



State of Alaska Department of Revenue Treasury Budget Overview

A Presentation to the Revenue Finance Subcommittee

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Treasury Division



Treasury Division

The Mission of the Treasury Division is to manage the state's Funds.

- Treasury Division provides:
 - Investment Management
 - Cash Management
 - Debt Management
 - Unclaimed Property Management

and Provides staff to ARMB And AMBBA

Treasury Facts & Figures

- 45 Treasury Division staff
- At 12/31/14, manages \$50B in assets in 50 separate accounts
 - 14 funds under the direction of ARMB (\$27.5B)
 - 34 funds under the direction of the Commissioner of Revenue (\$21.7B)
 - 2 funds under other state fiduciaries (\$258M)
- Internally manages \$19B in assets directly and oversees 100 external investment managers
- FY05-FY14 assets under management grew 150% from \$20.7B to \$52B
- Total General Obligation Bonds (GOBs) outstanding at 6/30/14 was \$803.8M

Treasury Accomplishments in 2014

- Investment returns for 33 of 36 funds met or exceeded 1-year targets
- Staff retention and credentials increased
 - Longevity of investment staff was 7.7 years, retaining division knowledge and allowing for the development of new skills/knowledge.
 - 8 investment staff currently hold a CFA designation compared to 5 in 2009, signaling an increased depth of investment knowledge and expertise of Treasury staff.
- Awarded statewide contract for Automated Clearing House services-annual \$300,000 in savings
- Paperless environment in Cash Management

Treasury Accomplishments in 2014 (cont.)

- Provided 5 updates to rating agencies
- Maintained the three triple-A ratings of the State
- Coordinated with state agencies for expenditure of bond proceeds, worked with OMB to generate budget and with Admin/Finance to implement.
- October 2013-Issued \$2,975,979 of Revenue Bond Anticipation Notes for the Alaska Clean Water and Alaska Drinking Water Fund's annual match requirement.
- February 2014-Optionally redeemed \$1,470,000 of Sport Fishing Revenue Bonds, Series 2006.
- March 2014-Issued \$170 million bond anticipation note to fund projects authorized in the 2012 Transportation Act. The one year note achieved an interest rate of .1%.
- Coordinated with the Alaska International Airport System for the optional redemption of \$35.7 million of their outstanding Series 2003A General Airport Revenue Bonds. Continued in long range effort to restructure the System's debt portfolio for greater operational viability.
- Facilitated three master lease financings for \$4.3 million of state agency equipment acquisitions
- Worked with the Alaska Native Tribal Health Consortium towards implementation of SB 88 and the financing of a residential housing facility at the Alaska Native Medical Center.

Treasury FY16 Budget

- Treasury Budget component is funded 40% from ARMB component
- FY16 Budget Increments
 - Increase to move salaries closer to market: \$327,000 (ARMB funded)
 - 2 new investment officers:\$300,000 (expected savings in management fees of \$1.2M) (ARMB funded)
 - Cost of Living increases: \$137,600
 - Elimination of 1 Position: (\$140,800)
 - Reduction in External Manager Fees (\$250,000).



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Welcome to the Treasury Division

The Treasury Division is the bank and trust center for the State of Alaska. Under the direction of Pamela Leary, the Treasury Division provides cash management, investment and portfolio management, debt management and accounting services for the State's General Fund, the Constitutional Budget Reserve Fund, various retirement funds and numerous other funds and trusts.

Our Sections

Unclaimed Property

Provides a search for owners of unclaimed property and holders of abandoned property.

Investments

Provides oversight for all state and retirement investments, establishes and implements policies, and provides administrative and information technology support.

Cash Management

Functions as the cash control center for the State. Collects all revenues, pays all expenditures, and determines the amount of cash available for investment each day for the general and custodial funds.

Debt Management

Together with the State Bond Committee, is responsible for issuing State debt and lease/purchase financing for the State of Alaska.

Announcements

FALL 2014 REVENUE SOURCES BOOK PRESS RELEASE

Department of Revenue released the Revenue Sources Book Fall 2014. This annual publication provides basic information about state revenue, as well as a forecast of state revenue over the next ten years.

ARCHIVE

For more information,
check out our website:
<http://treasury.dor.alaska.gov/Home.aspx>

THANK YOU

Please find our contact information below:

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