												
Trin		330.0	0.0	15.0	315.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig		330.0										
During the 2015 legislative session, the SB46 fiscal note was erroneously placed in the Treasury Division rather than the Alaska Municipal Bond Bank Authority. This Transfer corrects the error and moves funding to the proper component.												
Reduce MUNI BOND BK;REG HEALTH ORGS;JT ACT Ch23 SLA2015 (SB46) (Sec2 Ch23 SLA2015 P44 L15-19 (HB72)) (FY16 - FY21)												
OTI		-225.0	0.0	-10.0	-215.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig		-225.0										
SB46 authorizes the Alaska Municipal Bond Bank Authority (Bond Bank) to consider making loans to regional health organizations. This reduces funding to year two of the fiscal note.												
Align Authority to Continue Existing Service Levels												
LIT		0.0	23.9	0.0	-23.9	0.0	0.0	0.0	0.0	0	0	0
Align authority to continue existing service levels												
Totals		1,004.7	208.0	14.5	778.4	3.8	0.0	0.0	0.0	1	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2017 Governor (12995)
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	23,865	68,931	0
04-5025	State Investment Officer	FT	A	XE	Juneau	N05	22	6.0	**	97,578	0	0	41,566	139,144	0
													Total Salary Costs:	142,644	
													Total COLA:	0	
													Total Premium Pay::	0	
													Total Benefits:	65,431	
													Total Pre-Vacancy:	208,075	
													Minus Vacancy Adjustment of 0.00%:	(0)	
													Total Post-Vacancy:	208,075	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	208,075	

	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
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PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1104 Alaska Municipal Bond Bank Receipts	208,075	208,075	100.00%
Total PCN Funding:	208,075	208,075	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		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000	Travel		36.7	9.5	14.5
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000 Travel Detail Totals			36.7	9.5	14.5
72110	Employee Travel (Instate)	Instate airfare, surface transportation, lodging, meals & incidentals	11.9	3.5	7.5
72410	Employee Travel (Out of state)	Out of state airfare, surface transportation, lodging, meals & incidentals	21.6	5.0	5.0
72420	Nonemployee Travel (Out of state Emp)	Out of state airfare, surface transportation, lodging, meals & incidentals for AMBBA Board of Directors	3.2	1.0	2.0

Line Item Detail
Department of Revenue
Services

Component: AMBBA Operations (108)

RDU: Alaska Municipal Bond Bank Authority (44)

Line Number	Line Name			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services			491.4	702.3	778.4
Expenditure Account	Servicing Agency	Explanation		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals				491.4	702.3	778.4
73025	Education Services	Training, conferences, memberships and employee tuition		1.4	1.4	1.4
73050	Financial Services	Accounting, auditing, financial management and consulting services		322.3	529.3	606.3
73150	Information Technlgy	Software maintenance		0.5	0.5	0.5
73156	Telecommunication	Long distance, cellular phone and data/network charges		2.0	2.9	2.0
73225	Delivery Services	Courier service		0.2	0.2	0.2
73450	Advertising & Promos	Advertising and public notice		3.1	3.1	3.1
73668	Room/Space	Storage rental		0.1	0.1	0.1
73677	Office Furn & Equip(Non IA Repair/Maint)	Copier maintenance and support		0.5	0.5	0.5
73805	IT-Non-Telecommunication	Admin	Computer services provided by ETS	0.7	0.7	0.7
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	3.0	3.0	3.0
73810	Human Resources	Admin	Human resource and payroll services provided by Division of Personnel	0.6	0.6	0.6
73811	Building Leases	Admin	Building lease	7.7	7.7	7.7
73812	Legal	Law	Legal counsel	131.6	131.6	131.6
73814	Insurance	Admin	Risk Management	0.1	0.1	0.1
73815	Financial	Admin	Division of Finance IRIS and 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	0.3	0.2	0.2
73979	Mgmt/Consulting (IA Svcs)	Revenue-CO	Support services provided by the Commissioner's Office	2.2	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	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals			491.4	702.3	778.4
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	13.1	16.9	16.9

Line Item Detail
Department of Revenue
Commodities

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

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		0.6	3.8	3.8
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000 Commodities Detail Totals			0.6	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	0.6	3.8	3.8

Restricted Revenue Detail
Department of Revenue

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

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51063	Statutory Designated Program Receipts				0.0	0.0	105.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51063	Stat Desig Prog Rec Proceeds of the bond issues of the regional health organizations				0.0	0.0	105.0

Restricted Revenue Detail
Department of Revenue

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

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51417	Municipal Bond Bank Receipts				704.2	899.7	899.7
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51417	Muni Bond Bank Rec Municipal Bond Bank Receipts		4802000	11100	704.2	899.7	899.7

Interagency Services
Department of Revenue

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

Expenditure Account		Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73805	IT-Non-Telecommunication	Computer services provided by ETS	Inter-dept	Admin	0.7	0.7	0.7
73805 IT-Non-Telecommunication subtotal:					0.7	0.7	0.7
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	3.0	3.0	3.0
73809 Mail subtotal:					3.0	3.0	3.0
73810	Human Resources	Human resource and payroll services provided by Division of Personnel	Inter-dept	Admin	0.6	0.6	0.6
73810 Human Resources subtotal:					0.6	0.6	0.6
73811	Building Leases	Building lease	Inter-dept	Admin	7.7	7.7	7.7
73811 Building Leases subtotal:					7.7	7.7	7.7
73812	Legal	Legal counsel	Intra-dept	Law	131.6	131.6	131.6
73812 Legal subtotal:					131.6	131.6	131.6
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 IRIS and 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	0.3	0.2	0.2
73819 Commission Sales (IA Svcs) subtotal:					0.3	0.2	0.2
73979	Mgmt/Consulting (IA Svcs)	Support services provided by the Commissioner's Office	Intra-dept	Revenue-CO	2.2	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	13.1	16.9	16.9
73979 Mgmt/Consulting (IA Svcs) subtotal:					15.3	18.4	18.4
AMBBA Operations total:					161.3	164.3	164.3
Grand Total:					161.3	164.3	164.3