

State of Alaska FY2015 Governor's Operating Budget

Department of Revenue AMBBA Operations RDU/Component Budget Summary

RDU/Component: AMBBA Operations

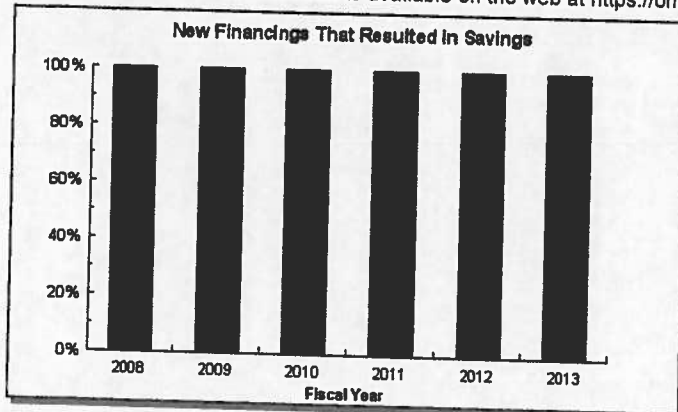
(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

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 2013

- The Bond Bank sold four series of bonds in FY 2013 for a total of \$153.5 million of bonds. The Bond Bank used these funds to make 17 loans to fund projects or refinance projects in the Haines Borough, the City & Borough of Juneau, the City of Petersburg, the City and Borough of Sitka, the Kenai Peninsula Borough, the Ketchikan Gateway Borough, the Kodiak Island Borough, the City of Sang Point, the City of Homer, the City of Ketchikan, and the Municipality of Skagway. These communities are estimated to have saved over \$19.7 million in reduced issuance costs and lower interest expense in their funding of schools, libraries, harbors, hydroelectric projects, and health care facilities.

Key Component Challenges

- FY2013 was another year of heightened activity level at the Bond Bank. From FY2012 to FY2013 outstanding debt increased by \$56.2 million or 7.64% to an outstanding balance of \$791.8 million on June 30, 2013. Over the prior five fiscal years outstanding debt has increased by \$227.1 million, representing an annual average increase of \$45.4 million. The \$791.8 million in outstanding bonds leaves \$208.2 million that the AMBBA can issue under its statutory limitation of \$1 billion.
- Based on anticipated and potential loan demand in FY 2014 the Bond Bank may potentially reach the \$1 billion statutory borrowing limit. Accordingly the Bond Bank has requested an increase in the borrowing limit of \$250 million.
- The Bond Bank 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 FY2015

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 Component Financial Summary

All dollars shown in thousands

	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services			
72000 Travel	154.2	170.3	170.9
73000 Services	29.2	9.5	9.5
74000 Commodities	524.9	661.6	661.6
75000 Capital Outlay	14.8	3.8	3.8
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	723.1	845.2	845.8
Funding Sources:			
1104 Alaska Municipal Bond Bank Receipts	723.1	845.2	845.8
Funding Totals	723.1	845.2	845.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2013 Actuals	FY2014 Management Plan	FY2015 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	154.2	845.2	845.8
Restricted Total		154.2	845.2	845.8
Total Estimated Revenues		154.2	845.2	845.8

**Summary of Component Budget Changes
From FY2014 Management Plan to FY2015 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>
FY2014 Management Plan	0.0	0.0	845.2	0.0	845.2
Adjustments which will continue current level of service:					
-Reverse Alaska State Employees Association One-Time Payment Sec22f Ch14 SLA2013 (HB65) and Sec12 Ch15 SLA2013 (HB66)	0.0	0.0	-0.4	0.0	-0.4
-FY2015 Salary Increases	0.0	0.0	1.5	0.0	1.5
-FY2015 Health Insurance and Working Reserve Rate Reductions	0.0	0.0	-0.5	0.0	-0.5
FY2015 Governor	0.0	0.0	845.8	0.0	845.8

AMBBA Operations Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2014 Management Plan	FY2015 Governor		
Full-time	1	1	Annual Salaries	117,455
Part-time	0	0	COLA	1,586
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	56,482
			Less 2.63% Vacancy Factor	(4,623)
			Lump Sum Premium Pay	0
Totals	1	1	Total Personal Services	170,900

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