

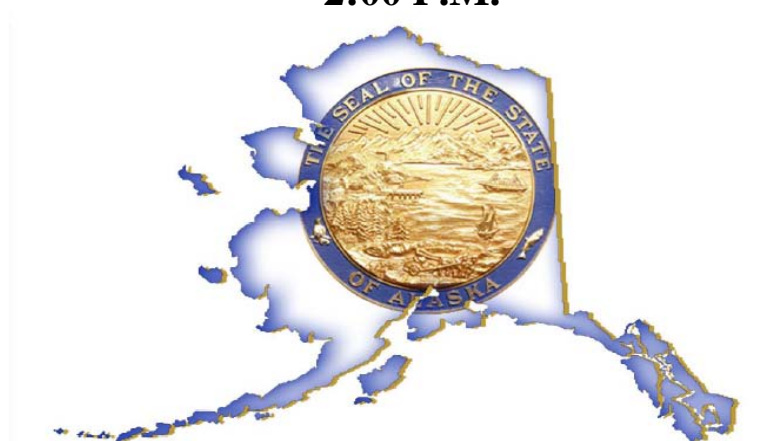
**ALASKA MUNICIPAL BOND BANK
AUTHORITY**

BOARD OF DIRECTOR'S MEETING

**TO BE HELD AT
Offices of Wohlforth, Brecht & Cartledge
900 West 5th Ave., Suite 600
Anchorage AK**

November 19, 2014

2:00 P.M.





AGENDA FOR BOARD OF DIRECTOR'S MEETING

Offices of Wohlforth, Brecht, & Cartledge
900 West 5th Avenue, Suite 600, Anchorage, Alaska
November 19, 2014 at 2:00 p.m.

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Approval of Agenda**
- V. Minutes of the September 4, 2014 Meeting of the Board of Directors**
- VI. General Business**
 - A. Loan Application – Update on City & Borough of Juneau Port Revenue**
 - B. Loan Application – City of Craig General Obligation**
 - C. Resolution 2014-4 –MCDC Initiative**
 - D. IHS Joint Venture Construction Program Financing with Yukon Kuskokwim Health Consortium**
 - E. Establish Bond Bank Title for Ryan Williams**
 - F. 2014 Three Post Sale Summary**
 - G. Executive Director's Report**
- VII. Public Comments**
- VIII. Board Comments**
- IX. Adjournment**

Notice of Meeting - The Alaska Municipal Bond Bank Authority

The Alaska Municipal Bond Bank Authority will hold a meeting in the Offices of Wohlforth, Brecht, & Cartledge 900 West 5th Avenue, Suite 600, Anchorage, Alaska, on November 19, 2014 at 2 p.m. The meeting will include, but is not limited to, the following agenda items:

City & Borough of Juneau Port Loan Request Review

City of Craig General Obligation Loan Analysis

Resolution 2014-04 Municipalities Continuing Disclosure Cooperation Initiative

Executive Directors Report

The public is invited to attend. Individuals who may need special modifications to participate should call 907-465-3750 prior to the meeting.

Dated November 4, 2014

Deven Mitchell, Executive Director

Attachments, History, Details

Attachments

None

Revision History

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Details

Department: Revenue
Category: Agency Meetings
Sub-Category:
Location(s): Statewide
Project/Regulation #:

Publish Date: 11/5/2014
Archive Date: 11/20/2014

Events/Deadlines:

OFFICIAL MINUTES for the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

September 4, 2014

I. CALL TO ORDER

Mark Pfeffer called the meeting to order at 9:35 AM, Alaska Daylight Time. Members participated at the offices of Wohlforth, Brecht, & Cartledge, 900 West 5th Avenue, Ste. 600, and by telephone.

II. ROLL CALL

Mark Pfeffer
Luke Wells
Greg Gurse
Ted Leonard
Pam Leary

OTHERS IN ATTENDANCE

- Deven Mitchell, Executive Director, Alaska Municipal Bond Bank
- Ryan Williams, Operational Research Analyst, Alaska Municipal Bond Bank
- Cindy Cartledge, Bond Counsel, Wohlforth, Brecht, Cartledge & Brooking
- Chip Pierce, Financial Advisor, Western Financial Group
- Bob Bartholomew, City & Borough of Juneau
- Jay Sweeney, City & Borough of Sitka
- Cheryl Catts, City of Saxman
- David Thompson, K&L Gates
- Kerry Salas, K&L Gates
- Holly Welles, Birch, Horton, Bittner & Cherot

- Laura Janke, RBC
- Tom Yang, RBC

III. PUBLIC MEETING NOTICE

A copy of the Online Public Notice concerning the date, location, and purpose of the meeting was reviewed for the record.

IV. APPROVAL OF AGENDA

The agenda was amended to add election of officers as Item V (subsequent order of agenda items amended), approved as amended without objection.

V. ELECTION OF OFFICERS

Since it was the first meeting of the Bond Bank fiscal year, election of officers was undertaken. Mark Pfeffer was nominated to remain chairperson by Greg Gurse and Luke Welles. Greg Gurse was nominated to vice chairperson by Mark Pfeffer and Luke Welles. Deven Mitchell was nominated to Treasurer by Mark Pfeffer and Pam Leary. Pam Leary was nominated to Deputy Treasurer by Mark Pfeffer and Greg Gurse. The election of officers summarized below were all ratified without objection:

Mark Pfeffer – Chairperson
Greg Gurse – Vice Chairperson
Deven Mitchell – Treasurer
Pam Leary – Deputy Treasurer

VI. MINUTES of the May 7, 2014 Board of Directors Meeting

The May 7, 2014 minutes were amended to correctly state the reference to RESOLUTION 2014-02 (previously written as 2014-01). The minutes, as amended, were approved without objection.

VII. GENERAL BUISNESS

City & Borough of Juneau (CBJ) Loan Request

Mr. Pierce presented an evaluation of CBJ's general obligation loan request - the CBJ had previously submitted an application to the Bond Bank for loans totaling approximately \$25 million, and this \$13.1 million loan would be the second installment under the previous application. CBJ has various voter authorized projects, including renovations and construction improvements to CBJ facilities, Centennial Hall, Aurora Harbor, airport terminal, Eaglecrest learning center and lodge, capital transit, and various public parks. Mr. Pierce then presented an overview of Juneau's financial position to the Board. The requested term of the loan is 20 years, and the security for the loan comes from a full faith and credit pledge of the City. Total Bond Bank Fiscal Year 2015 Debt service is \$14.7 million, which compares to CBJ's state-shared revenues of \$91.7 million provides coverage of approximately 6.25 times. Estimated Borrower Savings were calculated to be approximately \$1.7 million gross, and approximately \$1.3 million on a present value basis. Mr. Pierce then reviewed the trend in CBJ's financial position including general fund revenue sources from 2010-2013. Mr. Pierce noted that CBJ general fund revenue sources are primarily derived from property taxes, and the four-year average as a percentage of revenues is 68.4%. He also highlighted that the 2013 increase in property taxes (as a percentage) relative to other sources reflects an accounting change in 2012. CBJ now accounts for state debt service reimbursement amounts in their Debt Service fund rather than in the General Fund resulting in an overall decline in General Fund Revenues, thereby increasing property tax as a percentage of overall General Fund Revenues. Although there has been a volatile General fund total balance since 2009 levels, the balance remains at a satisfactory level of 17.9% of General Fund expenditures and transfers. Additionally, CBJ maintains a Sales Tax Budget Reserve that is funded from Sales Tax collections, holding \$11.8 million at the end of fiscal year 2013. The voters had previously approved a five year 1% sales tax to fund \$10 million of bond debt payments, and \$5 million to replenish the general government budget reserves (recommended by the Mayor's Task Force on analysis of CBJ reserve funds). There was a question from Pam Leary regarding the restricted portion of the General Fund, and whether the 1% sales tax initiative (ratified by voters) is forecasted to get the restricted portion up, and remain, at the target amount of \$17+ million. It was noted that CBJ has submitted an application to the Bond Bank for a loan totaling approximately \$36 million for a floating cruise ship (concrete dock). The Bond Bank has funded an initial \$6 million on that request, and projects to issue within the next 12 months.

Mr. Pierce was pleased to announce that the statement of no litigation had recently been received. Given his analysis Mr. Pierce recommended Board approval of the loan. Mr. Welles made a motion to approve the \$13.1 million general obligation bond loan for CBJ and Mr. Leonard seconded the motion. Mr. Mitchell conducted a roll call vote and the motion passed with five yes votes.

City & Borough of Sitka (CBS) Loan Request

Mr. Pierce presented an evaluation of CBS's revenue bond loan request - the CBS had previously submitted an application to the Bond Bank for loans totaling \$80.5 million for the Sitka Blue Lake hydroelectric project, and this \$19 million installment would be the final under the previous application, and provide for the final component of financing needed for completion of the Blue Lake project (\$61.15 million against the original application authorization to date). Mr. Pierce then presented an overview of Sitka's electric enterprise system loan structure, and operations of the electric enterprise system. The requested term of the loan is 35 years. Mr. Welles questioned the resulting structure of the entirety of the loan associated with the Blue Lake project, 35 years, and resulting principal repayment over that timeframe. In response, Mr. Pierce drew a chart showing a basic "leveling-out" of Sitka's debt obligations over this timeframe, filling in additional par on years that otherwise had lower than average principal repayment respective to other years before the issuance of the 2014 Series Three bonds. The security for the loan comes from electric system revenues. Total Bond Bank Fiscal Year 2015 Debt service is \$11.8 million, which compares to CBS's state-shared revenues of \$61.73 million, and provides coverage of approximately 5.25 times. Estimated Borrower Savings were calculated to be approximately \$14.2 million gross, and approximately \$6.9 million on a present value basis. Mr. Pierce noted there are 5,260 customers, residential customers making up approximately 43%, 27% commercial applications, and 20% public authority. Mr. Pierce went over projections from the enterprise system regarding future use, and how diesel is an extremely expensive source of backup power generation to supplement energy needs. These energy needs are projected to increase over time. Mr. Leonard wanted to make sure the project was on track without any outstanding items, which was confirmed by CBS's Mr. Sweeney. With stable operating revenues from 2008 through 2013, coverage ratios have also gone up due to no supplementation from diesel since occurrences in 2012. Sitka moved a substantial portion of the fiscal year 2013 surplus revenue into the Rate Stabilization Fund. Rate increases of the system took effect in July of 2013 and 2014, increasing electric rates by 15% and 10% respectively (Mr. Mitchell

mentioned Sitka had one of the lowest costs of electricity in Alaska before the increases). In addition to the rate covenant, there was an ordinance that requires additional parity bonds (parity with the 2013 One, as the 2010 loan is in first position due to structure), Sitka must demonstrate that it can achieve 125% debt service coverage on the 2010 loan and bonds on parity with the 2013 One loan. Mr. Pfeffer posed the question of the enterprise meeting rate covenants moving forward, and would like to see a letter from Sitka's financial advisor stating anticipated debt service coverage, and that it's sufficient to continue to meet these requirements. Mr. Welles followed up asking the timing of receiving this documentation, and what impact it may have on pricing of the bond issuance. It was expected to arrive before pricing of the bonds. Mr. Pierce went on to highlight that Sitka will deposit with the Bond Bank's trustee a debt service reserve fund that maximizes the amount specified under federal tax rules, anticipated to be funded with bond proceeds. Mr. Pierce was pleased to announce the statement of no litigation had been received. Given his analysis, Mr. Pierce recommended Board approval of the loan. Mr. Gursey made a motion to approve the \$19 million revenue bond loan for CBS and Ms. Leary seconded the motion. Mr. Mitchell conducted a roll call vote and the motion passed with five yes votes.

City of Saxman Loan Request

Mr. Pierce presented an evaluation of the City of Saxman's seaport revenue bond loan request in the amount of approximately \$175,000. The loan would be used to repair the City's seaport warehouse, specifically the east and west walls and 2nd floor office improvements. Mr. Pierce noted that the City received a \$750,000 grant from the State to replace the warehouse roof 2012. The warehouse project was approved by the voters in October 2013 by a 60% to 40% margin. Gross savings for Saxman are estimated at \$115,000, and \$83,000 on a present value basis. Mr. Pierce then presented an overview of the requested 20 year loan term, and security provided by seaport fund revenues. It was noted by Mr. Pierce that operating expenses exceeded revenues for four of the last five years; however, the city no longer employs full time staff supported by the seaport revenue fund, and as a result expenses have gone down significantly from 2013 to 2014. Mr. Welles questioned the amount of losses over the last few years of approximately \$120,000, and what this is derived from. Ms. Catts, Saxman's City Manager, responded, indicating 2 full time staff were moved to City Hall, with previous positions directly relating to the warehouse retiring. Ms. Leary followed up with asking about the liability, or linkage to the seaport fund revenues by these

specific employees. There's no further linkage of these employees due to reduced and revised staffing, where administrative tasks and fees are directed and paid only for time needed on the warehouse fund. Mr. Pierce added that seaport fund revenues have recovered from the steep decline also resulting from decreased rental income during recent roof repairs to the warehouse. Mr. Pierce went on to cover the City's primary revenue sources - boat dock / barge revenues grew from approximately \$3,900 in fiscal year 2013 to \$21,700 in 2014. Electricity revenues increased from \$6,100 to \$13,800 over that same period. Boat dock revenues have increased as a result of the large lease to OceansAlaska which commenced in July 2013, which was confirmed by the City Manager as a 16 year lease with gross income of over \$17,000 annually (the increase in electric revenues also resulting from the aforementioned lease). Mr. Pierce discussed the structure of the bonds, including a rate covenant with 1.25 debt service coverage on net seaport revenue collections, and the city is required to obtain Bond Bank consent prior to the issuance of bonds secured by seaport enterprise system revenues in the future. Mr. Pierce reported that the no litigation letter has been received, and recommended approval of the loan, reminding the board that this security, while not particularly strong, is significantly enhanced by the state-shared revenue intercept. Ted Leonard moved that the approximate \$175,000 revenue loan be approved, and Luke Welles seconded the motion. Mr. Mitchell conducted a roll call vote and the motion passed with five yes votes.

Resolution 2014-03 authorizing the issuance of the 2014 Three General Obligation and Refunding Bond Issue

Ms. Cartledge introduced resolution 2014-03, authorizing the issuance of a principal amount of not to exceed \$67 million dollars in General Obligation and Refunding Bonds. Ms. Cartledge noted that the Board packet contained the resolution, form of loan agreement, form of amendatory loan agreement, preliminary official statement, and a financing schedule. This bond issue will provide for five main purposes: 1. to make a loan to the City and Borough of Juneau (CBJ) for renovations and construction of CBJ facilities, Centennial Hall, Aurora Harbor reconstruction, airport terminal renovations, Eaglecrest learning center and lodge improvements and public park improvements; 2. to make a loan to the City and Borough of Sitka (CBS) for their electric utility; 3. to make a loan to the City of Saxman for repair to their seaport warehouse; 4. to refund maturities, or a portion thereof, of the 2004 Series B Revenue Bonds, the 2004 Series D Bonds, the 2005 Series One Bonds, the 2005 Series C Bonds, and the 2006 Series One Bonds; 5. to the extent needed, provide for a deposit into the 2005

reserve fund. The bonds will be sold at negotiated sale to the Underwriters pursuant to the terms of the bond purchase contract, consisting of RBC Capital Markets, LLC and KeyBanc Capital Markets, Inc., together with any other financial institution authorized by the bank. The redemption features associated with the bonds will be determined at the time of the sale. Ms. Cartledge highlighted that the board's meeting packet contains forms of the loan agreements, amendatory loan agreements, schedule, and the preliminary official statement. Ms. Cartledge noted that the bonds are expected to close October 30, 2014. Mr. Welles asked on what basis the candidates are identified in the refunding analysis. Mr. Mitchell noted that there were significant savings on both currently callable, and advanced refunding bonds in this issue. An analysis was conducted, in part, on the efficiency of the underlying escrow when advance refunding bonds, and the candidates included in this sale were in a savings target range that made prudent sense for the communities at this current date. Ms. Leary made a motion to approve the Resolution 2014-03, Mr. Leonard seconded the motion. Mr. Mitchell conducted a roll call vote and the motion passed with five yes votes.

AMBBA – Updated Investment Policy

Mr. Mitchell summarized an updated form of AMBBA's investment policy for consideration by the Board. Mr. Mitchell mentioned that while preservation of principal and liquidity is the foremost objective of reserves and operating funds, the yields on shorter term government backed securities remains at a level that puts AMBBA's total returns sub 1.00% annually. The design of the current policy puts a significant portion of the investments on the short-end of the yield curve. Generally, the updated policy allows an investment manager to shift a small percentage of reserves and operating accounts to longer duration government agency and treasury investments. Additionally, with AMBBA's finite schedule of debt service for reserve obligations, and projected cash funding of this fiscal year's reserve requirement at this time, the Bond Bank is able to forecast a portion of the increased liquidity needs, resulting in a more matched approach to securities residing within the reserves and operative funds for their specific purposes. Ms. Leary mentioned that the effective date for each reserve fund, and operative fund, stated June 30, 2014, and suggested an amendment to read "November 1, 2014," which is also the projected time of executing a new contract for investment management services. Mr. Welles moved to approve the updated investment policy as amended to correct each effective date. Mr. Leonard

seconded the motion as amended. Mr. Mitchell conducted a roll call vote and the motion passed with five yes votes.

MCDC Initiative Review

Ms. Cartledge conducted an overview of the draft resolution related to the SEC's Municipalities Continuing Disclosure Cooperation Initiative (MCDC). The period for issuers to self-report "material" findings has recently been revised to December 1, 2014. Mr. Mitchell mentioned that in an effort to review the Bond Bank's compliance with previous continuing disclosure obligations, a discussion has been initiated with the previous lead underwriting firms over the last 10 years. Responses and additional information was provided in the board packet so that the Board of Directors could begin to familiarize themselves with the process, and Ms. Cartledge would like to look into these discussions further before action is taken. Mr. Mitchell also noted that there would need to be another meeting scheduled before the disclosure deadline of December 1 so that there could be finalization on whether or not the Bond Bank's compliance obligations over the last 10 years would garner a need to self-report, and if there were any material items.

2014 Two Post Sale Summary

Mr. Pierce presented his analysis, in summary, on AMBBA's 2014 Two bond issuance. These bonds were sold by competitive bid on June 10, 2014. The winning bidder was RBC Capital Markets, and there were a total of 8 bids for the Bonds. The bonds carry a true interest cost of 3.7806%. Mr. Pierce went on to note that the bonds were purchased with an underwriter cost of \$2.75 / \$1,000, which was the lowest level of underwriter compensation in recent memory. The spread to MMD on the 2014 Two Bonds was fairly close to the spread on the 2014 One bonds through year 8, but the spread on the 2014 Two Bonds tightened beyond that point by as many as 33 basis points relative to the 2014 One spreads. Rates gradually moved lower from early 2014 through the sale of the 2014 Two Bonds, and after a volatile market in the last 18 months, have been relatively stable in the latter part of 2014. With the City of Ketchikan, and the City of King Cove as borrowers, there was more than \$3.46 million in present value savings.

Executive Director's Report

Mr. Mitchell reported the following items to the Board:

FY 2014 activity – FY 2014 ended up being the largest issuance year by new money par and loaned proceeds that the Bond Bank has had with \$178.5 million of par and \$191.4 million of proceeds funding 11 projects. The Bond Bank's participation generated \$12.7 million of present value savings. This level of activity did put pressure on the operating budget and we ended up within \$3,000 of our total spending authority, highlighting a need for closer monitoring.

FY 2014 Financial Statements and Audit – ERM is working on the financial statements and BDO is engaged in the audit process for the fiscal year ended June 30, 2014. We have extended our relationship with ERM as compiler of our financial statements for the coming two years.

July 2, 2014 – I provided the quarterly report ethics report the Department of Law. No violations were reported.

June 2014 –In conjunction with the 2014 Two closing I directed the transfer of \$3,451,696.82 from the custodial account at the First National Bank Alaska to the 2005 Reserve fund at the Bank of New York Mellon.

AGFOA - I am travelling to Spokane from September 17-19 to participate in the Washington Finance Officers Association Conference as the AGFOA representative. Ryan Williams and I are planning to attend the AGFOA Fall conference November 16-19 in Anchorage. I am planning on recommending Ryan for a board assignment at the annual business meeting.

Next Bond Issues – Depending upon municipal election results I expect a winter bond issue in the December-January time frame followed by a spring/summer issue in May-June.

Investment Manager RFP – we are in the process of issuing a request for proposals for the Bond Bank's investment manager due to the current contract's expiration. We will be looking for the investment committee and Ryan Williams to serve on the evaluation committee.

Arctic Infrastructure Finance –I would like to discuss scheduling a working group meeting of the Board to review the changing landscape in Alaska’s arctic, the pressing needs for infrastructure, and if the Bond Bank is a viable option for financing the needed improvements.

VIII. PUBLIC COMMENTS

There were none.

IX. BOARD COMMENTS

There were none.

X. ADJOURNMENT

Mr. Pfeffer adjourned the meeting without objection at 12:03 p.m.

Mark Pfeffer, Chairman

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	City and Borough of Juneau (the "CBJ")
Loan Amount:	Approximately \$36,000,000
Project Type:	Cruise ship dock improvements.
Project Description:	<p>The CBJ will apply the proceeds of the Bond Bank loan to fund improvements to offshore floating cruise ship dock facilities and to enhancements of the Juneau waterfront. The project is expected to be financed in three stages. The first stage of funding was provided by the Bond Bank's 2014 One Bond issue. A loan from the Bond Bank's 2015 One Bond issue is expected to provide the second phase of funding, with the third phase to be provided in the fall of 2015.</p>
Term of Loan:	25 years per series
Revenues Pledged to Loan:	Port Development Fees
Most Recent FY Pledged Revenues:	\$2.87 million
Estimated Maximum Annual Debt Service (Total Project):	\$2.29 million
Total Bond Bank Maximum Annual Debt Service:	\$16.5 million
Most Recent FY Debt Service Coverage Ratio:	1.25x
Most Recent FY State-Shared Revenues (SSR):	\$91.7 million
Debt Service Coverage of AMBB DS from SSR:	5.56x
Loan Subject to State Debt Service Reimbursement:	No
Estimated Borrower Savings for 2015 One Loan (Gross):	\$2.55 million
Estimated Borrower Savings for 2015 One Loan (Present Value):	\$1.84 million
No Litigation Letter Received:	Yes

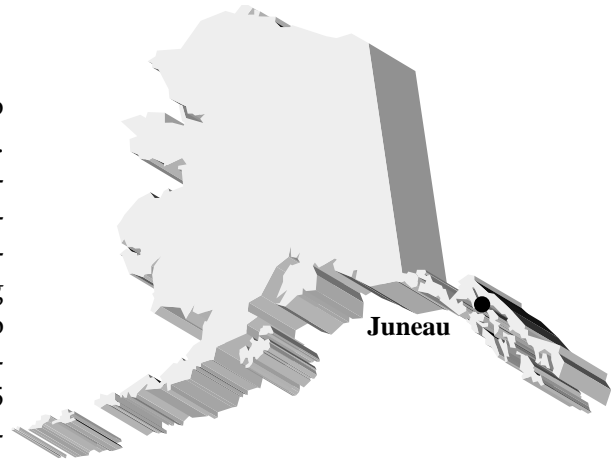
Loan Application Evaluation City and Borough of Juneau

Introduction

The City and Borough of Juneau (the “CBJ”) has submitted an application to the Alaska Municipal Bond Bank (the “Bond Bank”) for a loan totaling approximately \$36,000,000. The loan will be used by the CBJ to finance improvements to Juneau’s cruise ship dock facilities.

The Projects

The project involves installing two new floating concrete docks for cruise ships. These docks will be seaward of Juneau’s existing docks. The project also includes related uplands work and improvements to portions of the water front Seawalk. The floating docks and uplands project are estimated to cost a total of \$75 million. The Seawalk project is estimated to cost approximately \$15 million. The Seawalk project is being developed in accordance with the CBJ Assembly Waterfront Development Plan that was adopted in 2004.

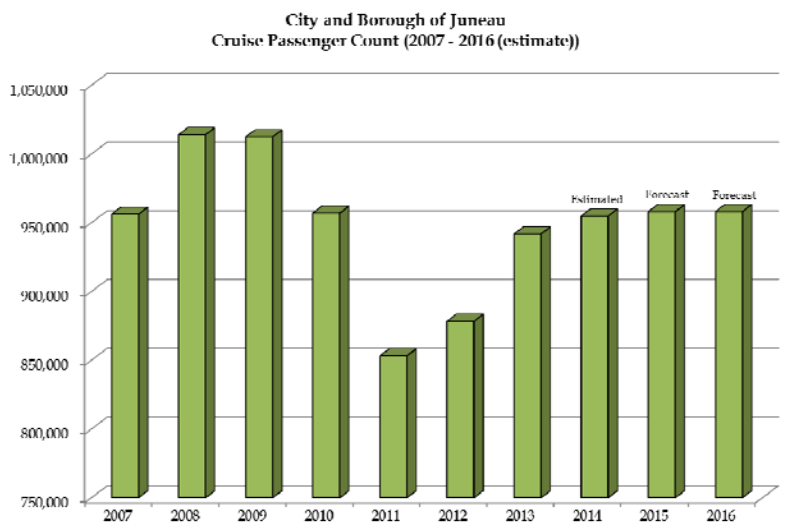


The Seawalk portion of project was initiated in October 2013 and has a number of phases. Project completion is expected in the fall of 2016.

Juneau Cruise Ship Activity

The significance of the cruise industry to Juneau has increased significantly over the past 20 years. Juneau has become a major destination in the cruise industry and is on most itineraries of ships cruising the Inside Passage. Cruise passenger debarkations have grown from approximately 400 thousand in the early 1990’s to more than 1 million in 2008 and 2009. Passenger counts dropped following the recession that began in 2008, but have recently approached pre-recession levels.

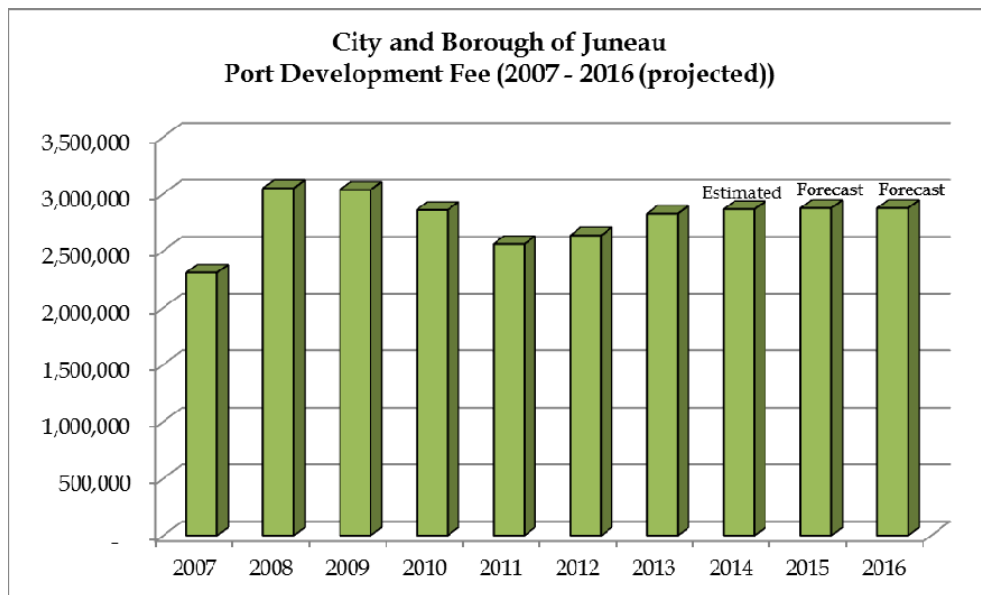
The projects to be completed over the next two years at the Juneau cruise ship dock will accommodate the larger ships that are increasingly popular in the industry and help to keep Juneau competitive with other Alaska destinations, such as Skagway and Ketchikan.



The graph above presents the number of cruise ship passengers that have visited Juneau over the past eight years, with a forecast for fiscal years 2015 and 2016.

Recognizing the impact that cruise ships have on the Juneau economy, CBJ instituted two cruise-based fees in order to maintain the capital facilities that make Juneau an attractive port-of-call, as well as to insure that cruise passengers and cruise companies bear some of the cost associated with the infrastructure developed to serve them. One of these, the \$3 per head Port Development Fee (“PDF”), has been dedicated to dock improvements. The PDF has been applied toward the project since 2012 and has been pledged to the repayment of the bonds issued under this application. In addition, the \$5 per passenger State Marine Passenger Fee has been applied on a pay-as-you-go basis toward the project, and will continue to be so through fiscal 2016, at which point it will be available for other dock-related purposes. The graph below presents PDF collections over the past eight years, including estimated figures for 2014 and forecasts for 2015 and 2016.

As the graph demonstrates, the PDF revenues declined during the recession, but have nearly returned to pre-recession levels.



Security and Repayment

As indicated previously, the bonds will be secured by the PDF. This fee was initially enacted by the Assembly on July 1, 2002. The fee is \$3.00 per passenger based on the cruise ships' passenger manifests. In addition, the CBJ will fund a debt service reserve fund to the maximum allowed under federal tax law. The reserve will be held by the Bond Bank's trustee.

The additional bonds test in the CBJ revenue bond ordinance requires that, before additional parity bonds may be issued, CBJ must demonstrate that PDF revenues pledged to bonds issued on parity with the Bond Bank bonds are sufficient to cover existing and projected debt service by 1.20 times based on audited PDF collections. Alternatively, CBJ may issue additional parity bonds based on the report of an expert consultant that takes into account: 1) the historic PDF revenue for any 12 of the preceding 30 months; and 2) revenue to be derived from any additional fees and charges that have been established by the Assembly as new PDF revenues. The forecast test requires achieving a 1.35 times coverage ratio.

The 2015 bonds will be the second issued under the CBJ revenue bond ordinance which includes a rate covenant that requires CBJ to establish, maintain and collect Port Development Fee revenues sufficient to cover debt service by 1.20 times. If CBJ fails to maintain revenues sufficient to meet the rate covenant, the bond resolution requires CBJ to retain an expert consultant to make recommendations on rate increases in order to meet the rate covenant.

Future Capital Plans

On October 2, 2012 voters authorized the sale of \$25 million of general obligation bonds for various capital projects throughout Juneau. CBJ issued \$3 million against this authorization through the Bond Bank in early 2013 and \$13.1 million in 2014. The balance of the bonds may be sold in 2015 and, if issued, will be used for renovations to Centennial Hall, Aurora Harbor reconstruction, airport terminal renovations, Eaglecrest learning center and lodge improvements, Capital Transit improvements, and improvements to various CBJ parks, including Adair-Kennedy Memorial Park bathrooms and concessions, Dimond Park bathrooms and concessions, and Melvin Park bathrooms and concessions.

State Aid Intercept

The Bond Bank has the authority to intercept State revenues that would otherwise flow to an underlying borrower in the event that a borrower failed to make timely payment on a Bond Bank loan. The State aid intercept is a significant, if unutilized, credit strength. The table below presents the CBJ's revenues subject to intercept compared to maximum annual debt service on the proposed and outstanding loans from the Bond Bank.

As the table demonstrates, the CBJ has received ample State-interceptable revenue to cover the projected debt service on the Bond Bank loan.

Shared Taxes and Fees	\$4,662,940
Dept. of Transportation Reimbursement	\$0
Reimbursement and Other Education Funding	\$14,120,698
Education Support Funding	\$43,189,712
Matching Grants	\$27,646,880
Community Jails	\$0
PILT Transfers	\$0
Revenue Sharing	\$2,034,988
Total Revenue Subject to Intercept	\$91,655,218
Fiscal Year 2015 Debt Service (includes 2015 One DS)	\$16,472,966
Debt Service Coverage	5.56

Estimated Borrower Savings

Savings to the CBJ as a result of borrowing through the Bond Bank for the first phase of the project are estimated at approximately \$2.55 million or \$1.84 million on a present value basis. Savings are a result of lower costs of issuance that the CBJ will face as a result of issuing through the Bond Bank, as well as lower assumed yields.

Statement of No Litigation

Accompanying the original CBJ application is a letter from Amy G. Mead, City Attorney, stating that "... to my knowledge, there is no viable litigation pending or threatened in any court in any way: ... seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the right of the City and Borough to levy and collect taxes pledged or to be pledged to pay the principal of and interest on the bonds, or the pledge thereof, or in any agreement between the City and Borough and the Alaska Bond Bank, or contesting the power of the City and Borough authority with respect to any bonds..."

Summary

Based on our assessment, the security offered by the CBJ, as set forth in the CBJ's loan application and supplemental materials, provides sufficient security to justify approval of the application. The Port Development Fee is estimated to produce debt service coverage of approximately 1.25 times coverage of the Authority bond, assuming a 25 year amortization on all three anticipated financings associated with this project. Furthermore, as one of the largest municipal governments in the State, the CBJ has significant revenues available for intercept by the Authority in the event that the revenues generated by the PDF fall below projections.

For these reasons, we recommend approval of this loan application. If you have any questions related to the preceding report, please do not hesitate to call me at (503) 719-6113.

For Western Financial Group, LLC

A handwritten signature in black ink, appearing to read "Chip Pierce". The signature is stylized and includes a horizontal line extending to the right.

Chip Pierce

Juneau Economic and Demographic Information

Located on the mainland of Southeast Alaska, opposite Douglas Island, Juneau was built at the heart of the Inside Passage along the Gastineau Channel. It lies 900 air miles northwest of Seattle and 577 air miles southeast of Anchorage. The area encompasses 2,716.7 square miles of land and 538.3 square miles of water. Juneau has a mild, maritime climate.

The area was a fish camp for the indigenous Tlingit Indians. In 1880, nearly 20 years before the gold rushes to the Klondike and Nome, Joe Juneau and Richard Harris were led to Gold Creek by Chief Kowee of the Auk Tribe. They found mother lode deposits upstream, staked their mining claims, and developed a 160 acre incorporated city they called Harrisburg. The City of Juneau was formed in 1900. The state capital was transferred from Sitka to Juneau in 1906 while Alaska was a U.S. Territory. In 1970, the City of Juneau and City of Douglas were unified into the City & Borough of Juneau ("CBJ").

CBJ's population at the end of 2012 was 32,832 (up 1.7% from 2011). Over the past 12 years CBJ population growth has averaged 0.6% a year. As the state capital, Juneau is supported largely by State and Federal employment, and by tourists cruising the Inside Passage. It is the fourth largest community in Alaska. About one-third of residents live downtown or on Douglas Island; the remaining two-thirds live elsewhere along the roaded area. Juneau has a Tlingit history with a strong historical influence from the early prospectors and boom town that grew around full-scale gold mining operations. According to the 2010 U.S. Census, there are 13,055 total housing units and 868 were vacant. The unemployment is estimated at 4.00% in August 2013, well below the national average. Median household income in 2011 was \$77,558, per capita income was \$48,596, and 6.5% of residents lived below the poverty level.

The municipal water supply is obtained from the Last Chance Basin well field on Gold Creek and the Salmon Creek Reservoir, and is treated and piped to over 90% of Juneau households. The CBJ is seeking funds to construct a million-gallon reservoir near South Lena Loop to serve the area north of Lena and Tee Harbor. The Borough's piped sewage system serves almost 80% of residents, and receives secondary treatment. North Douglas Island residents use individual septic tanks, and funds have been provided to begin planning a sewer main extension to this area. Refuse collection and the landfill are owned by a private firm, Arrow Refuse. Juneau has a hazardous waste collection facility, and local organizations also provide recycling programs. Electricity is provided by Alaska Electric Light & Power Company. AEL&P receives the majority of its power from the state-owned Snettisham Hydroelectric Facility south of town. In 2010 AEL&P brought on-line the Lake Dorothy hydroelectric plant adding 14.3 megawatts (20%) of additional power capacity. AEL&P owns the Annex Creek, Upper Salmon Creek and Lower Salmon Creek Hydro Plants, and the Gold Creek, Lemon Creek and Auke Bay Diesel back-up systems.

There are 14 schools located in the community, attended by approximately 4,900 students.

The State, City & Borough of Juneau, and federal agencies provide nearly 40% of the employment in the community. Juneau is home to State Legislators and their staff during the legislative session between January and April. Tourism is a significant contributor to the private sector economy during the summer months, providing a \$130 million income and nearly 2,000 jobs. The national recession resulted in a decline to approximately 865,000 passengers in 2010 from approximately 1,000,000 prior to the recession that began in 2008. Subsequently, passenger counts have rebounded to approximately 950,000. The Mendenhall Glacier, Juneau

Icefield air tours, Tracy Arm Fjord Glacier, State Museum, and Mount Roberts Tramway are local attractions.

Jobs in the health care industry account for 1,800 local jobs with an annual payroll of \$65 million. The seafood industry (commercial fishing, fish processing and hatchery production) constitutes another important sector of the economy. About 760 Juneau residents fish commercially, landing 22 million pounds of fish with a value of \$26 million. In 2011 there were eight shore based fish processing facilities in Juneau. DIPAC, a private non-profit organization, operates a fish hatchery which increases the local salmon population. The Hecla Green Creek Mine, Juneau's top private employer, produces gold, silver, lead and zinc, and is the largest silver mine in North America. In 2011 there were 363 permanent year round employees. Greens Creek produced 6.5 million ounces of silver (the second largest producer in North America). The mine has identified approximately 100 million ounces of silver reserves.

The Kensington underground gold mine and associated milling facilities are located within the Berners Bay Mining District on the east side of the Lynn Canal about 45 miles north-northwest of Juneau, Alaska. The project employs 250 people, about 60% of whom are from southeast Alaska. The Kensington mine commenced commercial production in July 2010. The mine is accessed by a horizontal tunnel and utilizes conventional and mechanized underground mining methods. Kensington resumed full production ahead of schedule in April 2012 following a temporary reduction in mining and milling activities to allow for the completion of several underground and surface improvement projects. Underground development continues to advance. Kensington's proven and probable reserves were 1.1 million contained ounces of gold at year-end 2012.

Juneau is accessible only by air and sea. Scheduled jet flights and air taxis are available at the Municipally-owned Juneau International Airport. The airport includes a paved 8,456 foot runway and a seaplane landing area. Marine facilities include a seaplane landing area at Juneau Harbor, two deep draft docks, five small boat harbors and a State ferry terminal. The Alaska Marine Highway System and cargo barges provide year-round services.

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	City of Craig
Loan Amount:	Approximately \$3,000,000
Project Type:	Aquatic center improvements
Project Description:	The City will use the Bond Bank loan to make necessary improvements to the aquatic center. These include replacement of the facility's roof, air handling system and various other updates.
Term of Loan:	20 years
Loan Security:	City's full faith and credit
Revenues Expected to Repay Loan:	City sales taxes and swimming pool revenues
Estimated Annual Debt Service:	\$210,000
Total Bond Bank Annual Debt Service:	\$210,000
Most Recent FY Debt Service Coverage Ratio:	N/A
Most Recent FY State-Shared Revenues (SSR):	\$8.79 million
Debt Service Coverage of AMBB DS from SSR:	41.85x
Loan Subject to State Debt Service Reimbursement:	no
Estimated Savings (Gross):	\$525 thousand
Estimated Savings (Present Value):	\$371 thousand
No Litigation Letter Received:	yes

Loan Application Evaluation

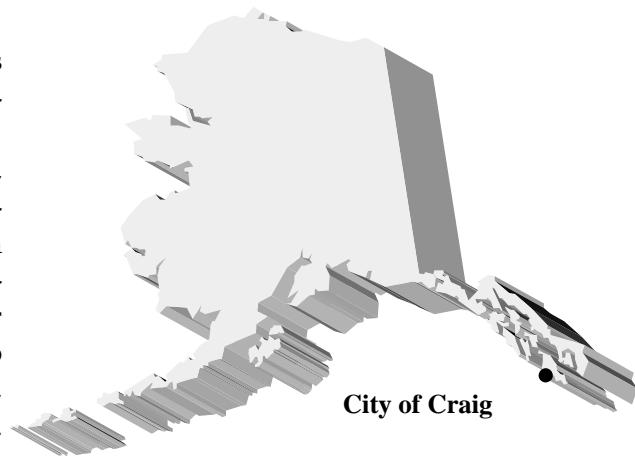
City of Craig

Introduction

The City of Craig (the “City”) has submitted an application to the Alaska Municipal Bond Bank (the “Bond Bank”) for a general obligation loan in an amount totaling approximately \$3 million. The City will use the Bond Bank loan to make needed improvements to the City’s aquatic center. The following is our overview of this application and the security provisions associated with the loan.

The Project

The aquatic center project involves replacement of the facility’s roof, air handling system and various other updates. The highest priority elements of the project, including new roof, boiler plant and air handling units totals approximately \$2.5 million in estimated construction, design, engineering and construction management. Other elements of the project boost total costs to more than the \$3 million voter authorization, and staff has prioritized the project elements. High priority items will be done as soon as funding is available through a design and bid process. Most of the medium and low priority projects can be done by staff during annual facility maintenance over the next four or five years.

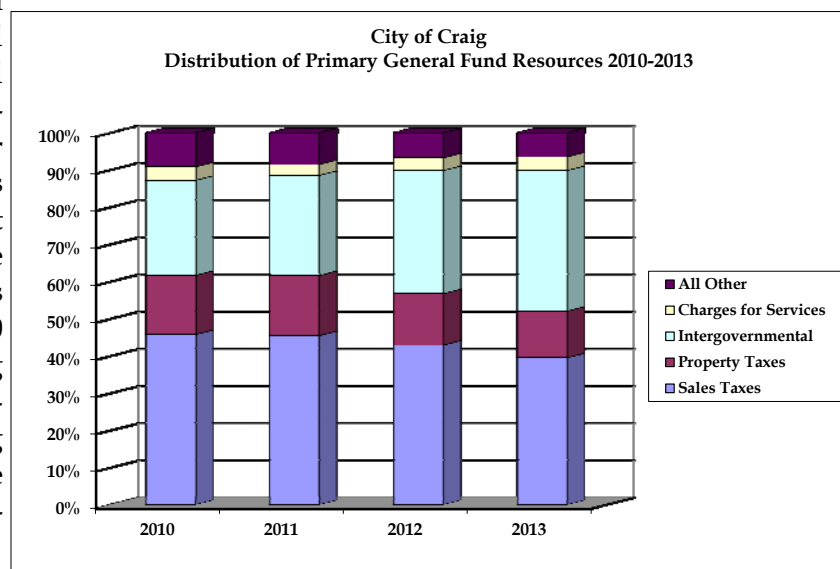


The aquatic center improvement project was approved by the voters on October 7, 2014 by a 81% to 19% margin.

City Financial Position

The graph below summarizes the distribution of the primary sources of general fund revenues during the years 2010 through 2013. The City benefits from a diverse mix of General Fund revenues, which enhances the security of its general obligation pledge.

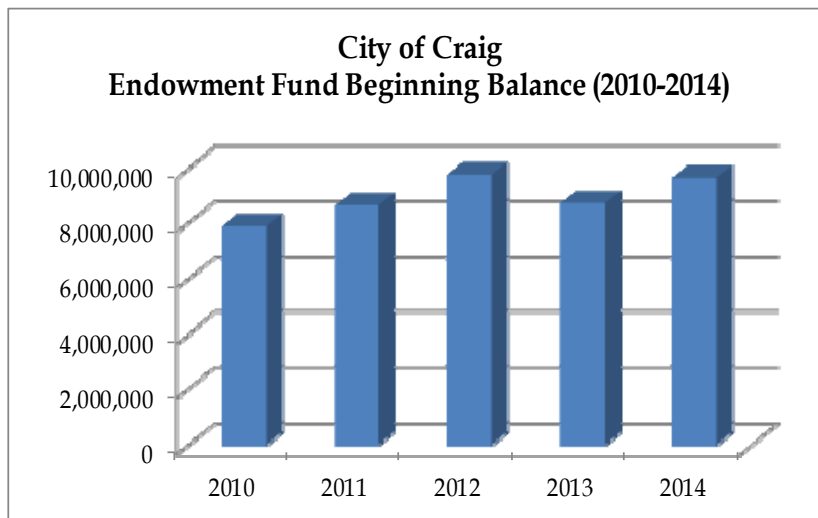
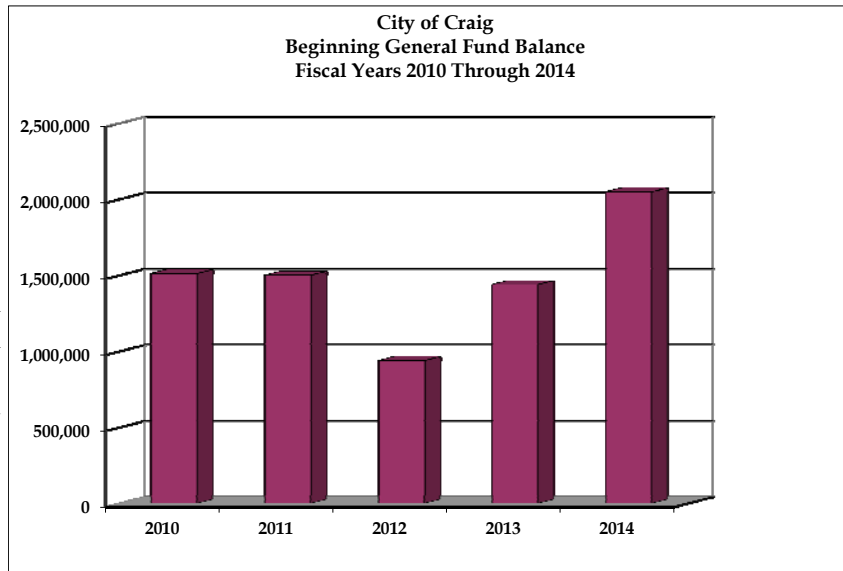
From 2010 through 2013, sales taxes accounted for 43.1% of General Fund revenues. Intergovernmental revenues accounted for 31.4% and property taxes 14.4%. The proportion that sales taxes make up of the General Fund revenues has declined from 45.8% in 2010 to 39.5% in 2013. During this period, sales tax collections grew 17%, reflecting the growth in other revenue sources, particularly intergovernmental revenues.



Twenty percent of the City's sales tax is used to operate the Aquatic Center and the City's Recreation Department.

During the period from 2010 through 2014, the City's General Fund beginning year balance increased from \$1.51 million to \$2.05 million. The City's year-end fund balances as a percentage of General Fund expenditures have ranged from 31.6% in fiscal year 2011 to 60.7% in fiscal year 2013.

The City also maintains the Endowment Fund, which was initially funded with federal Southeast Alaska Disaster Fund settlement dollars as well as federal payments in lieu of taxes related to entitlement lands.



The beginning fund balance of the Endowment fund has ranged from \$7.88 million to \$9.78 million. It currently stands at \$9.66 million after recording a \$1.1 million increase in revenue in fiscal year 2013 as the equity investments experienced strong returns with the recovery of national equity markets. The Endowment Fund has been used in the past for economic development projects. For example, the City

used \$1.5 million for a fish processing facility, which also leveraged \$3.5 million of state and federal resources. As a result of the facility's construction, the City has experienced an increase in fish tax collections from approximately \$50 thousand annually to \$280 thousand.

Security Pledge and Proposed Repayment Structure

As indicated, City voters approved the aquatic center bonds through a general obligation bond election. The primary source of security for the loan is the City's ability to assess property taxes, if necessary. The City's intends to pay the debt service associated with its Bond Bank loan with a combination of earnings on the Endowment Fund, as well as a portion of the sales taxes levied by the City.

Future Capital Plans

The City has no plans at this time to seek additional voter authorization for bond financed projects.

Estimated Borrower Savings

Savings to the City as a result of borrowing for the aquatic center project through the Bond Bank are estimated at approximately \$525 thousand or \$371 thousand on a present value basis. Savings are a result of lower interest rates and lower costs of issuance that the City will face as a result of issuing through the Bond Bank rather than on its own.

Statement of No Litigation

Accompanying the application from the City is a letter from Robert Blasco, the City Attorney from the firm of Hoffman & Blasco, LLC, stating that “there is no action, proceeding or investigation... pending or, to the best of my knowledge threatened... that contests... the authority of the City to enter into the Loan Agreement or issue the Bond... that contests, affects or seeks to restrain the execution and delivery the Loan Agreement, issuance of the Bond or the levy or collection of the taxes pledged or to be pledged to pay principal and interest on the Bond; ... or... the outcome of which would materially adversely affect the financial condition or assets of the City. ”

State Aid Intercept

The Bond Bank has the authority to intercept state revenues that would otherwise flow to an underlying borrower in the event that a borrower failed to make timely payment on a Bond Bank loan. The Bond Bank has never had to utilize this credit feature. The state aid intercept is, however, a significant credit strength. With the sale of this issue, the City will have approximately \$3.12 million of debt outstanding under the Bond Bank’s 2005 Resolution and 1976 Resolution. The remaining balance under the 1976 Resolution, \$115,000, will be retired in April 2015.

The table below presents the City’s revenues subject to intercept compared to maximum annual debt service associated with the City’s 2014 loan. That will be the only loan outstanding with the final payment in April 2015 of the City’s 2004 loan from the Bond Bank.

Shared Taxes and Fees	\$293,211
Dept. of Transportation Reimbursement	\$0
Reimbursement and Other Education Funding	\$0
Education Support Funding	\$5,195,193
Matching Grants	\$2,753,171
Community Jails	\$393,904
PILT Transfers	\$0
Revenue Sharing	\$152,200
Total Revenue Subject to Intercept	\$8,787,679
Maximum Annual Debt Service (2014 Three Loan)	\$210,000
Debt Service Coverage	41.85

Summary

Based on our assessment, the general obligation security offered by the City, as set forth in the City's loan application and supplemental materials, provides sufficient security to justify approval of the aquatic center improvement project application. This security provided by the City's general obligation pledge to the loan is the strongest security that the City can provide and is sufficient to secure the contemplated loan.

For these reasons, we recommend approval of this loan application. If you have any questions related to the preceding report, please do not hesitate to call me at (503) 719-6113.

For Western Financial Group, LLC

A handwritten signature in black ink, appearing to read "Chip Pierce". The signature is stylized, with the first name "Chip" written in a cursive-like font and "Pierce" written in a more blocky, slightly cursive font. There is a horizontal line extending from the end of the signature.

Chip Pierce

Craig Economic and Demographic Information

Craig is located on a small island off the west coast of Prince of Wales Island and is connected by a short causeway. It is 31 road miles west of Hollis. It lies 56 air miles northwest of Ketchikan, 750 air miles north of Seattle, and 220 miles south of Juneau.

Craig lies in the maritime climate zone, characterized by an average annual temperature of about 42 °F. This zone lacks prolonged periods of freezing weather at low altitudes and is characterized by cloudiness and frequent fog. The combination of heavy precipitation and low temperatures at high altitudes in the coastal mountains of southern Alaska accounts for the numerous mountain glaciers. The coldest month in 2013 was March, with a mean minimum temperature of 32 °F. The warmest month was August, with a mean maximum temperature of 66.6 °F. Gale winds are common in the fall and winter months.

Craig is the retail hub of Prince of Wales Island. The city is the home of AC grocery, JS True Value Hardware, NAPA Auto Parts, Tyler Equipment Rental, The Clothing Store, Log Cabin Sporting Goods, and other small retail establishments. These businesses contribute to the majority of the sales tax receipts received by the city. Sales tax receipts have risen steadily for the last ten years except for 2010 when they decreased by 6% due to the recession but rebounded in 2011 by 6%. Sales taxes are the largest revenue source for the City.

Fishing is the major industry for Craig and Prince of Wales Island. In 2009 the City constructed a fish processing plant in the industrial plant and has a current lease with Silver Bay Seafoods to process salmon. The plant has increased boat activity in the harbors, increased employment for the summer fishing season and increased the raw fish tax revenue the City receives.

Since 2006 the amount of fish caught commercially in southeast Alaska has increased between 8 and 10%. In 2013 fishermen experienced the largest recorded salmon catch, 112 million salmon of which 95 million were pink salmon. Although the 2014 pink salmon catch was less than 2013 (pink life cycle is every two years) the chinook catch was up from 2013. The seafood industry outlook is expected to continue to be positive with the strict management of the resources.

The City harbors have approximately 700 boats during the summer months moored which consist of seine fishing boats, troll fishing boats, tug boats, large yachts, and many sport fishing boats. This traffic supports the harbor with revenue to the City annually over \$250,000.

The US Forest has released a large timber sale for Prince of Wales which could create between 600 - 689 jobs in logging, sawmilling, transportation, and support businesses. The Forest Service has awarded a 100 million board feet contract to a local mill located between Klawock and Craig. This contract will last approximately ten years. But the sale is currently tied up in litigation by environmental organizations that want the sale cancelled. The decision is expected in Spring of 2015. If the sale goes through it will be a large boost to the Prince of Wales economy.



Application for Bonds

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase a revenue or general obligation bond issue of the applicant. This isn't considered a commitment on the part of the applicant or the Bond Bank. Additional information may be requested before a final recommendation.

I. General Information			
A. Name of Governmental Unit (Applicant):			
City of Craig			
B. Type of government (home rule, first class, authority, etc.):			
First Class City, Home Rule			
C. Contact Person for the government:			
Name:		Title:	
Jon Bolling		City Administrator	
Address:		City:	State:
PO Box 725		Craig	AK
Phone:		Fax:	E-mail:
907 826-3275		907 826-3278	jbolling@patalaska.net
D. Applicant's Bond Counsel:			
Name:		Title:	
Cynthia Carledge		Wohlforth, Brecht, Cartledge, Attorney	
Address:		City:	State:
900 West 5th Avenue, Suite 600		Anchorage	AK
Phone:		Fax:	E-mail:
907 276 6401		907 276 5093	ccartledge@akatty.com
E. Applicant's Financial Advisor or Underwriter (if applicable):			
Name:		Title:	
Address:		City:	State:
Phone:		Fax:	E-mail:

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds. Attached

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? Yes No

If yes, provide amount of financed, purpose and principal amount outstanding. \$

C. Are any of the above referenced issues supported by special assessments on benefited property, revenues, user fees or state reimbursement for school construction projects? Yes No

If yes, please attach details. Attached

D. Has your government ever failed to meet its debt service coverage requirements or other covenants on general obligation, revenue, or special assessment bonds? Yes No

If yes, please attach an explanation. Attached

E. Has your government ever defaulted on any of its general obligation, revenue, or special assessment bonds?

Yes No

If yes, please attach an explanation. Attached

F. Provide information on the amount, timing, and purpose of any bonds you have authorized by the voters, but not yet issued. Attached.

G. Attach your government's forecast on amount, timing, and purpose of future general obligation or revenue bond financing. If this information is available in your long-term plan, provide a copy. Attached

H. Give a brief summary of your local economy. Include major industries and their projections. Describe any positive or negative trends or factors. (If this information is available in an annual report, provide a copy with your application.) Attached

Are any of the community's major employers expected to make changes in work force or operations?

Yes No

If yes, provide an explanations. Attached

J. Please provide population figures for your community for the last five years. Indicate the source of your figures.

Year	Population	Source
2014	1200	City Estimate
2013	1195	AK Dept. of Labor
2012	1242	AK Dept. of Labor
2011	1251	AK Dept. of Labor
2010	1201	AK Dept. of Labor

L. Provide assessed valuation and property tax collected for all taxable property within your corporate limits for the past five years. Attached

M. Provide your audited financial statements from the last two years (provide your unaudited statement if audit hasn't been performed). Attached

N. Provide your current year's budget. Attached

O. Provide your capital improvement plan. Attached

P. Provide any other financial or economic information that will assist evaluation of your application. Attached

IV. Legal Information

A. Provide a certificate of your legal counsel that establishes there is no litigation pending or threatened in any court in any way:

1. affecting the corporate existence of your government, or the titles of officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the right of the applicant to levy and collect taxes pledged or to be pledged to pay the principal of and interest on the bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the bonds or the loan agreement between the applicant and the Bond Bank, or contesting the power of your government or your authority with respect to the bonds; or

2. against your government or involving any of the property or assets of or under the control of your government, which, whether individually or in the aggregate involves the possibility of any judgement or uninsured liability which may result in any material change in the revenues properties, or assets, or in the condition, financial or otherwise, of your government.

B. An opinion or certificate to the same effect, dated the date of the closing, shall be delivered to the Bond Bank on the date of closing.

C. If any such litigation is pending or threatened, attach a description of the litigation, including caption and case number, description of the relief requested as it pertains to the matters described, and the procedural status of the litigation

The facts and representations in this application and all attachments are true and accurate in all respects and no material facts are omitted to the best of my knowledge

Jon Bolling

Name (print)

City Administrator

Title

Signature

10/29/2014

Date of Application

Please return all applications to:

Deven Mitchell

Alaska Municipal Bond Bank Authority

Department of Revenue

PO Box 110405

Juneau, AK 99811-0405

(907)465-2388 phone

(907)465-2389 fax

deven_mitchell@revenue.state.ak.us

**ALASKA MUNICIPAL BOND BANK AUTHORITY
RESOLUTION NO. 2014-04**

**RESOLUTION OF THE ALASKA MUNICIPAL BOND BANK
AUTHORITY AUTHORIZING ALL NECESSARY ACTION IN
CONNECTION WITH THE SECURITIES AND EXCHANGE
COMMISSION'S MUNICIPAL CONTINUING DISCLOSURE
COOPERATION INITIATIVE; AND PROVIDING FOR RELATED
MATTERS**

WHEREAS, on March 10, 2014, the Securities and Exchange Commission ("SEC") announced a cooperative initiative, referred to as Municipal Continuing Disclosure Cooperation Initiative ("MCDC"), to encourage issuers and underwriters of municipal securities to self-report possible violations involving materially inaccurate statements relating to prior compliance with continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule"); and

WHEREAS, the period to self-report for issuers expires on December 1, 2014; and

WHEREAS, staff is in the process of reviewing prior continuing disclosure obligations and related filings to determine whether it is in the best interests of the Alaska Municipal Bond Bank Authority ("Authority") to participate in MCDC; and

WHEREAS, there has been presented at this meeting a memorandum setting forth the recommended action to be taken by the Authority in connection with MCDC ("Memorandum").

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA MUNICIPAL BOND BANK AUTHORITY, AS FOLLOWS:

Section 1. Authorization. The recommendations described in the Memorandum attached hereto as Exhibit 1 are hereby accepted and approved, and that the consequences of self-reporting, if necessary, are acknowledged and understood, and the Executive Director, upon consultation with counsel as he deems appropriate, is hereby authorized to take all actions necessary to timely self-report under the MCDC if determined such reporting to be in the best interests of the Authority.

Section 2. Chairman and Executive Director. The Chairman or the Executive Director of the Authority, or any other person authorized by the Authority, are hereby authorized to execute and deliver for and on behalf of the Authority any and all

additional certificates, documents, opinions or other papers and perform all such other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution No. 2014-04.

Section 3. Recitals. The recitals to this Resolution No. 2014-04 are herein incorporated, and are made a part of, this Resolution No. 2014-04.

Section 4. Effective Date. This Resolution No. 2014-04 shall become effective immediately upon its passage and approval.

DATED this 19th day of November 2014.

Exhibit 1

To: Board of Directors
Alaska Municipal Bond Bank

From: Deven Mitchell, Executive Director

Date: November 19, 2014

Subject: Securities Exchange Commission Municipal Continuing Disclosure
Cooperation Initiative

RECOMMENDATION:

Authorize the Executive Director to take all necessary actions to timely self-report under the Municipal Continuing Disclosure Cooperation Initiative (Initiative) in consultation with bond counsel and the office of the Attorney General pursuant to Resolution No. 2014-04 (Resolution).

BACKGROUND:

Securities and Exchange Commission (SEC) Rule 15c2-12 (Rule) generally requires that before a local government can issue municipal bonds to investors in a public sale, the bond underwriters must reasonably determine that the issuer has undertaken to provide certain updated disclosure information to the Municipal Securities Rulemaking Board (MSRB) after the issuance of bonds. This undertaking is contained in a continuing disclosure agreement and generally requires submission to the MSRB annual financial and operating data, audited financial statements and notices of certain listed events. In addition, the Rule requires that final official statements disclose any material failure to comply with a continuing disclosure undertaking during the previous five years

The SEC has the ability to file enforcement actions against issuers who inaccurately state in final official statements that they have complied with their continuing disclosure undertakings. In July 2013, for example, the SEC brought an enforcement action against West Clark Community Schools, an Indiana school district, for affirmatively stating in offering documents that it had not failed to comply with its continuing disclosure obligations when it had in fact failed to make any continuing disclosure filings in the preceding five years. Without admitting or denying the SEC's findings, the school district and underwriter each consented to, among other things, a cease and desist order for making false statements and/or omitting relevant information. In addition, the underwriter agreed to pay almost \$600,000 in fines.

On March 10, 2014, the SEC Division of Enforcement (Division) announced the Initiative with the intention of addressing violations of the Rule. Under the Initiative, the Division will recommend the following standardized settlement terms for issuers who

self-report material misstatements in final official statements regarding prior compliance with continuing disclosure undertakings:

1. The issuer consent to the institution of a cease-and-desist proceeding by the SEC in which the issuer neither admits nor denies the findings;
2. The issuer establish appropriate policies and procedures regarding continuing disclosure and implement training within 180 days of the institution of proceedings;
3. The issuer comply with its existing continuing disclosure undertakings, including updating past delinquent filings within 180 days of the institution of proceedings;
4. The issuer cooperate with any subsequent investigation by the Division regarding the violations disclosed in the self-report;
5. The issuer disclose its settlement terms in any final official statement for a bond offering made in the five years following initiation of the proceedings; and
6. The issuer provides the SEC with a compliance certificate regarding the issuer's undertakings within one year of the institution of the proceedings.

So long as the SEC accepts the settlement terms recommended by the Division, the SEC will not assess financial penalties against the issuer who complies with the Initiative. The Initiative does not provide any assurances to individuals, such as staff of the issuer. The Division may recommend enforcement actions against any such individuals, and the SEC will decide whether to seek remedies against individuals on a case-by-case basis based on the level of intent, culpability and other factors, such as cooperation by the individual.

Underwriters of municipal bonds must similarly self-report in order to be recommended for a settlement under the Initiative. For underwriters, however, the Division will recommend a cash settlement.

The SEC has stated that the Division will likely recommend financial sanctions against issuers who have materially violated their continuing disclosure undertakings and failed to disclose those violations, but do not self-report under the Initiative.

DISCUSSION/ANALYSIS:

Any issuer that entered into a continuing disclosure undertaking and subsequently issued bonds involving a final official statement within the past five years is a candidate for the Initiative. The Alaska Municipal Bond Bank ("Bond Bank") has entered into numerous continuing disclosure undertakings over the years. Therefore, it is fiscally responsible for the Bond Bank to review its disclosure and applicable filings under the Rule and potentially take advantage of the Initiative after consultation with appropriate counsel.

The following steps have been recommended to determine how to respond to the Initiative:

1. **Review Continuing Disclosure:** Staff, will review all disclosure filings made from FY 2004 through FY 2013. Once the review is complete, staff will discuss any findings with counsel to review materiality and determine whether it is recommended that the Bond Bank self-report.
2. **Contact Bond Underwriters:** Staff will contact all underwriters that have purchased Bond Bank bonds from FY 2004 through FY 2013 to determine if any underwriter intends to self-report. Due to the number of bond issues undertaken by the underwriters and the relatively short timeframe available for self-reporting, the review process is onerous. The underwriter penalty cap, as set forth in the Initiative, incentivizes underwriters to thoroughly disclose all possible inaccurate statements in connection with any issuances they have underwritten in the preceding five years.
3. **Affirm Policies and Procedures:** Staff understands the importance of its disclosure responsibilities. The Bond Bank's existing policy includes procedures for ongoing disclosure including the designation of key staff to review and file disclosures. If determined to be in the best interests of the Bond Bank, the Bond Bank may contract with an outside entity to fulfill its continuing disclosure obligations.
4. **Confer with Appropriate Attorney and Governing Body:** Self-reporting under the Initiative is an important decision that carries legal consequences. After the comprehensive review of the disclosure has been completed and discussed with bond counsel and members of the Attorney General's office, the decision to complete the Initiative's Questionnaire for Self-Reporting Entities (attached hereto as Exhibit A)

can be made. The current deadline for self-reporting under the Initiative is 5:00 p.m. (Eastern time), December 1, 2014.

CONCLUSION:

Staff will review the audit results, and, if determined necessary or in the best interests of the Bond Bank, will self-report by 5:00 p.m. (Eastern time) on December 1, 2014. Staff will provide an update at the next meeting of the Bond Bank Board of Directors.

Attachment:

Exhibit A: MCDC Questionnaire for Self-Reporting



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

NOTE: The information being requested in this Questionnaire is subject to the Commission's routine uses. A list of those uses is contained in [SEC Form 1662](#), which also contains other important information.

1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:

Individual Contact Name:
Individual Contact Title:
Individual Contact telephone:
Individual Contact Fax number:
Individual Contact email address:

Full Legal Name of Self-Reporting Entity:
Mailing Address (number and street):
Mailing Address (city):
Mailing Address (state):
Mailing Address (zip):

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State:
Full Name of Issuing Entity:
Full Legal Name of Obligor (if any):
Full Name of Security Issue:
Initial Principal Amount of Bond Issuance:
Date of Offering:
Date of final Official Statement (format MMDDYYYY):
Nine Character CUSIP number of last maturity:

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm:

Primary Individual Contact at Underwriter:

Financial Advisor:

Primary Individual Contact at Financial Advisor:

Bond Counsel Firm:

Primary Individual Contact at Bond Counsel:

Law Firm Serving as Underwriter's Counsel:

Primary Individual Contact at Underwriter's Counsel:

Law Firm Serving as Disclosure Counsel:

Primary Individual Contact at Disclosure Counsel:

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

On behalf of

I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Name of Duly Authorized Signer:

Title:



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

NOTE: The information being requested in this Questionnaire is subject to the Commission's routine uses. A list of those uses is contained in [SEC Form 1662](#), which also contains other important information.

1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:
 - Individual Contact Name:
 - Individual Contact Title:
 - Individual Contact telephone:
 - Individual Contact Fax number:
 - Individual Contact email address:

 - Full Legal Name of Self-Reporting Entity:
 - Mailing Address (number and street):
 - Mailing Address (city):
 - Mailing Address (state):
 - Mailing Address (zip):

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):
 - State:
 - Full Name of Issuing Entity:
 - Full Legal Name of Obligor (if any):
 - Full Name of Security Issue:
 - Initial Principal Amount of Bond Issuance:
 - Date of Offering:
 - Date of final Official Statement (format MMDDYYYY):
 - Nine Character CUSIP number of last maturity:

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm:

Primary Individual Contact at Underwriter:

Financial Advisor:

Primary Individual Contact at Financial Advisor:

Bond Counsel Firm:

Primary Individual Contact at Bond Counsel:

Law Firm Serving as Underwriter's Counsel:

Primary Individual Contact at Underwriter's Counsel:

Law Firm Serving as Disclosure Counsel:

Primary Individual Contact at Disclosure Counsel:

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

On behalf of

I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Name of Duly Authorized Signer:

Title:

DRAFT

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2009 Series Four

Initial Principal Amount of Bond Issuance: \$29,120,000,

consisting of \$8,695,000 (Tax-Exempt Bank Qualified) and \$20,425,000 (Taxable)

Date of Offering: 12/18/2009

Date of final Official Statement (format MMDDYYYY): 12/03/2009

Nine Character CUSIP number of last maturity: 01179PD61 (Tax-Exempt Bank Qualified)

01179PE45 (Taxable)

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: Merrill Lynch, Pierce, Fenner & Smith Incorporated

Primary Individual Contact at Underwriter: Eric Whaley

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2010 Series One

Initial Principal Amount of Bond Issuance: \$27,835,000,

consisting of \$20,420,000 (Tax-Exempt Bank Qualified) and \$7,415,000 (Taxable)

Date of Offering: 03/11/2010

Date of final Official Statement (format MMDDYYYY): 02/23/2010

Nine Character CUSIP number of last maturity: 01179PH75 (Tax-Exempt)

01179PJ24 (Taxable)

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: Piper Jaffray & Co.

Primary Individual Contact at Underwriter: Jane D. Towery

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2010 Series Two

Initial Principal Amount of Bond Issuance: \$14,790,000,

consisting of \$3,385,000 (Tax-Exempt Bank Qualified) and \$11,405,000 (Taxable)

Date of Offering: 06/02/2010

Date of final Official Statement (format MMDDYYYY): 05/20/2010

Nine Character CUSIP number of last maturity: 01179PJ73 (Tax-Exempt)

01179PK89 (Taxable)

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: RBC Capital Markets Corporation

Primary Individual Contact at Underwriter: Tom A. Yang

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2010 Series Three

Initial Principal Amount of Bond Issuance: \$11,430,000,

consisting of \$4,530,000 (Tax-Exempt Bank Qualified) and \$6,900,000 (Taxable)

Date of Offering: 09/16/2010

Date of final Official Statement (format MMDDYYYY): 08/31/2010

Nine Character CUSIP number of last maturity: 01179PL96 (Tax-Exempt)

01179PN37 (Taxable)

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: KeyBanc Capital Markets, Inc.

Primary Individual Contact at Underwriter: Geoff A. Urbina

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Bracewell & Giuliani LLP

Primary Individual Contact at Underwriter's Counsel: Marshall T. White

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2010 Series Four

Initial Principal Amount of Bond Issuance: \$78,665,000,

consisting of \$26,725,000 (Tax-Exempt Bank Qualified) and \$51,940,000 (Taxable)

Date of Offering: 12/09/2010

Date of final Official Statement (format MMDDYYYY): 11/22/2010

Nine Character CUSIP number of last maturity: 01178PR74 (Tax-Exempt)

01179PP84 (Taxable)

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: Merrill Lynch, Pierce, Fenner & Smith Incorporated

Primary Individual Contact at Underwriter: Eric Whaley

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska
 Full Name of Issuing Entity: Alaska Municipal Bond Bank
 Full Legal Name of Obligor (if any): Obligated parties change over time.
 Full Name of Security Issue: General Obligation Bonds, 2010 Series A
 Initial Principal Amount of Bond Issuance: \$4,765,000,
 consisting of 1,065,000 (Tax-Exempt Bank Qualified) and \$3,700,000 (Taxable)
 Date of Offering: 12/21/2010
 Date of final Official Statement (format MMDDYYYY): 12/09/2010
 Nine Character CUSIP number of last maturity: 01179PS81 (Tax-Exempt)
 01179PT23 (Taxable)

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: Piper Jaffray & Co.
 Primary Individual Contact at Underwriter: Jane D. Towery
 Financial Advisor: Western Financial Group, LLC
 Primary Individual Contact at Financial Advisor: Lawrence W. Pierce
 Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC
 Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge
 Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC
 Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough
 Law Firm Serving as Disclosure Counsel: None
 Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2011 Series One

Initial Principal Amount of Bond Issuance: \$8,635,000

Date of Offering: 03/01/2011

Date of final Official Statement (format MMDDYYYY): 02/15/2011

Nine Character CUSIP number of last maturity: 01179PU62

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: Piper Jaffray & Co.

Primary Individual Contact at Underwriter: Jane D. Towery

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: None

Primary Individual Contact at Underwriter's Counsel: None

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2011 Series Two

Initial Principal Amount of Bond Issuance: \$12,130,000

Date of Offering: 05/10/2011

Date of final Official Statement (format MMDDYYYY): 04/27/2011

Nine Character CUSIP number of last maturity: 01179PW94

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: Robert W. Baird & Co., Inc.

Primary Individual Contact at Underwriter: Charlie Galarza

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: None

Primary Individual Contact at Underwriter's Counsel: None

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation and Refunding Bonds, 2011 Series Three

Initial Principal Amount of Bond Issuance: \$78,115,000

Date of Offering: 09/15/2011

Date of final Official Statement (format MMDDYYYY): 08/25/2011

Nine Character CUSIP number of last maturity: 01179PZ34

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: Morgan Stanley & Co. LLC

Primary Individual Contact at Underwriter: Adam Aranda

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2012 Series One

Initial Principal Amount of Bond Issuance: \$18,495,000

Date of Offering: 03/06/2012

Date of final Official Statement (format MMDDYYYY): 02/27/2012

Nine Character CUSIP number of last maturity: 01179P2H9

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: RBC Capital Markets, LLC

Primary Individual Contact at Underwriter: Donna M. Baldino

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: None

Primary Individual Contact at Underwriter's Counsel: None

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation and Refunding Bonds, 2012 Series Two

Initial Principal Amount of Bond Issuance: \$52,795,000

Date of Offering: 05/24/2012

Date of final Official Statement (format MMDDYYYY): 05/02/2012

Nine Character CUSIP number of last maturity: 01179P3C9

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: RBC Capital Markets, LLC

Primary Individual Contact at Underwriter: Tom A. Yang

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2012 Series Three

Initial Principal Amount of Bond Issuance: \$21,190,000

Date of Offering: 10/18/2012

Date of final Official Statement (format MMDDYYYY): 10/10/2012

Nine Character CUSIP number of last maturity: 01179P6Z5

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: RBC Capital Markets, LLC

Primary Individual Contact at Underwriter: Tom A. Yang

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation and Refunding Bonds, 2013 Series One

Initial Principal Amount of Bond Issuance: \$96,045,000

Date of Offering: 03/12/2013

Date of final Official Statement (format MMDDYYYY): 02/26/2013

Nine Character CUSIP number of last maturity: 011798LC7

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: RBC Capital Markets, LLC

Primary Individual Contact at Underwriter: Tom A. Yang

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation and Refunding Bonds, 2013 Series Two

Initial Principal Amount of Bond Issuance: \$36,255,000

Consisting of \$19,145,000 (Tax-Exempt) and \$17,110,000 (Qualified 501(c)(3))

Date of Offering: 06/19/2013

Date of final Official Statement (format MMDDYYYY): 06/04/2013

Nine Character CUSIP number of last maturity: 01179RAC7 (Taxable)

01179RBL6 (Qualified 501(c)(3))

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: J.P. Morgan Securities LLC

Primary Individual Contact at Underwriter: Isaac Sine

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2013 Series Three

Initial Principal Amount of Bond Issuance: \$72,045,000

Date of Offering: 11/14/2013

Date of final Official Statement (format MMDDYYYY): 10/31/2013

Nine Character CUSIP number of last maturity: 01179RCG6

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: RBC Capital Markets, LLC

Primary Individual Contact at Underwriter: Tom A. Yang

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska
 Full Name of Issuing Entity: Alaska Municipal Bond Bank
 Full Legal Name of Obligor (if any): Obligated parties change over time.
 Full Name of Security Issue: General Obligation Bonds, 2014 Series One
 Initial Principal Amount of Bond Issuance: \$61,205,000,
 consisting of \$47,205,000 (Tax-Exempt) and \$14,000,000 (Taxable)
 Date of Offering: 02/20/2014
 Date of final Official Statement (format MMDDYYYY): 02/06/2014
 Nine Character CUSIP number of last maturity: 01179RDR1 (Tax-Exempt)
 01179RCV3 (Taxable)

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: RBC Capital Markets, LLC (Tax-Exempt)
 Primary Individual Contact at Underwriter: Tom A. Yang (Tax-Exempt)
 Senior Managing Underwriting Firm: J.P. Morgan Securities LLC (Taxable)
 Primary Individual Contact at Underwriter: Isaac Sine (Taxable)
 Financial Advisor: Western Financial Group, LLC
 Primary Individual Contact at Financial Advisor: Lawrence W. Pierce
 Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC
 Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge
 Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC
 Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough
 Law Firm Serving as Disclosure Counsel: None
 Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation Bonds, 2014 Series Two

Initial Principal Amount of Bond Issuance: \$45,275,000

Date of Offering: 06/19/2014

Date of final Official Statement (format MMDDYYYY): 06/10/2014

Nine Character CUSIP number of last maturity: 01179REQ2

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: RBC Capital Markets, LLC

Primary Individual Contact at Underwriter: Tom A. Yang

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: None

Primary Individual Contact at Underwriter's Counsel: None

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Items 2, 3 and 4

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Alaska

Full Name of Issuing Entity: Alaska Municipal Bond Bank

Full Legal Name of Obligor (if any): Obligated parties change over time.

Full Name of Security Issue: General Obligation and Refunding Bonds, 2014 Series Three

Initial Principal Amount of Bond Issuance: \$55,370,000

Date of Offering: 10/30/2014

Date of final Official Statement (format MMDDYYYY): 09/24/2014

Nine Character CUSIP number of last maturity: 01179RFN8

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: RBC Capital Markets, LLC

Primary Individual Contact at Underwriter: Tom A. Yang

Financial Advisor: Western Financial Group, LLC

Primary Individual Contact at Financial Advisor: Lawrence W. Pierce

Bond Counsel Firm: Wohlforth, Brecht & Cartledge, APC

Primary Individual Contact at Bond Counsel: Cynthia L. Cartledge

Law Firm Serving as Underwriter's Counsel: Foster Pepper PLLC

Primary Individual Contact at Underwriter's Counsel: Marc R. Greenough

Law Firm Serving as Disclosure Counsel: None

Primary Individual Contact at Disclosure Counsel: None

Response to Self-Reporting Questionnaire Item 5

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary).

Generally. The Alaska Municipal Bond Bank (Bond Bank) was created under Alaska law for the primary purpose of lending money to Alaska municipalities by purchasing municipal bonds issued by such municipalities (Governmental Units). Loans to Governmental Units are currently funded from proceeds of the Bond Bank's general obligation bonds.

The Bond Bank has issued general obligation bonds pursuant to the terms of three (3) bond resolutions herein referred to as the "1976 Bond Resolution," the "2005 Bond Resolution" and the "2010 Bond Resolution" (collectively, the Bond Resolutions). Associated with each issuance of bonds under the Bond Resolutions, occurring on or after July 1995, the Bond Bank entered into a continuing disclosure undertaking (CDU).

2005 Bond Resolution (Active). Pursuant to the terms of the CDUs, the Bond Bank historically, and consistently, filed its annual financial audits with the Nationally Recognized Municipal Securities Repositories (NRMSIRs) and subsequently with the Electronic Municipal Market Access (EMMA). The Bond Bank became aware of its failure to comply with certain technical aspects of its CDUs relating to filing certain financial information of Governmental Units although this information was made available to the market through its official statements posted on the EMMA website. In certain instances, however, the financial information regarding the Governmental Units was not stated as of the date required by the applicable CDU although more current information was made available in official statements posted on EMMA. (Since 2009, the Bond Bank has issued bonds at least three times per year. An official statement is prepared in connection with each such bond issue and posted on EMMA. Although the official statements have not historically been linked to all CUSIPs associated with bonds issued under the 2005 Bond Resolution, the Bond Bank believes this is a technical deficiency and intends to correct this deficiency in the future. In addition, this technical deficiency was cured by the Bond Bank through an independent filing with EMMA covering fiscal years 2009 through 2013, inclusive.)

Certain event notices relating to underlying rating upgrades in 2010 were filed but such filings were in certain instances not linked to CUSIP numbers for all bonds issued under the 2005 Bond Resolution. The Bond Bank has since filed underlying rating upgrade notices in 2012, 2013 and 2014. Certain event notices relating to bond insurer downgrades were not timely filed, but all such notices are now current.

2010 Bond Resolution (Active). Pursuant to the terms of its singular CDU executed in connection with the 2010 Bond Resolution, the Bond Bank consistently and timely filed its annual financial audits with EMMA. The Bond Bank recently became aware of its failure to comply with certain technical aspects of its CDU relating to the filing of certain financial information regarding the singular Governmental Unit. The Bond Bank has since cured this technical deficiency by filing with EMMA certain financial information relating to the singular Governmental Unit for fiscal years 2011 through 2013, inclusive.

1976 Bond Resolution (Non-Active). Pursuant to the terms of the CDUs, the Bond Bank historically, and consistently, filed its annual financial audits with the NRMSIRs and subsequently with EMMA. The Bond Bank subsequently became aware of its failure to comply with certain technical aspects of its CDUs relating to filing certain financial information of Governmental Units participating under the 1976 Bond Resolution program. Upon learning of its non-compliance, the Bond Bank filed financial information relating to such Governmental Units for fiscal years 2009 through 2013, inclusive, including financial statements for the five (5) Governmental Units having the largest principal amount of outstanding municipal bonds held by the Bond Bank under the

1976 Bond Resolution. Governmental Units participating under the program established by the 1976 Bond Resolution were likewise required to file financial statements.

Certain event notices relating to underlying rating upgrades in 2010 were filed but such filings were in certain instances not linked to CUSIP numbers for all bonds issued under the 1976 Bond Resolution. The Bond Bank has since filed underlying rating upgrade notices in 2012, 2013 and 2014. Certain event notices relating to bond insurer downgrades were not timely filed, but all such notices are now current.

Stand-Alone Revenue Bond Issues (Non-Active). The Bond Bank historically issued stand-alone revenue bonds to fund loans with a singular Governmental Unit. In connection with bonds issued on or after July 1, 1995, the Bond Bank entered into CDUs. The Bond Bank historically, and consistently, filed its annual financial audits with the NRMSIRs and subsequently with EMMA in connection with its CDUs. However certain Governmental Unit financial statistics were not filed. In addition, certain underlying rating upgrades and bond insurer downgrades were not filed. As of the date hereof, no stand-alone revenue bonds of the Bond Bank remain outstanding and thus the obligations set forth in the respective CDUs have been terminated.

DRAFT

Alaska Municipal Bond Bank Authority



Municipal Securities Disclosure Policy

November 2014

AMBBA Municipal Securities Disclosure Policy

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1. Introduction

a. Purpose

This Municipal Securities Disclosure Policy (the Policy) provides a policy framework and establishes procedures for the Alaska Municipal Bond Bank Authority's ("Bond Bank") compliance with primary and continuing disclosure requirements under federal securities laws for bonds, notes, and other obligations (collectively, Obligations) issued by the Bond Bank. The Bond Bank developed this Policy to aid the Bond Bank in meeting its disclosure responsibilities under Securities and Exchange Commission (SEC) regulations and associated contractual undertakings relating to disclosure. This document also is intended to serve as an orientation and training guide for present and future Bond Bank staff.

b. Goals and Benefits

Formalizing current Bond Bank disclosure practices via written policy and procedures is intended to further two key goals: i) compliance with applicable federal law and regulations; and ii) timely and cost-effective funding of the Bond Bank's long-term capital needs. Specifically, the benefits of timely and complete disclosure include:

- Providing transparency and enhancing credibility with investors, financial analysts and the general bond market.
- Ensuring access to public debt markets.
- Protecting and enhancing the Bond Bank's credit rating.
- Fostering liquidity for Bond Bank securities.

2. Legal History and Context

a. Overview

State and local governments subject themselves to the requirements of federal securities laws when they issue municipal debt via the public bond market (i.e., debt obligations issued by state and local governments is commonly referred to as 'municipal' debt). The framework of the current system of securities regulation was put in place by the Securities Act of 1933 (the 33 Act) and the Securities and Exchange Act of 1934 (the 34 Act, and together with the 33 Act, the Securities Acts), which included broad anti-fraud provisions (requiring sellers to tell investors the whole truth) and created the SEC. Although municipal debt was initially exempt from many Securities Acts provisions, amendments passed in 1975 expanded their applicability to include a "government or political subdivision, agency or instrumentality of a government", making clear that state and local government issuers are not exempt from the antifraud provisions of Section 17(a) of the 33 Act, Section 10(b) of the 34 Act, and SEC Rule 10b-5 (issued under Section 10(a)

of the 34 Act). SEC regulations and enforcement activities regarding disclosure practices (both primary and secondary market) continued to evolve as new forms of municipal debt proliferated and a few high profile defaults occurred. Investors, regulators and the financial press largely focused on the absence of ongoing information of many municipal credits. Large issuers tended to be in the market more frequently and provided ongoing information, both in official statements and in periodic financial reports, but small issuers could go years without issuing additional debt and, thus, without providing any updated information to the market. Investors complained about this lack of ongoing or “continuing” disclosure.

b. SEC Regulations

In response to these concerns, the SEC promulgated, and has subsequently amended from time to time, Rule 15c2-12 (the Rule) prohibiting underwriters from offering bonds unless the issuer provides an official statement (effective 1989) and contractually promises to provide specified disclosures prescribed in the Rule (effective 1994), including annual financial information, audited financial statements (when and if available), and event notices.¹ To facilitate compliance with the Rule, each Municipal Issuer must enter into a continuing disclosure agreement with the original purchaser/underwriter in connection with each new issuance of obligations, thereby contractually promising to provide the market with these disclosures.

Simultaneous with the 1994 amendment to the Rule, the SEC issued an interpretive release repeating its basic assertion of issuer liability under Rule 10b-5 that “disclosure documents used by municipal issuers, such as official statements, are subject to the prohibition against false or misleading statements of material facts, including the omission of material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.”

An omitted fact is material if there is a substantial likelihood that, under all the circumstances, the omitted fact would have assumed actual significance in the deliberations of the reasonable investor. There must be substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the “total mix” of information made available. The focus of materiality is on the importance of the information to investors making investment decisions. Examples of information that might be material include: issuer financial statements, unfunded pension liabilities, anticipated loss of significant revenue sources, and anticipated or pending litigation in which there is a potential adverse judgment that could materially affect the issuer’s financial position or operations. No specific listing of material information can be made, as the identification of material information will vary over time, from issuer to issuer, and with the nature of the municipal debt at issue.

¹ When Congress created the Municipal Securities Rulemaking Board (MSRB) in 1975, it included provisions known as the ‘Tower Amendment’ that prohibited the Federal Government from requiring municipal issuers to register or report securities to the SEC or MSRB, but allowed such reporting to be required of broker/dealers. SEC Rule 15c2-12, while directly applicable only to broker/dealers, effectively requires municipal issuers to prepare and deliver official statements and to meet continuing disclosure requirements.

c. State and Public Officials' Liability

The requirements imposed by SEC regulations can create risks for State and Public officials who oversee the disclosure process. While the prudent selection and use of experts can minimize liability and provide certain safeguards, the Bond Bank Board, and likewise the Issuers on a community level, have a level of responsibility for accurate and complete disclosure that cannot be completely delegated. Having a good understanding of the principals of disclosure will enhance all officials' ability to make the right decisions when dealing with their own facts and circumstances. The Bond Bank will endeavor to use best practices and uniform procedures, and bond counsel, consultants or other experts, as necessary, to ensure primary and secondary disclosure is timely completed in full compliance with SEC regulations.

3. SEC Disclosure Requirements

a. Primary Offering Disclosure

Each time the Bond Bank issues Obligations, the Bond Bank is responsible for preparing a preliminary official statement (POS) and a final official statement (OS). These official statements consist of two basic parts:

Part I. Transaction-specific description of the Obligations being issued and the offering, prepared at the time of the transaction, and commonly referred to as the 'front-half' of the OS.

Part II. "Information Concerning the Bond Bank, provides current and historic information on the finances, Bond Bank debt, financial positions, and other information deemed necessary to comply with SEC disclosure requirements. Part II is commonly referred to as the 'back-half' of the OS.

The POS and OS are intended to provide requisite disclosure to the original purchasers of the Obligations.

b. Continuing Disclosure

Continuing disclosure information is intended to reflect the financial or operating condition of an issuer as it changes over time, as well as specific events occurring after issuance, that can have an impact on both the ability to pay amounts owed and the market value of the Obligation if bought or sold prior to maturity. Each publically-issued Obligation can have its own continuing disclosure requirements per the original master resolution, and not all types of continuing disclosures will apply to each master resolution of the Bond Bank. There are distinct continuing disclosure certificates for the 1976, 2005, and 2010 master resolutions that are fully described on the accompanying checklist.

For each new issuance, SEC Rule 15c2-12(b)(5)(i) requires a written agreement between the issuer and the original purchaser/underwriter for the benefit of holders of municipal securities, to

provide the following to the Municipal Securities Rulemaking Board (MSRB) in an electronic format as prescribed by the MSRB:

- Annual financial information for the obligated person for whom financial information or operating data is presented in the final official statement (Annual Information);
- Audited financial statements (when and if available) for each obligated person covered by (b)(5)(i)(A) of the Rule, with varying responsibilities by issuer, please see the accompanying checklist for accurate description and differences between the 1976, 2005 and 2010 resolutions;
- Notice of the occurrence of any of the following material events, within the meaning of the Rule, within 10 business days of the occurrence of the event:
 - principal and interest payment delinquencies
 - non-payment related defaults,
 - unscheduled draws on any debt service reserves, or on credit enhancements reflecting financial difficulties
 - substitution of credit or liquidity providers (credit enhancement facility providers), or their failure to perform
 - adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds
 - modifications to rights of registered owners or beneficial owners, if material
 - bond calls, if material, and tender offers
 - defeasances
 - release, substitution, or sale of property securing repayment, if material
 - bankruptcy, insolvency, receivership or similar event of the obligated person
 - consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
 - appointment of a successor or additional trustee or the change of name of a trustee, if material
 - rating changes
 - the failure to provide the Annual Information within the specified time
 - any change in the accounting principles applied in the preparation of the annual financial statements, or in the fiscal year

The foregoing list of required disclosures is subject to change in the event of additional amendments to the Rule and corresponding additions to future continuing disclosure agreements.

Supplementing the material events in the Rule listed above, the Bond Bank only agrees in its continuing disclosure undertakings to provide to timely filing of annual financial reports or CAFRs on behalf of communities under certain master resolutions. Please use and follow the accompanying checklist for full detail on requirements for each master resolution of the Bond Bank.

c. Voluntary Disclosure

Although the Rule prescribes certain annual information and event-based disclosures that must be filed, issuers may determine that additional information would be of interest to investors. To this end, municipal Issuers may choose to voluntarily disclose other information to the MSRB that goes beyond the requirements of the Rule. This information may include, but is not limited to, items such as monthly financial reports, updates on issues that could affect the Bond Bank's budgetary, financial, or economic position, annual/biennial changes to budget, changes in rating *outlooks*, and other factors that relate to the Bond Bank as instrumentality of the State of Alaska.

4. Bond Bank Disclosure Compliance

a. New Issue Official Statements

For each public offering of Obligations, the municipal Issuer must prepare or have prepared a POS and a final OS. The State Issuer, along with its legal counsel and financial adviser, reviews and discusses necessary disclosure information in drafting the OS. At transaction closing, the municipal Issuer provides a certification stating that the information contained in the OS, both as of its date and the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. The municipal Issuer also includes in such certification a statement that, to the best of its knowledge, there has been no material adverse change (other than in the ordinary course of the operations) in the financial condition of the Bond Bank from that set forth in or contemplated by the OS.

In connection with each issue of Obligations, the Bond Bank should retain legal counsel for assistance and advice regarding the municipal Issuer's disclosure responsibilities with respect to the POS and OS. This legal counsel may be the Bond Counsel for the issue or it may be separately engaged Disclosure Counsel.

b. Continuing Disclosure

The Bond Bank is responsible for ensuring compliance with continuing disclosure requirements. The Bond Bank accepts responsibility at the time of issuance for ongoing compliance with the requirements set-forth in each continuing disclosure certificate entered into by the Bond Bank Executive Director, including the provision of required Annual Information, annual financial statements (when and if available), community annual financial statements (when and if applicable to the master resolution), and material event notices.

c. Training

The Bond Bank will provide and/or participate in continuing education/training regarding municipal securities disclosure compliance and related best practices when deemed necessary by the Executive Director.

d. Bond Bank Disclosure Agent

At this time, the Bond Bank is not engaged with a dissemination agent. The Bond Bank files and disseminates the Bond Bank's continuing disclosure information, material event notices, and voluntary notices to the MSRB's Electronic Municipal Market Access (EMMA) system as required by the Rule and the Bond Bank's continuing disclosure agreements.

5. Bond Bank Disclosure Process

The Bond Bank prepares and submits required annual disclosure for all Obligations. The annual disclosure requirements consist of Annual Information and certain audited financial statements, as required by continuing disclosure agreements entered into by the Bond Bank pursuant to the Rule.

a. Annual Information

For the 1976 Master Resolution, the Bond Bank will provide annually to the MSRB's Electronic Municipal Market Access (EMMA system): **Provision of Annual Reports and Financial Statements.**

- 1. an Annual Report for the Fiscal Year**
- 2. a statement of authorized, issued and outstanding bonded debt**
- 3. the Reserve Fund balance and the estimated Required Debt Service Reserve**
- 4. statistics regarding Governmental Units similar to those found in Appendix C**
- 5. Audits of the five largest borrowing municipalities**

- i. Not later than 180 days after the end of each Fiscal Year, an annual report for the Fiscal Year. The Annual Report shall contain or incorporate by reference (i) a statement of authorized, issued and outstanding bonded debt of the Issuer; (ii) the Reserve Fund balance and the estimated Required Debt Service Reserve under the Resolution; and (iii) statistics regarding the Governmental Unit borrowers under the General Bond Resolution similar to those found in Appendix C to the Official Statement. Any or all of these items may be incorporated by reference from official statements of debt issues of the Issuer that are available from the Municipal Securities Rulemaking Board, or other documents which have been submitted to the Repositories or the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements may be submitted separately from the remainder of the Annual Report.
- ii. Promptly upon their public release, the audited financial statements of the Issuer for each Fiscal Year, and of each of the five municipalities having the largest principal amounts of outstanding bonds held by the Issuer under the General Bond Resolution as of the last day of the Fiscal Year of the Issuer, prepared in

accordance with generally accepted accounting principles applicable to governmental entities, as such principles may be changed from time to time. The sections of Appendix A included in (i) above include: Fiscal Matters, State Debt, State Employees and Retirement Systems, and Tax Levels and Tax Bases.

For the 2005 Master Resolution, the Bond Bank will provide to the MSRB's Electronic Municipal Market Access (EMMA system): **Provision of Annual Reports and Financial Statements.**

- 1. an Annual Report for the Fiscal Year**
- 2. a statement of authorized, issued and outstanding bonded debt**
- 3. the Reserve Fund balance and the estimated Required Debt Service Reserve**
- 4. statistics regarding Governmental Units that are 10% of the 2005 program similar to those found in Appendix D**
- 5. Notice to government units that are 10% of the 2005 program**

- i. Not later than 210 days after the end of each Fiscal Year an Annual Report for the Fiscal Year. The Annual Report shall contain or incorporate by reference: (i) annual audited financial statements of the Issuer; (ii) a statement of authorized, issued and outstanding bonded debt of the Issuer; (iii) the Reserve Fund balance and the estimated Required Debt Service Reserve under the Resolutions; and (iv) for each of the Governmental Units that has outstanding with the Issuer an amount of Bonds equal to or greater than ten percent (10%) of all Outstanding Bonds under the General Bond Resolution as of the last day of the Fiscal Year of the Issuer, statistics regarding such Governmental Units similar to those found in Appendix D to the Official Statement. Any or all of these items may be included by specific reference to documents available to the public or the internet website of the MSRB or filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements may be submitted separately from the remainder of the Annual Report.
- ii. Not later than 120 days after the end of each Fiscal Year, the Issuer will notify each Governmental Unit, who has, or had, an amount of Bonds equal to or greater than ten percent of all Bonds Outstanding under the General Bond Resolution, of its continuing disclosure undertaking responsibility. A list of Governmental Units deemed Obligated Persons for the prior Fiscal Year will be included in the Annual Report.

For the 2010 Master Resolution, the Bond Bank will provide annually to the MSRB's Electronic Municipal Market Access (EMMA system): **Provision of Annual Reports and Financial Statements.**

- 1. an Annual Report for the Fiscal Year**
- 2. a statement of authorized, issued and outstanding bonded debt**
- 3. the Reserve Fund balance and the estimated Required Debt Service Reserve**

4. statistics regarding Governmental Units that are 10% of the 2005 program similar to those found in Appendix D

5. Notice to government units that are 10% of the 2010 program

- i. Not later than 210 days after the end of each Fiscal Year, an Annual Report for the Fiscal Year. The Annual Report shall contain or incorporate by reference: (i) annual audited financial statements of the Issuer; (ii) a statement of authorized, issued and outstanding bonded debt of the Issuer; (iii) the Reserve Fund balance and the estimated Required Debt Service Reserve under the Resolutions; and (iv) for each of the Governmental Units that has outstanding with the Issuer an amount of Bonds equal to or greater than ten percent (10%) of all Outstanding Bonds under the General Bond Resolution as of the last day of the Fiscal Year of the Issuer, statistics regarding such Governmental Units similar to those found in Appendix C to the Official Statement. Any or all of these items may be included by specific reference to documents available to the public or the internet website of the MSRB or filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements may be submitted separately from the remainder of the Annual Report.
- ii. Not later than 120 days after the end of each Fiscal Year, the Issuer will notify each Governmental Unit, who has, or had, an amount of Bonds equal to or greater than ten percent of all Bonds Outstanding under the General Bond Resolution, of its continuing disclosure undertaking responsibility. A list of Governmental Units deemed Obligated Persons for the prior Fiscal Year will be included in the Annual Report.

b. Material Event Disclosure

The Bond Bank monitors material events and files timely notices. The Rule requires that material event notices be filed within 10 business days of the occurrence of the event.

Common material event notices include rating changes (including for bond insurance providers), defeasances, refundings, and mandatory sinking fund redemptions. Less common material event notices include unscheduled draws on debt service reserves.

The accompanying checklist details procedures and timelines followed in preparing and submitting the Bond Bank's material event disclosure filings, and other items mentioned in 3(b) above.

c. Voluntary Disclosure

The Bond Bank prepares and files voluntary disclosure notices when, in the opinion of the Bond Bank in consultation with professional contractors, that information could be deemed relevant to investors in Bond Bank Obligations.

Types of voluntary filings may include the Bond Bank's financial updates, notices of change in credit *outlooks*, corrections and supplements, general rating agency reviews and projected unscheduled draws on debt service reserves.

6. Periodic Review of Policy and Procedures

This Policy and the accompanying checklist shall be followed, and reviewed and updated periodically as new requirements are identified or improvements are made. Copies of any revised policy and procedures will be distributed to the municipal Issuers and posted on the Bond Bank website as soon as possible after any revisions are made.

LETTERHEAD

Date:

Mr. Dan Winkelman
President & CEO
Yukon Kuskokwim Health Corporation
PO Box 528
Bethel Alaska 99599

Dear Mr. Winkelman,

We are pleased to provide you with our Letter of Interest for your proposed 2014 IHS-Joint Venture Construction Program (JVCP) project application. This letter serves as a strong statement from us in support and intention to participate in financing of this much needed project when called upon to do so under terms and conditions acceptable to all parties. This letter is not a commitment to provide financing at this time

We understand that under the JVCP, YKHC will design and build a new Primary care Facility; renovate the existing YK Delta Regional Hospital and complete needed support activities to IHS requirements on YKHC owned land. In return, IHS will agree to pay for a 20 year lease and staffing for the services supported by the project including paying for approximately 200 permanent new staff positions for the Delta region. We understand that the project cost of the proposed project is approximately \$250,000,000.

The YKHC project proposed is fully eligible for participation in the following programs from our agency. These include:

(PROGRAM DESCRIPTION?SUMMARIES)

Our interest in your proposed project is further amplified by: (DESCRIPTION IF RELEVANT)

Please keep us informed of your application progress and status and when you might be ready to finalize a financial partnership together. Please do not hesitate to contact us with any further questions of needs related to this badly needed project.. I can be reached at **XXX-XXX-XXXX** or at **EMAIL ADDRESS of prime contact**

Sincerely

NAME
TITLE
ORGANIZATION
ADDRESS

YKHC –JVCP 2014 Application: Construction of New Clinic and Renovation of Hospital Project Summary -11.7.14

Thru the JVCP, the Yukon Kuskokwim Health Corporation proposes to finance and 1) build a new approx. 13,000 SM Primary Care Clinic, 2) renovate clinical space in the CHSB and 3) renovate the existing YKD Regional Hospital in Bethel, Alaska. The new clinic facility to be designed and constructed will be located on the existing hospital site and will meet current and projected outpatient clinic and ancillary support needs. In addition, the existing hospital renovation to meet projected inpatient demands and the Indian Health Service and Joint Commission standards will occur. A total project cost of approx. \$250M is anticipated by YKHC. The project short term objective is to complete the new construction and renovation consistent with JVCP requirements in a timely manner within established budgets. The long term objective is to provide needed in- and outpatient facilities to support health delivery care in the YKHC service area for the next 30 years.

Background

The Yukon-Kuskokwim Health Corporation (YKHC), a non-profit tribal organization authorized by resolution of the traditional or IRA councils of its 58 federally recognized tribal governments, to provide health care services to the people of the Yukon-Kuskokwim Delta (Y-K Delta) under Title V of the Indian Self-Determination and Education Act. YKHC is a federally recognized Tribal organization and is governed by a 21-member Board of Directors elected by its members. (See page 6)

YKHC is located in the southwestern corner of Alaska in Bethel which is located 400 miles west of Anchorage and is the gateway to the Y-K Delta with an IHS beneficiary service population of 26,473 projected for 2025. This unique, isolated area is the traditional home of the state's indigenous Yup'ik, Cup'ik, and Athabascan people. This region is approximately 75,000 square miles (roughly the size of Oregon) and is not connected to a road system. As of 2010 Census 89% of residents are Alaska Natives. 50.2% of the populations speak a Yupik language at home, followed by English at 46.4%. 57.4% of families live under the poverty level, and many live a subsistence lifestyle.

The Yukon Kuskokwim Health Corporation is the only full service health provider in the entire region. In addition to traditional health care services, YKHC provides a wide variety of community, social and population health services to all the residents of the YK delta. Services delivery is based on a "tiered level of care model" centered on the Community Health Aide Program with village clinics supported by a single central hospital and residential/specialty services in Bethel. Services that cannot be provided in the YK delta are referred out of the region to the Alaska Native Medical Center or other care.

Need

Services have grown significantly over the past 35 years when the current hospital opened as both the population and the demand for ancillary health services such as behavioral health grew. In 1993 after YKHC took over the hospital operations YKHC had approx 130,000 outpatient visit per year. In 2012, YKHC had over 230,000 outpatient visits. Current trends show a marked increase in outpatient versus inpatient services.

To meet the demands for inpatient and outpatient services, the current Yukon Kuskokwim Delta Regional Hospital (YKDRH) campus will need to be expanded. The Alaska Area Plan and the YKHC facility plans call for a new Primary Care Center at YKHC that would house all or most of the centralized outpatient services for the YK delta. Moving most of the outpatient services to the new facility will: 1) free up space within the hospital and 2) allow outpatient services to grow and 3) improve patient care and better service efficiencies between outpatient and inpatient services. Freeing up space in the hospital will also allow the start of renovation of the 35 plus year old hospital to meet current and projected inpatient needs.

Initial Health Systems Planning (HSP) software suggests a facility for both inpatient and outpatient that is approximately 33, 340 SM. Our proposal would build an approximately 13,000 SM new clinic building adjacent to the existing hospital; remodel vacated space and renovation of the hospital. Exact sizes will be determined thru the IHS planning process and budget.

YKHC Management Capacity

YKHC has a long track record of successfully developing and managing its services and facilities. Administratively and financially YKHC has enjoyed a strong record. In construction, YKHC has successfully overseen and built over \$250M in a wide array of health and social service facilities. To help manage this project, YKHC has complemented its significant internal expertise with engagement of Dave Mather & Associates, the Innova Group, CB Bettisworth Architects -all with JVCP experience.

Implementation

YKHC proposes to build the new Primary Care Clinic on the current YKDRH campus on land that is currently in the process of being transferred from IHS to YKHC –first by Quit Claim and then Warranty Deed. The entire project planning and design planning process will take 12 months. Construction due to the required phased approach to build while under operation is projected to take up to 5 years. When complete, the new facility will be leased by IHS under a cost free JVCP lease, new staffing funds will be provided and YKHC will occupy and operate the new facility.

The IHS approved planning documents and design solution will determine final costs based on YKHC securing financing of approximately \$220M to \$250M. YKHC proposes to finance the design and construction with existing YKHC resources, grant funding from the State of Alaska and debt financing. YKHC is in talks with the State of Alaska, federal agencies, Wells Fargo and others regarding additional support and financing. YKHC commits to separately arranging for and finance any equipment needed from corporation resources.

In summary, the YKHC has demonstrated capability and experience in successfully completing complex health care construction projects in the arctic environment. YKHC has committed substantial financial reserves to this project. The YKHC Board of Directors has carefully considered the benefits and risks associated with the project and has provided unanimous support for this initiative (see page 7 and Attachment 2). We believe the IHS JVCP program can offer YKHC unprecedented opportunities to provide the necessary new clinical facilities and start upgrades of the current hospital for years to come.



WESTERN
FINANCIAL
GROUP

\$55,370,000 General Obligation Bonds, 2014 Series Three

Deven Mitchell
Executive Director
Alaska Municipal Bond Bank
P.O. Box 110405
Juneau, AK 99811

November 12, 2014

Dear Deven:

With the sale of the Alaska Municipal Bond Bank's General Obligation Bonds, 2014 Series Three on September 24, 2014 I have prepared this sale results summary.

The 2014 Series Three Bonds were sold by negotiated sale to RBC Capital Markets. The table below summarizes the true interest cost, average life and underwriter costs of recent Bond Bank issues, including the 2014 Series Three Bonds. As the table indicates, underwriter compensation remains below historical averages and, after a significant run up during the summer of 2013, interest rates have stabilized. As the table suggests, rates on the 2014 Three Bonds were comparable to those achieved on the 2013 One Bonds, which sold in February 2013.

Issue	TIC	Average Life	Underwriter Cost (per \$1,000)
2014 Three	3.3368%	13.214	\$3.09
2014 Two	3.7806	18.742	2.75
2014A One	3.5484	12.374	2.94
2014B One	2.2643	4.318	2.52
2013 Three	4.1274	16.753	3.19
2013 Two	3.4048	11.843	3.20
2013 One	3.6056	17.671	3.15
2012 Three	1.7607	6.387	4.50
2012 Two	2.1554	7.149	4.50
2012 One	1.5210	4.928	3.50
2011 Three	2.5669	7.855	4.01
2011 Two	3.2693	8.277	10.92
2011 One	4.5663	11.373	5.03
2010A Four	3.0896	6.870	4.67
2010A Three	2.0137	5.251	5.07

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The table below presents the AMBB and MMD scales for sample maturities of the 2014 Series Three Bonds with a comparison to the yield spreads to the MMD for the 2012 Three Series through the 2014 Series Two Bonds. The yields have been adjusted to reflect the “yield kick” associated with callable premium bonds.

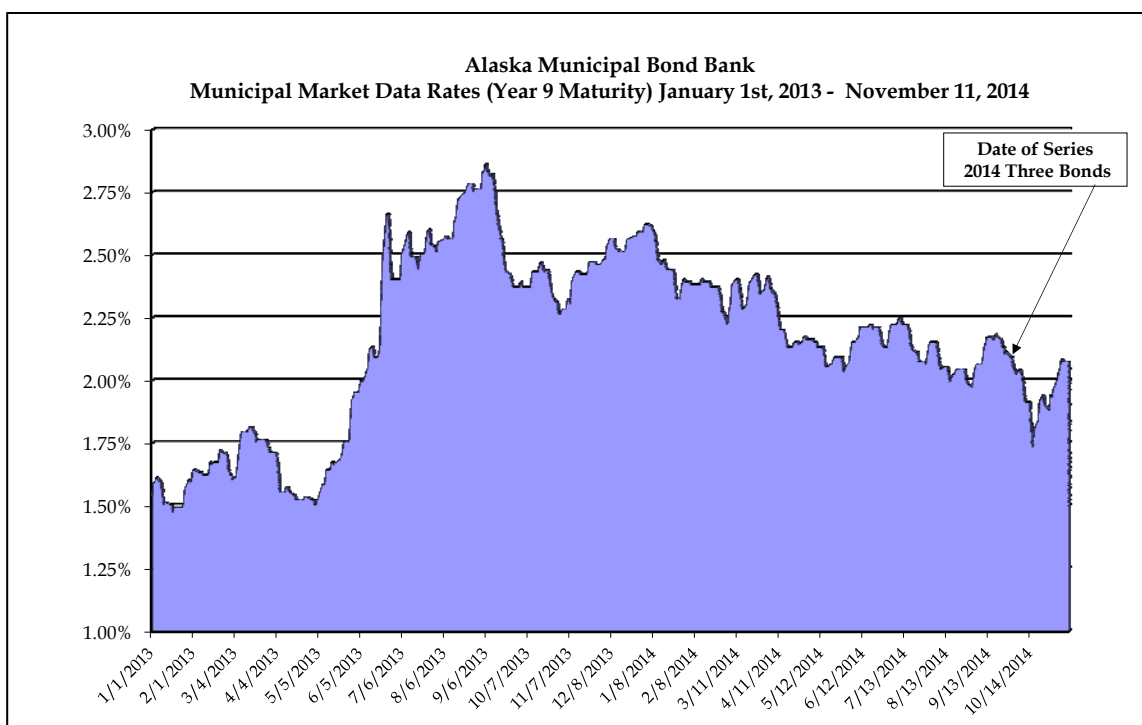
	MMD (9/24/14)	AMBB (2014III Bonds)	Difference (2014III Bonds)	Difference (2014II Bonds)	Difference (2014A I Bonds)	Difference (2013 III Bonds)	Difference (2013 II Bonds)	Difference (2013 I Bonds)	Difference (2012 III Bonds)
Year 1	0.13	0.15	.02	.10	.05	.03	.13	-.02	.11
Year 3	0.60	0.67	.07	.15	.10	.09	.15	.13	.20
Year 5	1.17	1.30	.13	.19	.14	.10	.25	.25	.23
Year 8	1.96	2.15	.19	.24	.24	.29	.34	.38	.31
Year 12	2.37	2.98	.61	.55	.59	.63	.77	.61	.95
Year 14	2.52	3.32	.80	.65	.73	.75	.92	.81	.94
Year 15	2.59	3.45	.86	.68	.76	.76	.96	.84	

The 2014 Three Bonds continued a trend of tightening yields relative to the Municipal Market Data AAA Index inside of 10 years. Beyond the 10 year call date, the yields on the 2014 Three Bonds were comparable to other previously issued 5% coupon bonds.

The graph on the following page presents the yield on the nine year maturity of a AAA rated bond according to Municipal Market Data. As the graph demonstrates, the past two years have been characterized by fluctuations in the yields of highly rated bonds, with rates hitting recent lows approximately 18 months ago.

Beginning in May 2013 tax-exempt rates began a dramatic upward trend, with rates rising by more than 125 basis points between May and September. The rate increases were a function of several factors, including a buoyant equity market, substantial outflows from municipal bond funds, and a general belief that the U.S. economy was improving at a faster pace than expected. Pressure on municipal rates was exacerbated by relatively high volume and signals that the Federal Reserve intended to reduce bond purchases associated through its quantitative easing program

Rates began to recover somewhat beginning in mid-September through the end October, falling approximately 60 basis points from the levels of early September on diminished concerns that the Fed planned to reduce its bond purchase program. Rates gradually moved lower from early 2014 through the sale of the 2014 Three Bonds.



On the morning of September 23rd members of the working group convened at RBC's New York office to discuss the marketing the 2014 Series Three Bonds.

RBC provided a proposed scale with yields ranging from 0.15% in 2015 to 3.77% in 2040. These proposed yields resulted in spreads to the MMD AAA scale ranging from 2 basis points in the 2015 maturity to as wide as 70 basis points for the 2028 serial bond which was proposed to be sold at par (rather than a 5% coupon). After a review of the scale, consideration of the market tone and comparison with other transactions in the market, WFG proposed reducing the yields on the 2026 through 2033 serial bonds by 1 to 3 basis points. RBC agreed to those adjustments prior to releasing the scale on the retail pricing wire. The retail sale was limited to the serial bonds maturing 2015 through 2028, 2035 and 2040. Serial bonds maturing 2029 through 2034 and term bonds maturing in 2039 and 2044 were not offered to retail investors.

There was a solid investor response during the retail order period with a total of slightly more than \$19 million in orders. The 2015, 2017, 2019 through 2022 bonds had subscription levels that were slightly greater than the amount of bonds available in those maturities, while orders for other maturities offered during the retail order period ranged from no orders to, in the case of the 2023 maturity, orders for \$1.25 million, representing a subscription level of approximately .37 times. There were no retail orders for bonds maturing 2027 and beyond.

During the institutional order period RBC reported solid demand for serial bonds maturing 2019 through 2024, with subscription levels that ranged from 2.2 to 4.5 times. The 2016 serial bonds had an unsold balance of \$1.97 million, but RBC received a late order for the entire maturity at a 1.50% coupon rather than the initial structure that used a 3.00% coupon. Based on the institutional response, RBC recommended lowering yields in the 2019 through 2025 maturities by 1 to 3 basis points. The 2018 and 2025 through 2027 serial bonds had unsold balances of approximately \$5.2 million, which RBC underwrote at the time of the verbal award.

The 2030 through 2034 serial bonds and the 2039 and 2044 term bonds had no institutional orders using the proposed institutional structure and offering prices. RBC did indicate that all of those maturities could be sold to a combination of Eaton Vance and Gen Re (General Reinsurance Corporation) as 5% coupons at a 30 basis point spread to the MMD scale. That amounted to a 2 basis point increase in yield for the bonds being marketed at 5% coupons and a 27 basis point reduction in yield for the 2030, 2032 and 2034 serial bonds that had been initially marketed at a 4% coupon.

After discussion between Bond Bank staff and Western Financial Group the proposed adjustments were approved and the verbal award was given.

The proceeds of the 2014 Series Three Bond sale were provided to three borrowers (Juneau, Saxman and Sitka) for new money purposes. Eight borrowers participated in the 2014 Three Bond sale to achieve debt service savings through the refunding of prior Bond Bank bonds. The table below summarizes the estimated present value savings achieved by the participants to the 2014 Series Three sale.

Borrower	Loan Par	Gross Savings	Present Value Savings
City and Borough of Juneau	\$ 11,210,000	\$ 890,800	\$ 671,000
City of Saxman	165,000	126,200	90,200
City and Borough of Sitka	16,325,000	6,417,600	2,245,400
City of Adak	825,000	132,700	113,400
Municipality of Anchorage	3,735,000	841,700	639,700
Haines Borough	9,440,000	1,044,400	858,700
Kenai Peninsula Borough	1,425,000	163,500	111,100
City of Nome	2,140,000	327,000	226,200
Northwest Arctic Borough	3,535,000	382,300	314,900
Petersburg Borough	3,165,000	339,100	280,200
City of Seward	3,405,000	292,600	272,400

The bond sale closed on October 30th in Seattle. As always, it was a pleasure to serve the Bond Bank on this transaction. If you have any questions, please feel free to call me.

Sincerely,



Chip Pierce