

**ALASKA MUNICIPAL BOND BANK  
AUTHORITY  
BOARD OF DIRECTOR'S MEETING**

**TO BE HELD AT  
Alaska Department of Revenue  
Commissioner's Conference Room, 11th Floor  
333 Willoughby Ave., State Office Building  
Juneau, Alaska 99811**

**June 26, 2019  
10:00 AM ADT**





333 Willoughby Avenue, 11<sup>th</sup> Floor  
P.O. Box 110405  
Juneau, Alaska 99811-405

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## **AGENDA FOR AMBBA BOARD OF DIRECTOR'S MEETING**

### **Meeting Place:**

Alaska Department of Revenue  
Commissioner's Conference Room, 11<sup>th</sup> Floor  
333 Willoughby Ave., State Office Building  
Juneau, AK 99811

**June 26, 2019 at 10:00 a.m. ADT**

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Approval of Agenda**
- V. Minutes of the March 21, 2019 Meeting of the AMBBA Board of Directors**
- VI. General Business**
  - A. Introduction of New Board Member, John Springsteen**
  - B. City and Borough of Juneau Loan Application and Credit Review**
  - C. Kenai Peninsula Borough Loan Application and Credit Review**
  - D. AMBBA 2019 Series One and Series Two Post Sale Summary**
  - E. Finance Director's Report**
  - F. Executive Director's Report**
- VII. Public Comments**
- VIII. Board Comments**
- IX. Adjournment**

## NOTICE OF MEETING: AMBBA Board of Director's Meeting

### AGENDA FOR THE ALASKA MUNICIPAL BOND BANK AUTHORITY'S (AMBBA) BOARD OF DIRECTOR'S MEETING

Notice is hereby given that AMBBA will hold a meeting at the State Office Building, 11th Floor, Commissioner's Conference Room, 333 Willoughby Ave., Juneau, AK 99811, on June 26, 2019 at 10:00 AM ADT.

*The public is invited to attend. Individuals who may need special modifications to participate should call (907) 465-2893 prior to the meeting. AMBBA complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973.*

#### Meeting Place:

Alaska Department of Revenue

Commissioner's Conference Room, 11<sup>th</sup> Floor

333 Willoughby Ave., State Office Building

Juneau, AK 99811

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- D. AMBBA 2019 Series One and Series Two Post Sale Summary
- E. Finance Director's Report
- F. Executive Director's Report

#### VII. Public Comments

#### VIII. Board Comments

#### IX. Adjournment

#### [Attachments, History, Details](#)

##### Attachments

[AMBBA Agenda 6-26-2019.pdf](#)

##### Revision History

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##### Details

Department:	Revenue
Category:	Agency Meetings
Sub-Category:	
Location(s):	Statewide

Project/Regulation #:

Publish Date: 6/12/2019

Archive Date: 6/27/2019

Events/Deadlines:



333 Willoughby Avenue, 11th floor  
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## **MINUTES of the BOARD OF DIRECTORS MEETING**

### **ALASKA MUNICIPAL BOND BANK AUTHORITY**

March 21, 2019

#### **I. CALL TO ORDER**

Luke Welles called the meeting to order at 1:06 p.m., Alaska Daylight Time. Members participated at the offices of ASNA, 3800 Centerpoint Drive, Suite 202, Anchorage, AK 99503, and telephonically.

#### **II. ROLL CALL**

Luke Welles  
Craig Chapman  
Lamar Cotten  
Greg Samorajski  
Jon Faulkner

#### **OTHERS IN ATTENDANCE:**

- Deven Mitchell, Executive Director, Alaska Municipal Bond Bank
- Ryan Williams, Finance Director, Alaska Municipal Bond Bank
- Chip Pierce, Financial Advisor, PFM
- Alex Qin, PFM
- Leslie Krusen, Orrick, Herrington & Sutcliffe, LLP
- Greg Blonde, Orrick, Herrington & Sutcliffe, LLP
- Debbie Brady, CFO, FNSB
- Diane Borgeson, Financial Specialist, FNSB
- Anita Fuller, Finance Director, City of Dillingham
- Eric Whaley, Bank of America Merrill Lynch
- David Thompson, Bond Counsel (SEAPA, FNSB)

- Kay Key, Controller, SEAPA
- Matt Meade, Borough Attorney, Northwest Arctic Borough
- Angie Sturm, Treasurer, Northwest Arctic Borough
- Cynthia Weed, K&L Gates, Underwriter's Counsel

### 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. The public notice was officially published on March 6, 2019, on the official Alaska Online Public Notice website for the March 21, 2019 meeting date.

### IV. APPROVAL OF AGENDA

The agenda was reviewed by the board. Mr. Chapman made a motion to approve the Agenda as written. Mr. Faulkner seconded the motion. The Agenda was approved unanimously.

### V. MINUTES of the November 15, 2018 Board of Directors Meeting

The November 15, 2018 minutes of the AMBBA Board of Directors meeting were reviewed by the board. Mr. Chapman moved approval of the November 15, 2018 minutes as written, and approval was seconded by Mr. Faulkner. There were no objections, the minutes were approved unanimously.

### VI. GENERAL BUISNESS

#### *Northwest Arctic Borough – Credit Review and Discussion*

Mr. Pierce provided an updated credit review summary for Northwest Arctic Borough ('NAB'). A prior credit review summary, along with an application from NAB was presented and approved approximately one year ago (3/1/2018 AMBBA Board Meeting). This update brings a current analysis to the board since the previous authorization hasn't been utilized to date. Mr. Pierce presented the updated application credit review summary for a \$12,700,000 general obligation loan request from the Bond Bank for NAB school capital improvements. Specifically, new school construction (K-12) on a 16-acre site located approximately 8 miles from the town of Kivalina. The community of Kivalina is faced with erosion from rising sea levels, and the proposed school site would distance the development to a more secure location. In 2000, the NAB voters

approved \$100 million in general obligation bond authorization, and if including this loan proposal, approximately \$7.07 million in authority would remain outstanding. Mr. Pierce mentioned the road construction project, managed by the Alaska Department of Transportation ('DOT'), was approved, which was necessary to provide access for the school and construction equipment.

Mr. Pierce noted that NAB's principal source of revenue is a payment in lieu of taxes ('PILT'), received from Red Dog Mine (lead and zinc), operated by Teck Alaska ('Teck'). The proposed loan term is 20 years with NAB's full faith and credit pledged. Total Bond Bank estimated annual debt service is \$6.945 million, most recent State Shared Revenues of \$41.0 million, which results in debt service coverage of approximately 5.91x. This school loan is not subject to State debt service reimbursement; however, NAB has received an 80% grant for the project from the State. The total project cost is estimated at \$63.1 million. Projected borrower gross savings using the Bond Bank for this loan is \$1.36 million. Mr. Pierce mentioned an updated no litigation letter has been received from NAB's attorney, Matt Mead. Estimated annual revenues to repay the loan range from \$14 to \$18 million – revenue generated through payments from Teck. The mine is the largest zinc mine in the world, with lower relative production costs compared to peers, allowing Red Dog Mine to weather greater fluctuations in the price of zinc ore, their main output. The most recent agreement reached between Teck and NAB was in May 2017, a 10-year PILT agreement, beginning effective January 1, 2016, and extending to December 31, 2026, with a 5-year renewal option. The new agreement has a total estimated value in the range of \$20 - \$26 million per year over 10-years, comprised of two major components. An annual payment to NAB based on a percentage of Red Dog's fixed asset value, with an estimated average value of approximately \$14 - \$18 million per year. Additionally, creation of a new Village Improvement Fund ('VIF') with an initial investment of \$11 million starting in calendar year 2016, and funding in subsequent years of between \$4 and \$8 million, based on a percentage of Red Dog's gross profit. The VIF will be administered by NAB, with input from 11 villages, and shall be applied towards community programs, services, infrastructure, and long-term sustainability. Mr. Pierce presented the unassigned general fund balances from FY2015-2018, and FY2018 values are unaudited. The decrease in unassigned fund balance that took place in 2017 is attributed to the Borough's decision to enforce their investment code. In 2017, the Borough shifted \$10 million into their Contingency Reserve and almost \$3 million into the Working Capital Reserve which are included in the committed fund balance. Both Reserves mentioned serve as rainy day funds. NAB has pledged its full

faith and credit to the loan, although there are currently no property taxes imposed in the Borough. A majority of assessed value (\$766.5 million as of Jan. 1, 2017) is through the valuation of the Red Dog Mine. Mr. Pierce presented current state-aid available for the Bond Bank to intercept before reaching the borough as an additional security measure. Mr. Pierce mentioned that these interceptable revenues may decrease should the Governor's proposal be implemented without changes. Mr. Pierce recommended re-approval of the NAB loan. Mr. Chapman commented that the loan request would still have approximately 8-10 years of debt service remaining after the end of the PILT agreement (through 2026) and a 5-year optional renewal (through 2031), which is the same year the mine is expected to produce through. Mr. Pierce mentioned that these estimates for production are conservative, and there is prospect for expansion into new cells at the mine to continue production. Ms. Sturm mentioned that reserve funds are being setup at the borough in anticipation of future mining volatility, and there continues to be ongoing exploration efforts at the mine. Mr. Chapman moved approval of the updated \$12.7 million loan request and credit review of the Northwest Arctic Borough for School Capital Improvements, and Mr. Cotten seconded the motion. There was no additional discussion. Mr. Welles called an all-in-favor vote, and there were five 'yes' votes, no objections, the loan was approved unanimously by all board members.

*Fairbanks North Star Borough – Credit Review and Discussion*

Mr. Pierce provided an application credit review for the Fairbanks North Star Borough's ('FNSB') request for a loan of \$10,745,000, of which \$6,950,000 would be tax-exempt and \$3,795,000 would be taxable. FNSB would issue pursuant to an approved GO bond measure for their capital maintenance plan from October 2016. The tax-exempt portion would fund roof and window replacements on several schools and administration buildings, and the taxable portion would fund other capital improvements to activity / civic centers and parks. Mr. Pierce mentioned the loan is not subject to state debt service reimbursement. The proposed term of the loan is 20 years, with property tax revenues pledged. This is a full faith and credit pledge of the FNSB, but property tax revenues are anticipated to be the source of debt service payments from FNSB. The projected annual debt service is estimated at \$760 thousand. With most recent state shared revenues (SSR) of \$135.9 million, this would provide coverage of over 27.9 times on annual Bond Bank debt service. Ad valorem property taxes make up a majority of FNSB's general fund revenue, with total revenues of \$129.6 million in fiscal year 2018. Mr. Pierce illustrated the general fund balance over the last six



years, noting that the unassigned balance totaled \$29.7 million at the end of fiscal year 2018. Mr. Pierce presented a table showing what the impact would be if the Governor's proposed budget broken out by the FNSB, the FNSB School District, the overall community, including reductions that would require statutory changes (municipal tax on oil and gas properties). Mr. Pierce presented the taxable assessed property value of the Borough from 2008 through 2017, with the most recent value of \$9.1 billion. The Borough anticipates issuing more GO bonds in the future to fund a portion of its capital improvement plan, but the Borough has no plans at this time to seek additional GO authorization. The Statement of no litigation has been received from the FNSB attorney. Based on the assessment, Mr. Pierce recommended approval of the loan application. Mr. Chapman moved approval of the application and \$10.745 million loan request for the FNSB capital improvements, and Mr. Cotten seconded the motion. There was no additional discussion. Mr. Welles called an all-in-favor vote, and there were five 'yes' votes, no objections, the loan was approved unanimously by all board members.

#### *City of Homer – Credit Review and Discussion*

Mr. Pierce provided an application credit review summary for the City of Homer's ('Homer') request for a loan of \$5,000,000. Homer would issue pursuant to an approved GO bond measure from June 2018, that was passed by a 64% to 36% margin. The request would fund the construction of a police station, with current facilities aging and inadequate to meet current demand. Mr. Pierce mentioned the loan is not subject to state debt service reimbursement, and the proposed term of the loan is 20 years, with sales tax revenues pledged. The projected annual debt service is estimated at \$354 thousand. With most recent state shared revenues (SSR) of \$923 thousand, and estimated annual debt service through Bond Bank loans of \$642 thousand (including this loan), this would provide coverage of approximately 1.44 times. Mr. Pierce presented what was described as a stable general fund revenue distribution over a period of 5 years. Sales taxes represent the majority of Homer's general fund revenue, at 49.7% in fiscal year 2017, while property tax made up 26.3% over that same time-period. Sales taxes collections exceeded \$6.6 million in fiscal year 2017. Mr. Pierce illustrated the general fund balance over the last five years, noting that the assigned and unassigned balance totaled \$6.7 million at the end of fiscal year 2017, not including the amount budgeted for FY2018 expenditures. Mr. Pierce discussed the impact of the proposed governor's budget - Homer's finance director believes the proposed budget will have minimal direct impact on their

financial position, but could see an impact on general fund revenues through potential decreases in economic activity, or decreased support from Kenai Peninsula Borough for local school funding. Mr. Pierce presented the taxable assessed property value of Homer from 2013 through 2017, with the most recent value of \$756 million. Additionally, Homer increased its sales tax by 0.35% in June 2018 for the purpose of funding public safety and construction of a police station, 0.30% of this tax increase shall go towards funding bond repayments. The Statement of no litigation has been received from Homer's General Counsel. Based on the assessment, Mr. Pierce recommended approval of the loan application. Mr. Chapman asked Mr. Pierce to verify the pledge of sales tax stated in the application versus the full faith and credit pledged by a general obligation vote of the City. Mr. Pierce confirmed it's a full faith and credit pledge of Homer, but the sales tax pledge is specifically listed due to how the City views funds they generally plan on using for repayment. Mr. Faulkner notified the board that he is recusing himself from the board vote due to a potential conflict. Mr. Chapman moved approval of the application and \$5.0 million loan request for the Homer police station project, and Mr. Cotten seconded the motion. There was no additional discussion. Mr. Williams conducted a roll call vote, Mr. Faulkner abstained, and there were four 'yes' votes, no objections - the loan was approved by voting board members.

*City of Dillingham – Credit Review and Discussion*

Mr. Pierce provided an application credit review summary for the City of Dillingham ('Dillingham' or 'City') request for a loan of \$644 thousand for a new fire hall, and approximately \$3.41 million for local road improvements. Dillingham would issue pursuant to an approved GO bond measure from March 2019. The request would fund the construction of a new fire hall addition, with current facilities aging, and improve, realign and rehabilitate local roads. Mr. Pierce mentioned the loan is not subject to state debt service reimbursement, and the proposed term of the loan is 20 years, with a full faith and credit pledge. The City generally plans to use property tax, marijuana tax, tobacco tax, and general fund reallocations to make debt service payments. The projected annual debt service is estimated at \$282 thousand. With most recent state shared revenues (SSR) of approximately \$8.8 million, and estimated annual debt service through Bond Bank loans of \$1.35 million (including this loan), this would provide coverage of approximately 6.54 times. Mr. Pierce presented a stable general fund revenue distribution over a period of 5 years, with all taxes making up a majority of the City's general fund revenue, at 72.4% in fiscal year 2017. For several years

the combination of property taxes and sales taxes have accounted for approximately 85% of the City's general fund revenue sources. Mr. Pierce mentioned that at the end of fiscal year 2017, total fund balance for the general fund was \$3.6 million, a decrease of \$969 thousand from 2016 due to greater expenses. The City implemented a Tobacco Excise Tax in FY2019, and is exploring the possibility of creating a marijuana sales tax. Mr. Pierce discussed the impact of the proposed governor's budget – currently, Dillingham receives financial support from the State primarily through Revenue Sharing (\$120,000), Raw Fish Tax (\$443,000), and PILT (\$459,000). The State also pays approximately 70% of the debt service for bonds issued for school-related purposes, amounting to approximately \$745,000 annually. Altogether, the City could lose an estimated \$2 million in direct and indirect support if the proposed budget passes as stated. The City is currently evaluating cost cutting measures, such as closing down a local library and senior center, if State funding cuts such as those proposed are in-fact implemented. Mr. Pierce presented the taxable assessed property value of Dillingham from 2014 through 2018, with the most recent value of \$200 million (2018). The Statement of no litigation has been received from Dillingham's General Counsel. Based on the assessment, Mr. Pierce recommended approval of the loan application. Mr. Faulkner moved approval of the application and \$4.054 million loan request for Dillingham, and Mr. Cotten seconded the motion. There was no additional discussion. Mr. Welles called an all-in-favor vote, and there were five 'yes' votes, no objections, the loan was approved unanimously by all board members.

*The Southeast Alaska Power Agency – Credit Review and Discussion*

Mr. Pierce provided an application credit review summary for the Southeast Alaska Power Agency ('SEAPA' or 'Agency') request for a loan of \$5,590,000. SEAPA intends to use proceeds towards a current refunding of their Series 2009 Electric Revenue Refunding Bonds for savings (not originally issued through the Bond Bank). SEAPA's loan would be secured with net revenues from their electric enterprise system. Mr. Pierce mentioned that the SEAPA Board of Directors and member cities have already authorized the issuance of up to \$5.59 million to refund the existing 2009 bonds. The loan is not subject to state debt service reimbursement, and the proposed term of the loan is 5 years. SEAPA owns the Swan Lake and Tyee Lake hydroelectric facilities, as well as extensive cables and lines servicing Ketchikan, Wrangell, and Petersburg, providing 62% of the total power consumed by these communities. Mr. Pierce reviewed a summary of the Long-Term Power Sales Agreement, requiring member utilities

to purchase power from SEAPA prior to power generated by facilities added after the PSA was signed. Displaced sales are reviewed on a quarterly basis and invoiced at the end of each calendar year. A rate stabilization fund was established in July 2018 with an opening deposit of \$2 million. The fund is intended to improve the long-term fiscal health of the Agency by reserving a portion of excess revenues, which may be used to reduce the impact of future extraordinary capital projects or bond issuances and to ensure compliance with bond covenants as needed. Mr. Pierce reviewed financial operations from 2013 through 2018, with operating revenues ranging from \$9.5 million to \$11.4 million. For 2018, the debt service and debt service coverage based on the estimated debt service payment of the 2019 refunding bonds (\$990 thousand), would be 3.47 times (or, 3.21 times with the exiting 2009 bonds). Per SEAPA personnel, the Governor's proposed budget will not have an impact on the agency's financial position. SEAPA is required to set the firm wholesale rate at a level sufficient to meet its commitments under the indenture and to operate its projects. The additional bonds test requires 1.2 times coverage, equal to the Agency's rate covenant. Mr. Pierce mentioned that coverage levels have been strong, with the lowest being 2.46 times over the last 6 years, but if net revenue in any year is insufficient to cover debt service without taking into account any withdrawals from the rate stabilization fund, the agency is required to retain a rate consultant to review rates and make whatever adjustments it deems necessary. A debt service reserve fund is also required, to be funded at the least of 10% of par, 125% of average annual debt service, or maximum annual debt service. The Statement of no litigation has been received from the Agency's General Counsel. Based on the assessment, Mr. Pierce recommended approval of the loan application. Mr. Chapman moved approval of the application and \$5.59 million loan request for SEAPA, and Mr. Cotten seconded the motion. There was no additional discussion. Mr. Welles called an all-in-favor vote, and there were five 'yes' votes, no objections, the loan was approved unanimously by all board members.

*AMBBA Resolution Number 2019-01 – Authorizing Bond Issuance*

Mr. Krusen introduced Resolution 2019-01, a series resolution authorizing the issuance of general obligation bonds, the 2019 Series One and 2019 Series Two of the Alaska Municipal Bond Bank. The 2019 Series One is proposed to be issued in an aggregate principal amount of not to exceed \$35,000,000, and the 2019 Series Two is proposed to be issued in an aggregate principal amount of not to exceed \$4,000,000. Mr. Krusen mentioned that due to the anticipated taxable piece from Fairbanks North Star Borough in the proposed transaction, there are

two series of bonds contemplated, and the Chairperson and Executive Director have authority to elect or modify series, designations, and method of sale (competitive vs. negotiated). Maximum true interest costs shall not exceed 4.5% for the 2019 Series One Bonds, and shall not exceed 5.0% for the 2019 Series Two Bonds. Authority granted to the Chairman and Executive Director shall expire 120 days after adoption of this 2019-01 resolution of the Bond Bank. Mr. Mitchell discussed the factors considered in a determination of the method of sale, and the current plan is to issue on a negotiated basis due to the number of borrowers and the underlying structure. A negotiated sale would allow for ease of modification of the structure, if necessary. Mr. Faulkner made a motion to approve AMBBA Resolution 2019-01, and Mr. Chapman seconded the motion. Mr. Welles called an all-in-favor vote, and there were five 'yes' votes, no objections, the Bond Bank Resolution 2019-01 was approved unanimously by all board members.

*New SEC Rule 15c2-12 & AMBBA Disclosure and Compliance Policy Update*

Mr. Krusen introduced and provided to the board a summary of the SEC's adopting release amending rule 15c2-12, an amendment that adds additional requirements. Amendments to Rule 15c2-12 includes the addition of two events for continuing disclosure agreements entered into on or after February 27, 2019, expanding the list from 14 to 16 events. These two events are listed as new numbers 15 and 16. The disclosure changes include, 15) Incurrence of a financial obligation of the obligated person, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and 16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties. The board reviewed additional information in a handout created by the MSRB describing the rule, which also provided information on disclosure through the EMMA system.

Mr. Williams presented an updated and revised version of the Bond Bank's Municipal Securities Disclosure Policy & Post Issuance Compliance Policy, with the revision date of February 27, 2019 to match the implementation of the new added events. The presentation displayed a blackline of the current policy of the Bond Bank, adding the new events under SEC disclosure requirements / continuing disclosure. Additional footnotes were added as well for a full understanding of definitions as related to listed events. The board

acknowledged the addition of new events required by the SEC in the Bond Bank's policy document. Mr. Chapman made a motion to approve revisions to AMBBA's Municipal Securities Disclosure Policy & Post Issuance Compliance Policy, and Mr. Cotten seconded the motion. Mr. Welles called an all-in-favor vote, and there were five 'yes' votes, no objections, the Bond Bank's updated Municipal Securities Disclosure Policy & Post Issuance Compliance Policy was approved unanimously by all board members.

#### AMBBA 2018 Series One Bonds – Post-Sale Summary

Mr. Pierce discussed a summary of the pricing for the Bond Bank's 2018 Series One Bonds. These bonds were sold by negotiated sale on November 8, 2018, to RBC Capital Markets as sole manager. On Wednesday, November 7th, RBC went out with a preliminary scale for the transaction to see market interest, and the scale ranged from 35 basis points above the Municipal Market Data (MMD) AAA index on the short-end, to 80 basis points above on the long-end. These bonds were also subject to the alternative minimum tax (AMT), so they inherently trade wider than purely governmental purpose bonds. On November 8, 2018, the Bond Bank had to increase the spread by 10 basis points across all maturities. This was due to interest in the transaction, comparable AMT paper sold by the Bond Bank, and similar credits that have sold in the recent marketplace. The preliminary response was full (1x) subscription for the 2019-2023 maturities, nothing for the 2024-2026 maturities, full subscription (1x) for the 2027-2029, nothing for 2030-2034, and full subscription (1x) for the remaining. Since there were definitive pockets of interest and subscription, RBC Capital Markets proposed to underwrite the remaining unsubscribed bonds at the scale that was initially presented (after the 10-basis point adjustment), with minor adjustments such as terming up the 2033 and 2034 maturities. The True Interest Cost of the transaction was 4.195 percent. The proceeds of the 2018 Series One Bonds were provided to the City and Borough of Sitka for their Harbor and Airport. The transaction closed on November 27, 2018.

#### *AMBBA's FY2018 Annual Report*

Mr. Williams reviewed the Bond Bank's fiscal year 2018 annual report. The format that was released this year was a consolidated version that included an introductory / highlight page from the Board Chairperson, Mr. Welles, as well as a copy of the annual reserve certification. Mr. Williams mentioned that the reserve certification was also provided at the beginning of the year to the

Governor, President of the Alaska State Senate, and the Speaker of the House of Representatives. Also, all annual report documentation, audit, and reserve certifications were disclosed online, within their required timeframe, to the MSRB's EMMA data-port, satisfying annual continuing disclosure requirements for the Bond Bank.

*AMBBA's FY2019 Semi-Annual (Unaudited) Financial Statements*

Mr. Williams reviewed the Bond Bank's fiscal year 2019 unaudited semi-annual financial statements ended December 31, 2018. The numbers include the 2018 Series One issuance from November 2018. Mr. Williams mentioned that investment returns for the period were greater than the same period last year, and net position has increased; however, additional expenses associated with general operating for the remainder of the fiscal year, as well as the anticipated upcoming issuance of the 2019 Series One and Series Two Bonds, will need to be factored into forecasts, and we'll have to wait and see what the overall result will be to the fiscal year change in net position. The Bond Bank continues to work with an accounting and compilation contractor to help prepare the financial statements. The semi-annual summary included the Statement of Net Position and Governmental Funds Balance Sheets, Statement of Activities and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances / Net Position, and the Supplemental Schedule of Statutory Reserve Accounts – Assets, Liabilities, and Account Reserves.

*Executive Director's Report*

*Mr. Mitchell reported on the following items that were not covered in the March 21, 2019 Agenda:*

In October 2018, a Request for Proposals was issued for Financial Advisory services. In November responses were received from Hilltop Securities and PFM. The responses were reviewed and scored in December by Luke Welles, Craig Chapman, Deven Mitchell, and Ryan Williams. After the subjective scoring was added to points for cost and the Alaska bidder's preference, which Hilltop Securities qualified for, PFM had less than one-point higher ranking than Hilltop. In December, Hilltop appealed the evaluation of their proposal and the appeal was denied by the procurement officer in early January. Chip Pierce, who was the primary individual named in the PFM proposal announced his upcoming retirement in January. Based on the close and somewhat contentious nature of

the procurement and the lack of other individuals besides Mr. Pierce being named in the proposal Bond Bank staff determined that the procurement should be re-done. The new RFP will be released in March.

In December, analysis determined that the City and Borough of Juneau, Wildflower Court revenue bond was overfunded by approximately \$513 thousand. The diminished reserve requirement was the result of Wildflower Courts debt service shape with annual payments diminishing significantly after the December 2019 principal payment. Managing the release of these funds in consideration of operational challenges that Wildflower Court has been facing involved negotiations with CBJ, Bond Bank and Wildflower Court staff. The most appropriate use of funds was determined to be the pre-payment of calendar year 2019 debt service to ensure Wildflower Court will meet their bond's rate covenant. On December 21, 2018 \$513,963 was transferred from the debt service reserve to the debt service account, proving for the partial pre-payment of 2019 debt service.

On January 17, 2019, a Request for Proposals was issued for Investment Management services. In February responses were received from Alaska Permanent Capital Management, US Bank, First National Bank Alaska, and Time Value Investments. The responses were reviewed and scored by Lamar Cotton, Deven Mitchell and Ryan Williams. In March, offerors were allowed to provide a best and final fee proposal after subjective evaluation was complete. The final outcome will be determined on March 18, 2019.

On February 4, 2019, the Bank of New York was directed to optionally redeem \$4,375,000 of Bond Bank reserve obligations originally issued to partially fund the 2005 Reserve requirement. The bonds otherwise matured between 2023 and 2029. Funds were transferred from the custodian account to provide for the redemption. Based on cash-flow projections the remaining unrestricted custodian account balance should be stable and the nominal benefit to the Bond Bank by pre-paying the bonds is \$1,067,116.

Communities that have contacted the Bond Bank about potential future loans include the City and Borough of Juneau and the Kenai Peninsula Borough.

## VII. PUBLIC COMMENTS

There were none.



VIII. BOARD COMMENTS

There were none.

ADJOURNMENT

Mr. Welles adjourned the meeting without objection at 4:05 p.m. ADT.

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Luke Welles, Chairperson

## Alaska Municipal Bond Bank Application Credit Review Summary Page

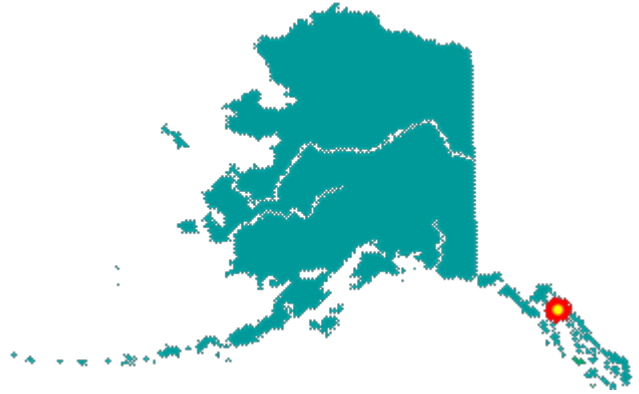
Applicant:	City and Borough of Juneau (the “CBJ”)
Loan Amount:	Not to exceed \$18,000,000
Project Type:	Infrastructure improvements to the Juneau International Airport (the “JNU”)
Project Description:	Modernization of the JNU Terminal began in 2005 through an adopted Terminal Master Plan that called for two major phases of work: 1. Renovate and expand portions of the building that were constructed after 1984, and 2. Reconstruct portions of the building that were constructed prior to 1984 within the same general footprint. The majority of Phase 1 was completed in 2012. Recently, JNU has identified funding to complete the Phase 2 needs.
Term of Loan:	Up to 15 years (current loan structure is 7 years)
Revenues Pledged to Loan:	PFC Revenues, FAA Grants & Airport Revenues
Most recent FY Net Pledged Revenues:	PFC Revenues: \$530,178 FAA Entitlements: \$12,951,610 Airport Revenues: \$16,849,122
Estimated Annual Debt Service:	Approximately \$2.74 million
Estimated Total Bond Bank Annual Debt Service:	Approximately \$23.8 million
Most Recent FY Debt Service Coverage Ratio:	7.51x (based on the 2019 Two loan’s estimated annual average debt service)
Most Recent FY State-Shared Revenues (SSR):	\$53,369,073
Debt Service Coverage of AMBB DS from SSR:	2.24x (includes estimated debt service on CBJ’s 2019 General Obligation Loan)
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	Pending. Will become available on 6/25.

# Loan Application Evaluation

## City and Borough of Juneau

### Introduction

The City and Borough of Juneau (the “Borough” or “CBJ”) has submitted an application to the Alaska Municipal Bond Bank Authority (the “Bond Bank”) for an Airport Revenue Bond Loan totaling \$19,500,000. Together with proceeds of a separate general obligation loan, the Borough will use revenue loan proceeds to fund capital improvements for the Juneau International Airport. We have completed our review of this application and following is our overview of this project and the security provisions associated with the loan.



### The Project

The CBJ has been authorized to issue up to \$18,000,000 in airport revenue bonds to finance the construction of portions of the JNU Terminal that were constructed prior to 1984.

Approximately 37,000 sf of building area will be demolished, along with 4,500 sf of exterior canopy. Reconstructed (new) areas and interior remodel area will total approximately 35,000 sf. The project scope will address code deficiencies, replace infrastructure (elevator/escalator, security systems, mechanical and electrical systems), improve energy efficiency, increase flexibility and adaptability of interior spaces for airport administration, and improve passenger services. The functions of new spaces include:

- Part 135 (small regional carriers) passenger operations
- Airport Administration offices, including Airport Police
- FAA office and equipment spaces related to the Air Traffic Control Tower operations
- TSA Break Room
- US Customs & Border Protection processing office
- Support space such as mechanical, restrooms, storage, up-direction escalator, two elevators
- Gift Shop

The reconstructed Airport Terminal will no longer include regional cargo and tourism-related services (except Visitor Center) under the same roof. Rather, land that is currently used by the oldest parts of the terminal and for surface parking of vehicles and building support on the landside and aircraft equipment on the airside will be subdivided into lots for this purpose. The Airport is developing a design review policy to ensure that private development near the terminal is consistent with both the landside and airside needs.

No additional parking is proposed with this project. There are currently 408 public parking spaces near the airport terminal: 67 short term spaces, 215 long term spaces, and 126 employee spaces. Additionally, there are rental car parking spaces and spaces that are leased to tenants. Existing taxi services, ride shares, shuttles, vans, and public transit stops will not be modified. Traffic patterns, including loading and unloading of passengers in front of the terminal will not change due to this project, but a new entry vestibule will be constructed in the northwest corner of the building.

Existing vegetation along Shell Simmons Drive that is adjacent to the older portions of the building may need to be removed to facilitate building demolition. Landscaping at the airport is limited due to wildlife hazards. If vegetation is replaced, species will be controlled so as not to invite birds or rodents. No vegetation will be added on the airside of the building. It is hoped that the existing Pet Relief station near the public transit stop will be able to remain, but in case it cannot, a new Pet Relief station was constructed in the summer of 2018 near the covered bus canopy at the northeast vestibule entry of the terminal.

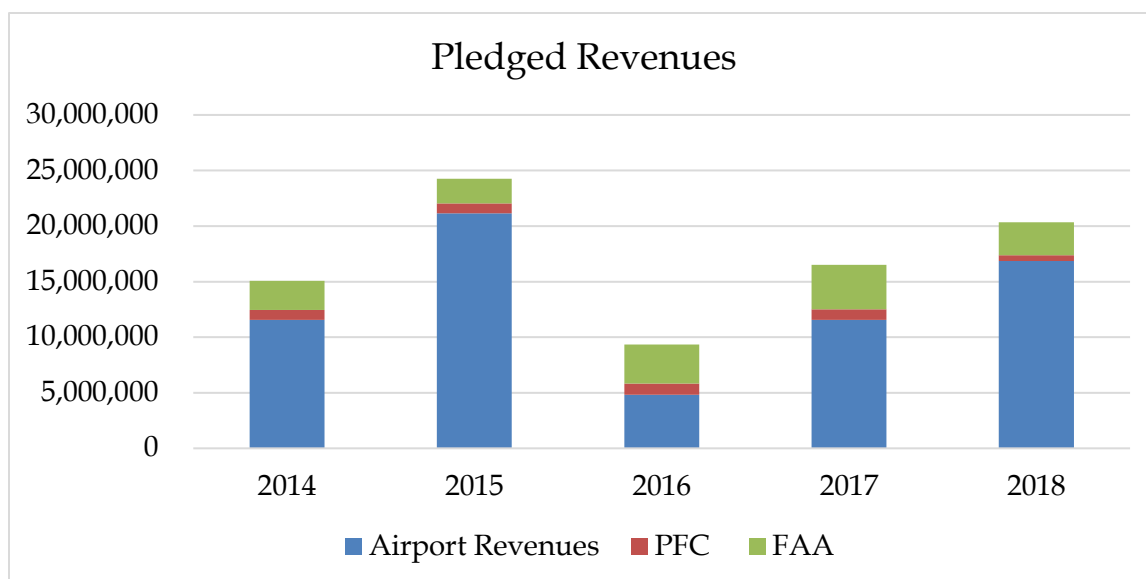
Exterior lighting will use LED fixtures that are appropriate to the functions of aircraft and ground equipment maneuvering on the airside, and pedestrian circulation on the landside. The existing in-slab ice melt system along Shell Simmons Drive will remain. If funding allows, it may be extended approximately 50 lf along the front elevation of the new terminal structure.

### **Security Pledge**

As shown in the following graph, the CBJ will pledge its PFC Revenues, FAA Entitlement Revenues and Airport Revenues. In FY 2018, total revenue available to pay debt service was \$30.3 million. FAA entitlements from FY 2020 – 2023 are dedicated to payment of debt service. CBJ intends to receive a total of \$11,864,000 in FAA entitlements over that time period (\$2,966,000 per year). FAA entitlements received by the CBJ after 2024 will not be designated for debt service payments. Currently, the total approved PFC is \$5,983,514, scheduled for appropriation in these years:

- FY2019: \$214,634
- FY2020 – 2024: \$5,000,000 (\$1,000,000 per year)
- FY2024: up to \$768,880.

The Airport also has the ability to increase their PFC authorization another \$1,500,000 if needed, which would be appropriated in FY 2025 and FY2026. FY 2018 pledged PFC and Airport revenues (exclusive of FAA entitlement revenues) provide debt service coverage of 6.34x of the projected 2019 airport revenue loan average debt service.



The table below summarizes the financial results of the Airport Proprietary Fund over the past 5 fiscal years. Currently the Airport does not have existing debt. The estimated debt service on the 2019 Airport Loan is presented and the estimated debt service coverage exceeds 7.5 times based on Fund financial results over the past 5 years.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>					
Unpledged	3,093,241	3,432,004	3,666,138	3,994,397	4,177,209
Licenses, permits, and fees	489,832	440,636	489,252	462,050	476,066
Sales	39,361	51,251	25,443	28,516	34,626
Fines and forfeitures	1,325	921	2,265	3,645	3,010
Rentals and leases	2,098,668	2,173,766	2,273,947	2,255,953	2,323,310
Donations and Contributions	0	0	0	150,000	0
Other	11,640	13,949	13,242	7,368	(35,806)
State Sources	327,301	808,116	180,503	146,818	115,826
Federal Sources	102,200	88,040	106,100	159,592	138,250
Investment and Interest Income	39,110	12,413	45,853	22,247	31,543
Gain on Disposal of Capital Assets	300	26,784	34,871	49,061	30
Capital Contributions	8,802,977	19,685,733	4,228,984	10,800,535	14,987,508
Transfers from other Funds	2,350,000	750,000	81,469	800,000	1,790,984
<b>Total</b>	<b>17,355,955</b>	<b>27,483,613</b>	<b>11,148,067</b>	<b>18,880,182</b>	<b>24,042,556</b>
<b>Operating Expenses</b>	8,593,811	9,104,169	9,142,152	11,928,580	13,420,816
Depreciation	(2,783,388)	(2,765,781)	(2,816,889)	(4,597,079)	(6,227,382)
<b>Net Expenses</b>	<b>5,810,423</b>	<b>6,338,388</b>	<b>6,325,263</b>	<b>7,331,501</b>	<b>7,193,434</b>
<b>Other Sources Available for Debt Service</b>					

Passenger Facility Charge	897,403	898,159	994,078	972,260	800,000
FAA Entitlement	2,615,850	2,221,754	3,514,970	3,998,741	2,966,298
<b>Total</b>	<b>3,513,253</b>	<b>3,119,913</b>	<b>4,509,048</b>	<b>4,971,001</b>	<b>3,766,298</b>
 <b>Revenue Available for Debt Service</b>	 <b>15,058,785</b>	 <b>24,265,138</b>	 <b>9,331,852</b>	 <b>16,519,682</b>	 <b>20,615,420</b>
 Estimated Debt Service*	<hr/>				
					2,745,950
 Estimated DS Coverage	<hr/>				
					7.51x

\*Average annual debt service of the proposed 2019 airport revenue loan

### **Impact of Governor's Proposed Budget**

The state budget passed by the Alaska legislature in early June funded most items that impact the City and Borough of Juneau. Two statewide budget items—including a \$40 million reduction to the state ferry system and a \$100 million reduction to public health programs—will have some limited impact on the local economy. CBJ now awaits the Governor's anticipated vetoes. Most significantly, the Governor has signaled the possibility of vetoing state funding that would reimburse municipalities for a portion of their already-incurred school bond debt. Such a veto could be as severe as \$7 million for CBJ in FY2020. The CBJ Assembly has discussed this issue extensively, and the actions under consideration would pay those costs from the Restricted Budget Reserve fund (currently \$16+ million) and implement an increase to the debt service mill rate to repay the reserve over time. Additionally, actions by the Governor's to reduce the size of the state workforce or shift that workforce from Juneau to Anchorage would also have some limited impacts on the local economy.

### **Future Capital Plans**

The CBJ does not intend to fund future capital plans with airport revenue bonds.

### **State-Aid Intercept**

In addition to the pledged revenues by the CBJ, the Bond Bank has the ability to intercept state-shared revenues that will otherwise flow to the CBJ. The table below summarizes the revenues subject to intercept, along with the maximum annual debt service on CBJ's bonds.

Shared Taxes and Fees	\$5,348,967
Dept. of Transportation Reimbursement	\$0
Reimbursement and Other Education Funding	\$8,551,446
Education Support Funding	\$36,709,678
Matching Grants	\$1,763,431
Community Jails	\$0
PILT Transfers	\$0
Revenue Sharing	\$995,551
<b>Total Revenue Subject to Intercept</b>	<b>\$53,369,073</b>
Fiscal Year 2019 Debt Service (includes 2019 Two Loan DS)	\$23,833,364*
<b>Debt Service Coverage</b>	<b>2.24</b>

\*Includes estimated debt service on CBJ's 2019 GO Loan

### **Statement of No Litigation**

Will become available on 6/25/2019.

### **Summary**

Based on our assessment, the security offered by CBJ, as set forth in the loan application and supplemental materials, provides sufficient security to justify approval of the application. The Juneau International Airport's operating revenues combined with PFC and FAA Entitlements provide high debt service coverage. Additionally, the Bond Bank's ability to intercept CBJ revenues adds significantly to the security of the loan.

We recommend approval of this loan. If you or any of the Board members have any questions regarding our analysis, please feel free to call me at (206) 858-5370.

For PFM Financial Advisors LLC



Fred Eoff

**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 2018 was estimated at 32,247, an increase of 3.1% since the 2010 census. 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 most recent data release from the American Community Survey, there are an estimated 13,451 total housing units and 1,178 were vacant. The unemployment is estimated at 4.3% in May 2018, below the estimated state rate of 7.0%. Per capita income in 2017 was \$66,367, which was 116.1% of the statewide average and 128.5% of the national average.

There are 14 schools located in the community, attended by approximately 4,600 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 \$92 million income and nearly 3,000 jobs. Each summer Juneau is visited by 98% of all cruise passengers that visit Alaska. In 2018, Juneau welcomed just over 1.15 million cruise passengers, with that number expected to increase to 1.34 and 1.42 million during the summers of 2019 and 2020. 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 1,600 local jobs with an annual payroll of \$82 million. The seafood industry (commercial fishing, fish processing and hatchery production) constitutes another important sector of the economy. About 720 Juneau residents fish commercially, landing 14 million pounds of fish with a value of \$21 million. Fish processing in Juneau provides 459 jobs, primarily supplied by two shore-based fish processing facilities. 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 the United States. In 2018 there were 443 permanent year round employees. Greens Creek produced 8.0 million ounces of silver. 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 383 people. Kensington's proven and probable reserves were 552 thousand contained ounces of gold at year-end 2018.

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.



## Application for Bonds

This is a request for the Alaska municipal Bond Bank Authority (the Bond Bank) to purchase a revenue or general obligation bond issues of the applicant. This is not 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 and Borough of Juneau, Alaska

B. Type of Government (home rule, first class, authority, etc.):

Home rule

C. Contact Person for the Government

Name:	Title:		
Jeff Rogers or Bob Bartholomew	Finance Director		
Address:	City:	State:	Zip:
155 South Seward Street	Juneau	AK	99801
Phone:	Fax:	Email:	
907-586-0307	907-586-0358	Jeff.Rogers@Juneau.org	

D. Applicant's Bond Counsel:

Name:	Title:		
Cynthia Weed, KL Preston Gates Ellis, LLP	Bond Counsel		
Address:	City:	State:	Zip:
925 Fourth Avenue	Seattle	WA	98104
Phone:	Fax:	Email:	
206-623-7581	206-370-6191	cynthina@klgates.com	

E. Applicant's Financial Advisor or Underwriter (if applicable): \*\* Requesting \*\*

Name:	Title:		
Tom A. Yang	Managing Director US Infrastructure & Project Finance		
RBC Capital Markets	Underwriter		
Address:	City:	State:	Zip:
345 California St. 28th Floor	San Francisco,	CA	94104
Phone:	Fax:	Email:	
415-445-8206	415-445-8679	tom.a.yang@rbccm.com	

## II. Issue Information

### A. Total amount of bond purchase request:

\$19,500,000

### B. Total term of requested loan:

10-15 years

### C. Preferred principal and interest payment months:

Oct-Dec

Principal/  
Interest

Apr-Jun

Interest  
Only

Note: Prefer semi-annual payments, one interest only, and one P&I. Early Call Provision @ 5-7 years.

### D. If a bond election is required, please provide a copy of the bond election ordinance and ballot proposition.

Required & Attached ☒ Not Required

If a bond election has been held, provide the votes for and against the issue(s):

Yes	No	% of registered voters casting ballots

Does the municipality intend to pledge any specific assets or taxes in addition to property tax? If yes, provide details of the additional security:

Yes, details attached ☒ No

### E. Will you need interim financing?

Yes, details below ☒ No

Amount:	Maturity:	Rate:	Lender:

Provide information that would impact the Bond Bank's ability to retire the interim financing with permanent financing

Yes, details attached ☒ N/A

### F. Describe project to be financed, including the information requested in 1-6. If this information is available in a project feasibility study, you may reference and attach the study.

- Are engineering and specifications completed? N/A ☐ Yes ☒ No
- If no, what is the projected specification completion date? August 2019
- Have construction bids been awarded? N/A ☐ Yes ☒ No
- Are there additional state or local approvals required? Describe. N/A ☒ Yes ☐ No

**\*\*Assembly ordinance scheduled for final approval June 24, 2019, effective July 24, 2019.**

5. Describe timing/schedule plan:

**\*\* AMBB October bond sale,**

6. Project completion date: September 2021

### G. Sources and Uses of Funds

Source of Fund		Uses of Funds	
Bonds (this application)	\$ 19,350,000.00	Construction	\$ 13,960,000.00
Federal Funds*		Engineering	\$ 2,443,000.00
State Funds*		Contingency	\$ 1,047,000.00
Applicant's Funds		Cost of Issuance	\$ 150,000.00
Other (specify) Issuance	\$ 150,000.00	Other: DSRF	\$ 1,900,000.00
	\$ 19,500,000.00		\$ 19,500,000.00

\*If State or Federal funds are involved, provide a complete description of the status and uses of these funds.

Attach a sheet of paper indicating which costs, including costs of issuance, would be paid for with AMBBA bond proceeds.

### III. Credit Information

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

<http://www.juneau.org/financeftp/cafr2018/documents/FY18CAFR.pdf> - Page 56-58 (doc page 74-76)

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund Reserves? **Yes - We have entered into an annual lease for software upgrade. The amount is \$200k per year; 2020-2025.**

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. Approx one-half of existing GO bonds qualify for 60% and 70% State reimbursement. Port bonds are supported by fees.**

D. Has your government ever failed to meet its debt service coverage requirements or other covenants on general obligation, revenue, or special assessment bonds? If yes, please attach an explanation.

• At 6/30/11 CBJ was out of compliance with the 125% of Net Revenues Requirement for the AMBBA 2007 Series Three Issue. CBJ was back in compliance at 6/30/12.

• At 6/30/17 CBJ was out of compliance with 115% of Net Revenues Requirement for the AMBBA 2013 Series I Issue (Bartlett Regional Hospital). Booking of unfunded pension liability resulted in operating loss. Compliance was restored at 6/30/18.

• At 12/31/13 CBJ was out of compliance with the Net Revenues Requirement with Wildflower Court Conduit Debt. The Indenture requires a ratio of 1.15 and the actual ratio was 1.12. As of 12/31/15 financial activity was compliant. At 12/31/16 and 12/31/17 the ratio was 1.00 and 0.98, respectively. The annual debt service drops significantly in calendar 2021, and the financial ratios should be met.

E. Has your government ever defaulted on any of its general obligation, revenue, or special assessment bonds? If yes, please attach an explanation. **No**

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

#### CBJ Bonds Authorized - Not Issued

Bond Issue	Total Authorization	Amount Issued as of 06/30/2018	Balance Unissued	Comments
GO - Gastineau School (Vote Oct 2008)	\$11,800,000	\$11,829,000	\$177,000	No intention to issue further bonds
GO CIP Bonds (Ord Dec 2012)	25,000,000	19,050,000	5,950,000	Balance for JJA Terminal (9/2/2013 Application)
	<u>\$36,800,000</u>	<u>\$30,879,000</u>	<u>\$5,927,000</u>	

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. **No current plans for additional bonds sales other than items in answer question III F.**

H. Give a brief summary of your local economy. Include major industries and their projections. Describe any positive or negative economic impact from the growing tourism visitors which helps offset declines in other areas. **There is a significant positive economic impact from the growing tourism visitors which helps offset declines in other areas. There continues to be risk of some economic contraction in the next 2 years from the lack of a sustainable state budget plan.**

I. Are any of the community's major employers expected to make changes in work force or operations? If yes, please attach an explanation. **Yes, Alaska State Government is currently working through a budget reduction process due to low oil prices. CBJ Assembly is monitoring these issues and developing alternate funding plans when necessary.**

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

Year	Population	Source
2018	32,247	<a href="http://live.laborstats.alaska.gov/pop/">http://live.laborstats.alaska.gov/pop/</a>
2017	32,302	<a href="http://live.laborstats.alaska.gov/pop/">http://live.laborstats.alaska.gov/pop/</a>
2016	32,705	<a href="http://live.laborstats.alaska.gov/pop/">http://live.laborstats.alaska.gov/pop/</a>
2015	33,128	<a href="http://live.laborstats.alaska.gov/pop/">http://live.laborstats.alaska.gov/pop/</a>
2014	33,000	<a href="http://live.laborstats.alaska.gov/pop/">http://live.laborstats.alaska.gov/pop/</a>

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

L. Provide your audit financial statements from the last two years, or unaudited statements if an audit has not been performed [http://www.juneau.org/financeftp/controller\\_CAFR.php](http://www.juneau.org/financeftp/controller_CAFR.php)

M. Provide your current year's budget <http://www.juneau.org/financeftp/budget.php>

N. Provide your capital improvement plan <http://www.juneau.org/engineering/CIP/documents/FY2017-FY2022.php>

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

#### Information

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

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

Robert Bartholomew

Name

Finance Director

Title

  
Signature

05/10/2019  
Date of Application

## Alaska Municipal Bond Bank Application Credit Review Summary Page

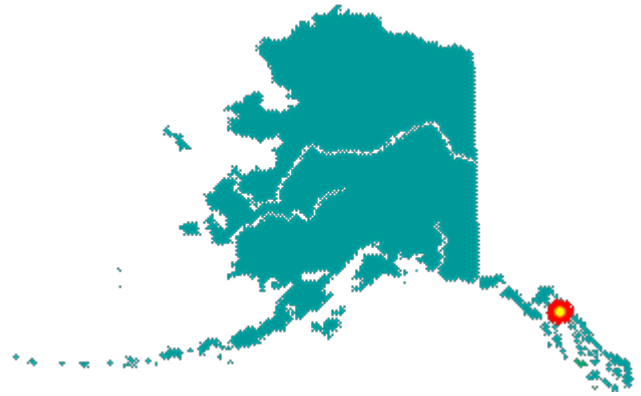
Applicant:	City and Borough of Juneau (the “CBJ”)
Loan Amount:	Approximately \$5.95 million
Project Type:	Infrastructure improvements to the Juneau International Airport (the “JNU”)
Project Description:	Modernization of the JNU Terminal began in 2005 through an adopted Terminal Master Plan that called for two major phases of work: 1. Renovate and expand portions of the building that were constructed after 1984, and 2. Reconstruct portions of the building that were constructed prior to 1984 within the same general footprint. The majority of Phase 1 was completed in 2012. Recently, JNU has identified funding to complete the Phase 2 needs.
Term of Loan:	10 years
Revenues Pledged to Loan:	Property taxes
Most recent FY Net Pledged Revenues:	General Fund: \$59,406,016 Total Property Tax Collections: \$50,360,781
Estimated Annual Debt Service:	Approximately \$676,220
Estimated Total Bond Bank Annual Debt Service:	Approximately \$23.8 million
Most Recent FY Debt Service Coverage Ratio:	General Obligation Pledge
Most Recent FY State-Shared Revenues (SSR):	\$53,369,073
Debt Service Coverage of AMBB DS from SSR:	2.24x (includes estimated debt service on CBJ’s 2019 Airport Revenue Loan)
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	Pending. Will become available on 6/25.

# Loan Application Evaluation

## City and Borough of Juneau

### Introduction

The City and Borough of Juneau (the “Borough” or “CBJ”) has submitted an application to the Alaska Municipal Bond Bank Authority (the “Bond Bank”) for a General Obligation Bond Loan totaling \$5,950,000. The Borough will use its proceeds to finance capital improvements for the Juneau International Airport. We have completed our review of this application and following is our overview of this project and the security provisions associated with the loan.



### The Project

CBJ residents approved the issuance of up to \$25,000,000 in general obligation bonds in December 2012. The proposed loan constitutes the remaining \$5.95 million of this authorization and will be used to finance the construction of portions of the JNU Terminal that were constructed prior to 1984.

Approximately 37,000 sf of building area will be demolished, along with 4,500 sf of exterior canopy. Reconstructed (new) areas and interior remodel area will total approximately 35,000 sf. The project scope will address code deficiencies, replace infrastructure (elevator/escalator, security systems, mechanical and electrical systems), improve energy efficiency, increase flexibility and adaptability of interior spaces for airport administration, and improve passenger services. The functions of new spaces include:

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Existing vegetation along Shell Simmons Drive that is adjacent to the older portions of the building may need to be removed to facilitate building demolition. Landscaping at the airport is limited due to wildlife hazards. If vegetation is replaced, species will be controlled so as not to invite birds or rodents. No vegetation will be added on the airside of the building. It is hoped that the existing Pet Relief station near the public transit stop will be able to remain, but in case it cannot, a new Pet Relief station was constructed in the summer of 2018 near the covered bus canopy at the northeast vestibule entry of the terminal.

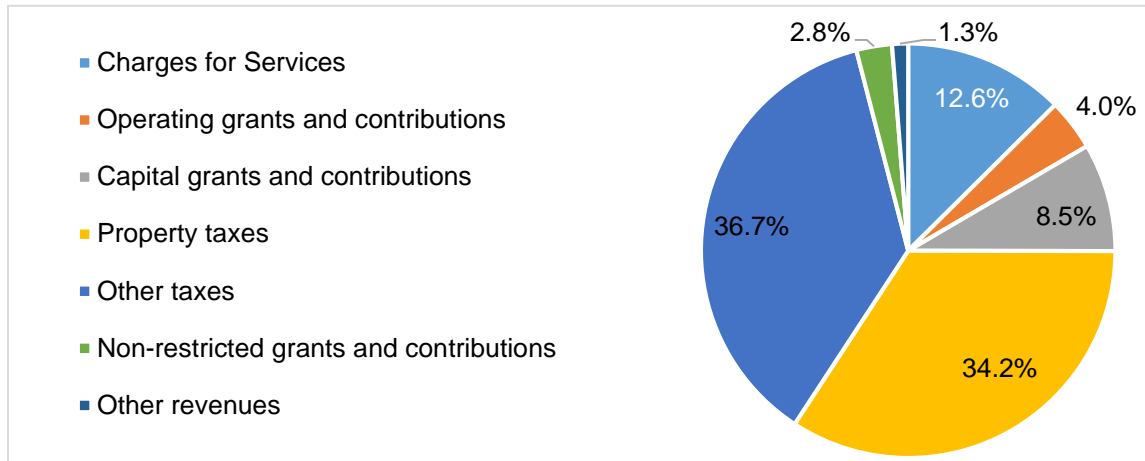
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### **CBJ Financial Position**

As shown in the following graph, the Governmental Funds derive revenues primarily from taxes. Property taxes account for 34.2% of total revenue while sales taxes and other special revenue tax sources make up 36.7%. The next three biggest revenue sources are charges for services, capital grants & contributions, and operating grants & contributions. In FY 2018 property taxes increased \$1.5 million (3.1%) principally due to overall increases in assessed value of CBJ properties, while sales and other taxes increased \$2 million (3.9%) due to increased spending activity from tourism and other industries within the CBJ. Operating and Capital grants increased \$1.0 million (20.0%) and \$.8 million (7%), respectively due to an increase in Federal grant monies and State school debt reimbursement.

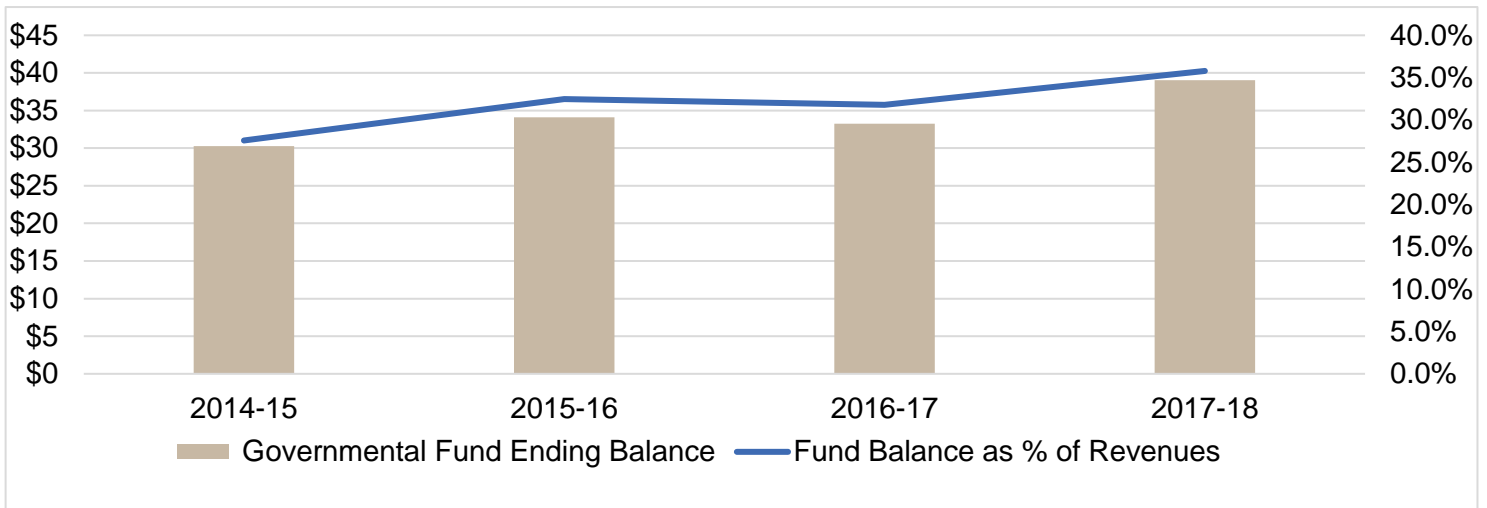


### Governmental Revenues by Source (2018)



During the FY 2015 through FY 2018 period, the Governmental Fund Balance grew from \$30.3 million to \$39.0 million. For FY 2018 versus FY 2017 (not including transfers in), Governmental Fund revenues increased 4.23% over the prior year, while expenditures increased 1.64%. As shown in the graph below, the Governmental Fund Balance ending balance has been trending upwards, growing nearly 29% over the past 4 years.

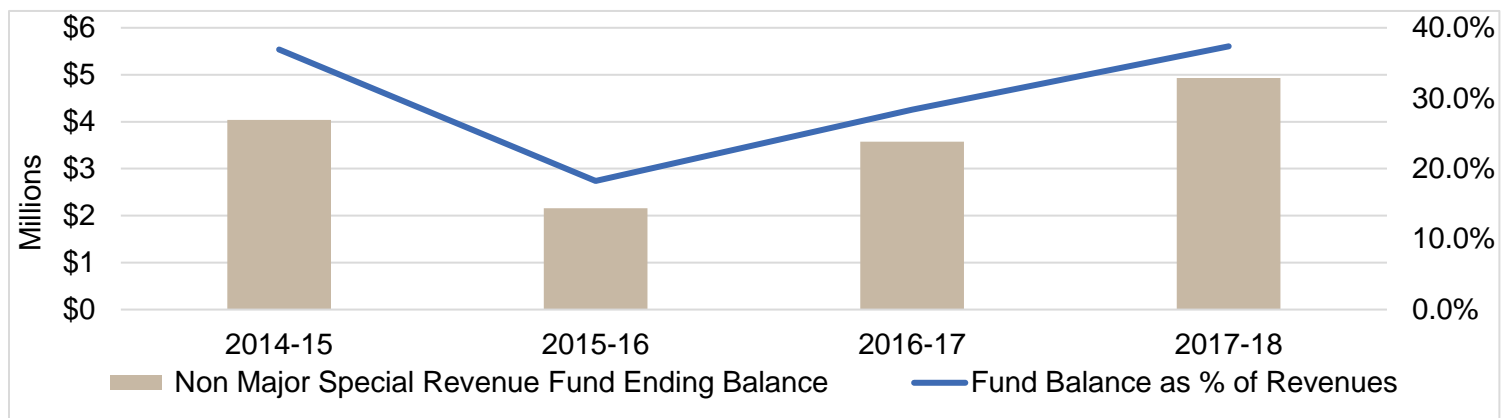
### Governmental Fund Balance 2015 - 2018



In addition to the Governmental Fund, CBJ also uses a portion of the revenues from its Non Major Special Revenue Funds to fund general operations. The revenue sources include Tobacco Excise Tax, Hotel Tax, and the Port Development and Marine Passenger Fee. As shown in the graph below, the FY 2018 ending fund balance was approximately \$4.9 million, or 34.7% of total Non Major Special Revenue Fund revenues. In FY 2016, the Non Major Special Revenue Fund balance decreased due to a transfer of \$5.78 million, more than double the amount of the previous year's transfer, to the general fund. Since then, the fund balance has been replenished

above FY 2015 levels, resulting in a 22% increase compared to FY 2015.

### Non Major Special Revenue Fund Balance 2015 - 2018



To strengthen and diversify the local economy the CBJ Assembly adopted a comprehensive Economic Development Plan in February 2015 and a Housing Action Plan in December 2016. Priority strategies in these plans are being implemented with regular reporting from staff to the Assembly.

The operating levy for FY18 of 9.23 mills (up 0.1) was 2.64 mills less than the voter approved operating levy cap of 12 mills. This cap does not apply to property tax levies to fund voter approved debt service. The CBJ has experienced a nearly flat operating levy for 10 years and the debt service levy decreased .01 mills in FY18 to 1.30 mills. The total FY18 levy was 10.66 mills (unchanged from prior years).

CBJ as a community continues to invest significant resources into infrastructure and facility maintenance as well as new facility construction and energy efficiencies. Since 2002 a majority of the cost of funding school facility maintenance, repairs and construction had been shared with the State. In 2015 the State Legislature placed a five-year moratorium on new debt/funding for new school construction and major maintenance. Due to the moratorium CBJ expects the need for increased funding of school maintenance in future years.

Voters have also approved a series of temporary sales tax measures to fund capital improvements. The improvements funded with sales tax levies include:

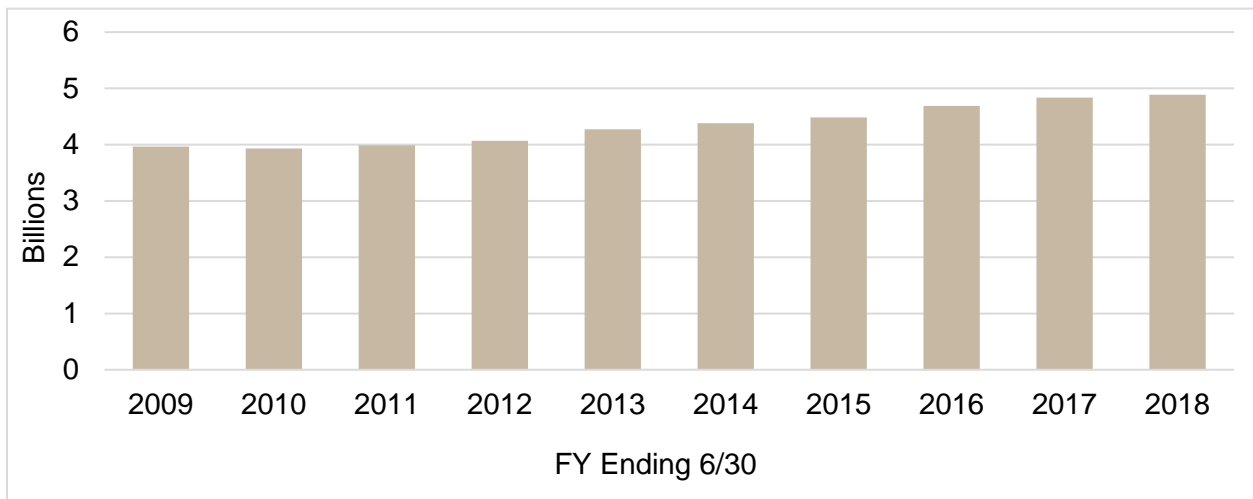
- On October 2, 2012, voters approved a temporary five-year 1% area-wide sales tax to fund \$10.0 million of bond debt repayment, \$5.0 million to replenish the general government budget reserves (as recommended by the 2011 Mayor's Budget Task Force), and to partially fund Dimond Park Library (construction began on June 6, 2014 – completed Fall 2015), a child and adolescent mental health facility, airport snow removal equipment facility, boat haul out and kayak launch ramp at Statter Harbor, water filtration, building maintenance, parks and trails maintenance, Lemon Creek neighborhood park, off-highway vehicle park, JACC expansion – Performing Arts Center and Walter Soboleff Center. This tax is effective October 1, 2013 through September 30, 2018.

- On October 4, 2016, voters approved a temporary (five-year) 3% area-wide sales tax levy. This levy is expected to generate \$24.0 to \$26.0 million annually. 1% of this levy (roughly \$8.0 million annually) will fund the repair and construction of streets, sidewalks, retaining walls, drainages, and stairway capital projects. This extends the current temporary 3% area-wide sales tax until June 30, 2022.
- On October 2, 2018, voters approved a temporary five-year 1% area-wide sales tax to fund capital projects (almost entirely allocated to deferred maintenance of facilities and utility infrastructure). This action is expected to raise \$48 million over the five years with \$5 million (\$1 million each year) allocated to school maintenance.

### **Security Pledge**

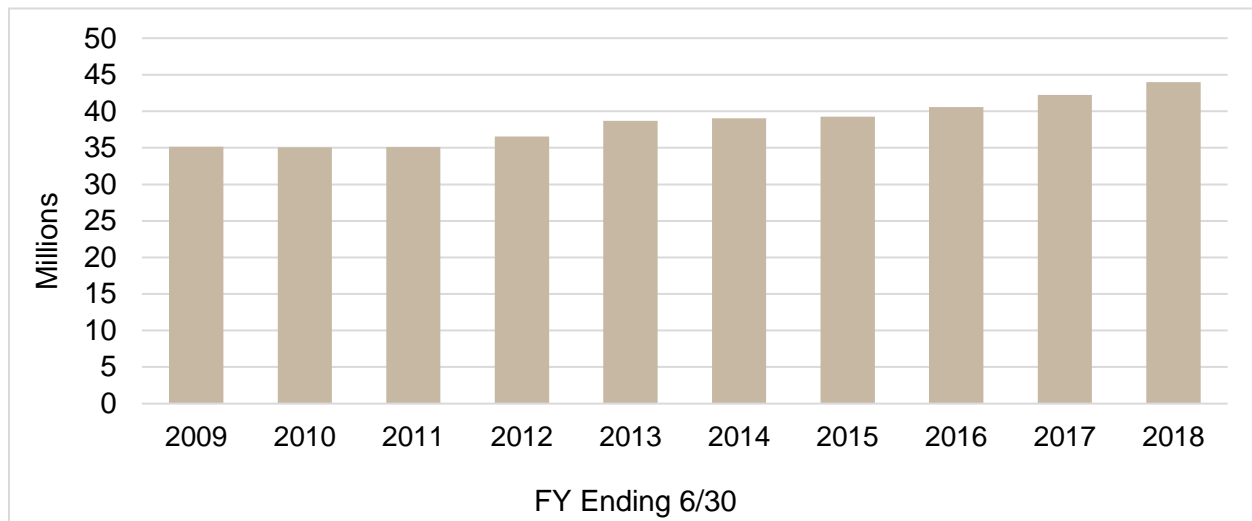
The full faith and credit and taxing ability of the Borough is pledged to the Bond Bank loan. The taxable value of the Borough is \$4.89 billion. The graph below presents the assessed value of the Borough over the past 10 years.

**Assessed Value 2009 - 2018**



As shown in the graph below CBJ has experienced increasing property tax revenues, one of the largest sources of revenue funding the Borough's general operations. Over the past decade, property tax revenues have increased by 23% at an average growth rate of 2.37%.

### Property Tax Revenues 2009 - 2018



The CBJ will pledge its property taxes to the Bond Bank for this loan. With the issuance of the Bond Bank's 2019 Series Two Bonds, the CBJ will have approximately \$55.2 million of general obligation bonds outstanding to the Bond Bank, including the bonds of service areas within the CBJ. The proposed loan will mature in 10 years.

### Impact of Governor's Proposed Budget

The state budget passed by the Alaska legislature in early June funded most items that impact the City and Borough of Juneau. Two statewide budget items—including a \$40 million reduction to the state ferry system and a \$100 million reduction to public health programs—will have some limited impact on the local economy. CBJ now awaits the Governor's anticipated vetoes. Most significantly, the Governor has signaled the possibility of vetoing state funding that would reimburse municipalities for a portion of their already-incurred school bond debt. Such a veto could be as severe as \$7 million for CBJ in FY2020. The CBJ Assembly has discussed this issue extensively, and the actions under consideration would pay those costs from the Restricted Budget Reserve fund (currently \$16+ million) and implement an increase to the debt service mill rate to repay the reserve over time. Additionally, actions by the Governor to reduce the size of the state workforce or shift that workforce from Juneau to Anchorage would also have some limited impacts on the local economy.

### Future Capital Plans

The CBJ will not have authorization left to issue additional GO bonds after this issue. The CBJ may seek voter approval for additional GO authorization in October of 2020.

### **State-Aid Intercept**

In addition to the general obligation pledge by the CBJ, the Bond Bank has the ability to intercept state-shared revenues that will otherwise flow to the CBJ. The following table summarizes the revenues subject to intercept, along with the maximum annual debt service on CBJ's bonds.

Shared Taxes and Fees	\$5,348,967
Dept. of Transportation Reimbursement	\$0
Reimbursement and Other Education Funding	\$8,551,446
Education Support Funding	\$36,709,678
Matching Grants	\$1,763,431
Community Jails	\$0
PILT Transfers	\$0
Revenue Sharing	\$995,551
<b>Total Revenue Subject to Intercept</b>	<b>\$53,369,073</b>
Fiscal Year 2019 Debt Service (includes 2019 Two Loan DS)	\$23,833,364*
<b>Debt Service Coverage</b>	<b>2.24</b>

\*Includes estimated debt service on CBJ's 2019 Airport Revenue Loan

### **Statement of No Litigation**

Will become available on 6/25/2019.

### **Summary**

Based on our assessment, the security offered by CBJ, as set forth in the loan application and supplemental materials, provides sufficient security to justify approval of the application. The CBJ's Governmental Fund has diverse revenue sources, the CBJ maintains high fund balances and the Bond Bank's ability to intercept CBJ revenues adds significantly to the security of the loan. Exhibit A provides additional more detailed economic and demographic information for CBJ.

We recommend approval of this loan application. If you or any of the Board members have any questions regarding our analysis, please feel free to call me at (206) 858-5370.

For PFM Financial Advisors LLC



Fred Eoff

**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 2018 was estimated at 32,247, an increase of 3.1% since the 2010 census. 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 most recent data release from the American Community Survey, there are an estimated 13,451 total housing units and 1,178 were vacant. The unemployment is estimated at 4.3% in May 2018, below the estimated state rate of 7.0%. Per capita income in 2017 was \$66,367, which was 116.1% of the statewide average and 128.5% of the national average.

There are 14 schools located in the community, attended by approximately 4,600 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 \$92 million income and nearly 3,000 jobs. Each summer Juneau is visited by 98% of all cruise passengers that visit Alaska. In 2018, Juneau welcomed just over 1.15 million cruise passengers, with that number expected to increase to 1.34 and 1.42 million during the summers of 2019 and 2020. 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 1,600 local jobs with an annual payroll of \$82 million. The seafood industry (commercial fishing, fish processing and hatchery production) constitutes another important sector of the economy. About 720 Juneau residents fish commercially, landing 14 million pounds of fish with a value of \$21 million. Fish processing in Juneau provides 459 jobs, primarily supplied by two shore-based fish processing facilities. 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 the United States. In 2018 there were

443 permanent year round employees. Greens Creek produced 8.0 million ounces of silver. 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 383 people. Kensington's proven and probable reserves were 552 thousand contained ounces of gold at year-end 2018.

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.



Address: 155 Municipal Way, Juneau, AK 99801  
Phone: 907-586-5278, Fax: 907-586-4552

May 8, 2019

Mr. Deven Mitchell  
Alaska Municipal Bond Bank Authority  
Department of Revenue  
PO Box 110405  
Juneau, AK 99801-0405

Dear Mr. Mitchell:

The City & Borough of Juneau requests to sell the fourth and final installment of GO bonds Juneau voters and the CBJ Assembly authorized in 2012. We submitted an application for the first installment on the \$25 million GO bond authorization in December 2012. The application was for \$3 million and the bonds were sold in March 2013. Chip Pierce, PFM Financial Advisors LLC (formerly Western Financial Group) stated that the initial credit review was for the full \$25 million.

We would like to work with AMBBA to sell this final installment of \$5.95 million in Fall 2019.

CBJ would like to work with RBC Capital Markets as the underwriter. Please let me know what you need from us or the next steps in the process.

Thank you for your assistance.

Sincerely

A handwritten signature in blue ink, appearing to read "Bob Bartholomew", with a stylized flourish at the end.

Robert N. Bartholomew

CC: Cynthia Weed, K&L Gates LLP



## Alaska Municipal Bond Bank Application Credit Review Summary Page

Applicant:	Kenai Peninsula Borough ("KPB")
Loan Amount:	Estimated \$1,585,000 (up to \$1,605,000)
Project Type:	Emergency Response Vehicle Procurement
Project Description:	KPB's Central Emergency Services (CES) will use the proceeds of the Bond Bank loan to fund the purchase of replacement emergency response vehicles; ambulances, engines and support which are nearing the end of their useful life and need to be replaced in the next few years.
Term of Loan:	8 years
Revenues Pledged to Loan:	Property taxes
Most recent FY Net Pledged Revenues:	General Fund: \$22,799,999 Total Property Tax Collections: \$38,497,216
Estimated Annual Debt Service:	Approximately \$228,000
Estimated Total Bond Bank Annual Debt Service:	Approximately \$17.6 million (includes 2019 Two Loan estimated debt service)
Most Recent FY Debt Service Coverage Ratio:	General Obligation Pledge
Most Recent FY State-Shared Revenues (SSR):	\$85,859,527
Debt Service Coverage of AMBB DS from SSR:	4.88x
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	To be provided closer to board meeting.

# Loan Application Evaluation

## Kenai Peninsula Borough

### Introduction

Kenai Peninsula Borough (the “Borough” or “KPB”) has submitted an application to the Alaska Municipal Bond Bank Authority (the “Bond Bank”) for a General Obligation Bond Loan totaling approximately \$1,585,000. The Borough will use its loan to purchase emergency response vehicles for the KPB Central Emergency Service Area. We have completed our review of this application and following is our overview of this project and the security provisions associated with the loan.

### The Project

The Central Emergency Service Area residents approved the issuance of up to \$4,400,000 in general obligation bonds to fund the purchase of replacement emergency response vehicles; ambulances, engines and support which are nearing the end of their useful lives and need to be replaced in the next few years. In 2015, \$2,795,137.58 of debt was issued to fund a portion of the vehicle replacements. There is \$1,604,862.42 of remaining authorization left.



The following is a list of vehicles that will be purchased:

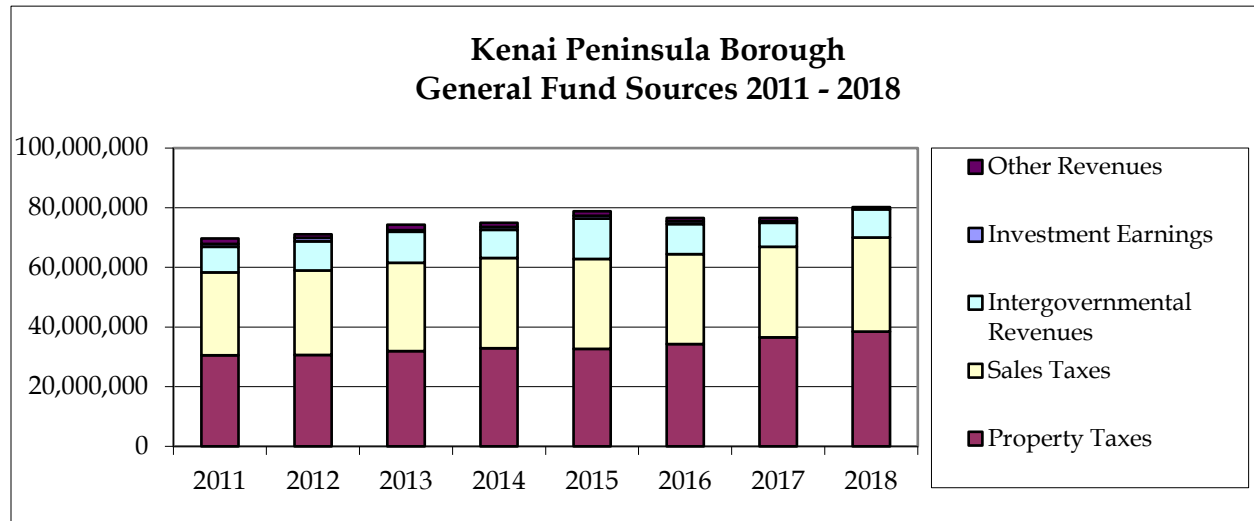
- Tanker 925 (formally 923) in FY2020
  - To replace Tanker 923 which was purchased in 1999. Estimated cost of new vehicle will be \$660,000
- Ambulance 937 (formally 933) in FY2020
  - To replace Ambulance 933 which was purchased in 2010. Estimated cost of new vehicle will be \$250,000
- Engine 914 (formally 919) in FY2021
  - To replace Engine 919 which was purchased in 2008. Estimated cost of new vehicle will be \$675,000

### Borough Financial Position

The Borough’s General Fund derives its revenues primarily from property taxes (47.6% in fiscal year 2018) and sales taxes (39.9% in 2018). Intergovernmental revenues constituted 11.6% of total General Fund revenues in 2018.

The graph and table below presents the Borough’s stable General Fund revenue distribution over the past seven fiscal years. The graph illustrates that property taxes have consistently been the primary source of General Fund revenue, accounting for nearly 45% of General Fund resources over the past eight years. Sales taxes are next in importance, averaging

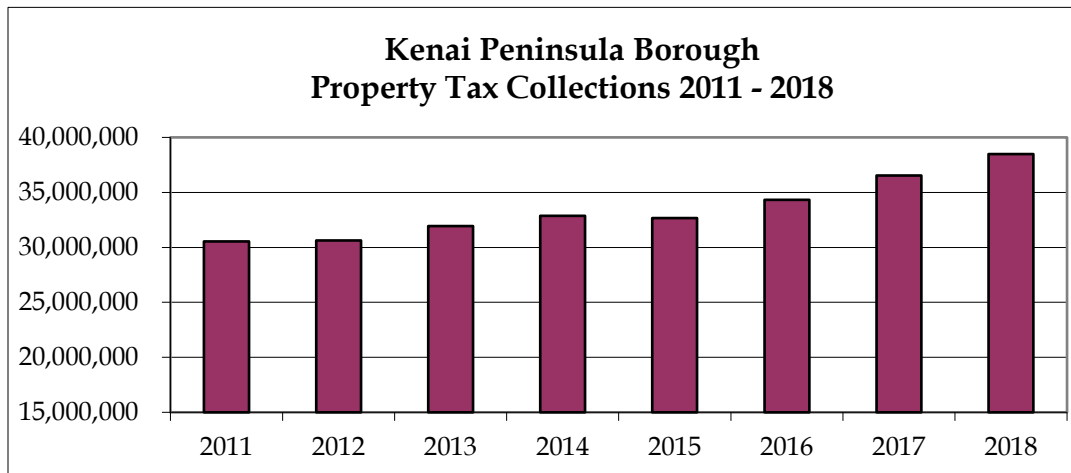
approximately 40% during that period. Intergovernmental revenues have averaged 13% over those years.



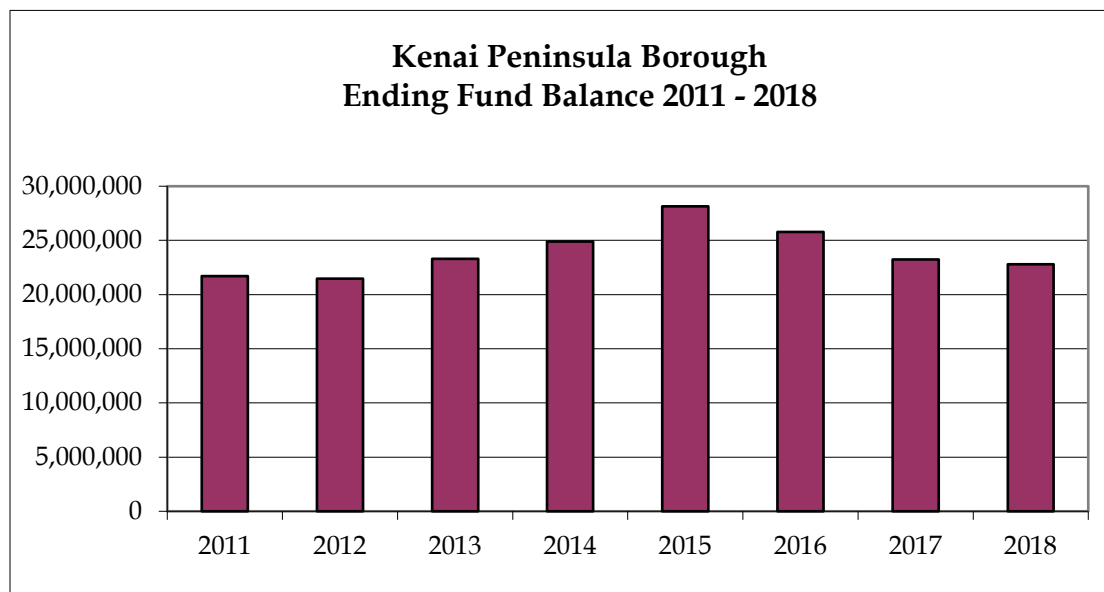
	2011	2012	2013	2014	2015	2016	2017	2018
Property Taxes	\$30,548,239	\$30,625,274	\$31,922,895	\$32,854,323	\$32,667,268	\$34,317,527	\$36,542,342	\$38,497,216
Sales Taxes	27,798,976	28,385,150	29,664,629	30,277,598	30,138,426	30,116,611	30,400,062	31,508,914
Intergovernmental Revenues	8,538,331	9,749,464	10,392,037	9,486,455	13,584,084	10,037,023	8,035,465	9,410,420
Other Revenues	1,797,017	1,158,395	1,775,948	1,383,713	1,429,712	1,141,225	1,122,257	780,382
Investment Earnings	969,498	1,190,354	499,984	942,985	944,763	968,985	493,907	622,366
Total Revenues	\$69,652,061	\$71,108,637	\$74,255,493	\$74,945,074	\$78,764,253	\$76,581,371	\$76,594,033	\$80,819,298

For several years the combination of property taxes and sales taxes have accounted for approximately 84% of the Borough's General Fund revenue sources. Over the past decade the Borough property tax revenues have increased as a percentage of total General Fund revenues, while sales taxes have remained level as a percent of the total General Fund.

The graph below shows that the primary source of general fund revenues, property taxes, continue an upward trend through FY 2018, with collections exceeding \$38 million.

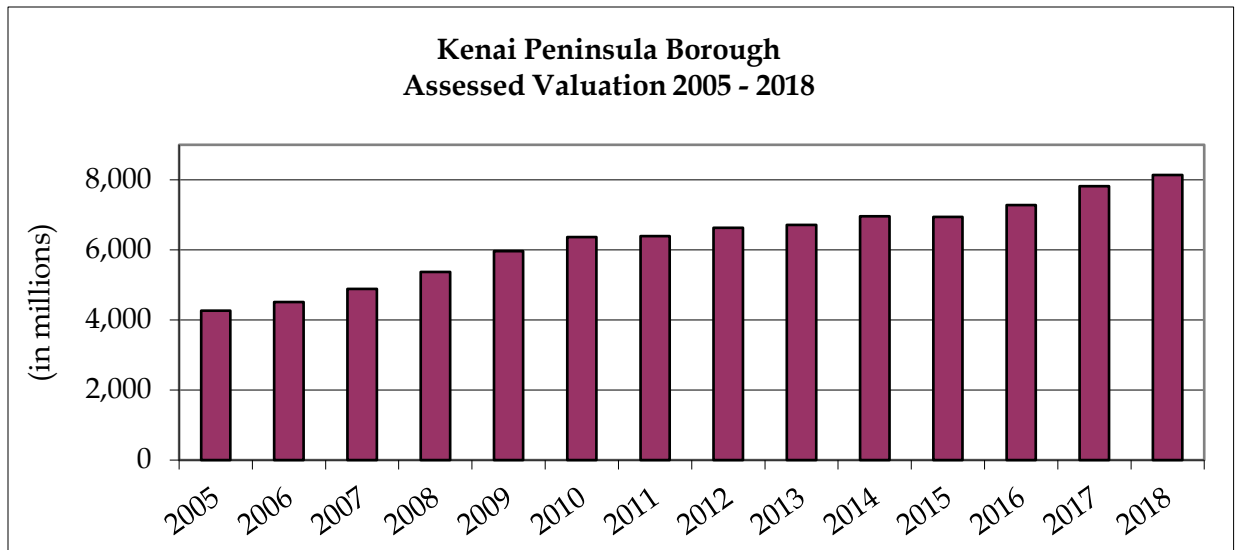


At the end of the current fiscal year, total fund balance for the General Fund was \$22.8 million, a decrease of \$434 thousand from FY 2017. The assigned and unassigned fund balance for FY 2018, not including the amount that was budgeted for FY 2018 expenditures, is \$18.8 million. This compares to the FY 2017 amount of \$18.3 million. This represents 28.1% of the total General Fund expenditures and transfers balance, and compares to 29.36% as of June 30, 2017, 32.66% as of June 30, 2016 and 35.88% as of June 30, 2015. The graph below presents the General Fund year-end balance for fiscal years 2011 through 2018. The Borough utilizes a minimum fund balance policy to insure that the borough remains in a fiscally responsible position that will allow for recovery if an unexpected disasters occur, short notice funding shortages, or a decline in revenue sources that impact the operations of the Borough. The Borough was above its maximum fund balance allowable per the fund balance policy, and therefore the administration at the time, made the decision to provide additional local school funding of \$4 million dollars. This funding level continued into the following fiscal years, increasing to \$52,512,091 in FY2020. The fund balance projection for FY2020 brings the Borough's General Fund balance to \$18M, which is positioned in the middle of the targeted range of \$14 million to \$21 million.



### Security Pledge

The full faith and credit and taxing ability of the Borough is pledged to the Bond Bank loan. The taxable value of the Borough is \$8.1 billion. The following graph presents the assessed value of the Borough over the past 14 years.



The Borough will pledge its property taxes to the Bond Bank for this loan. Assessed value in the Borough has grown at an average of 4.30% annually over the past ten years, although that rate has slowed slightly to 4.03% over the past four years. With the issuance of the Bond Bank's 2019 Series Two Bonds, the Borough will have approximately \$76 million of general obligation bonds outstanding to the Bond Bank, including the bonds of service areas within the Borough. The proposed loan will mature in 8 years.

#### **Impact of Governor's Proposed Budget**

The FY 2020 State of Alaska Governors budget proposed a number of items that would impact the KPB. The removal of the Borough's ability to levy a local tax on 43.56 property was potentially the most impactful. For the CES service area this could have reduced revenues as much as \$330,000 in FY2020, 3% of CES projected revenues overall. For the Borough's General Fund, this could have reduced revenues as much as \$6.6 million, 8% of the General Fund projected revenues overall. Through strategic planning the Borough has identified personnel cuts, expenditure tightening, and a shared service approach to some contracts and overall impacts to existing mill rates if this action were to take place. The Borough Assembly also continues to explore other revenue sources, such as tobacco tax, bed tax, tourism/seasonable tax and an increase to sales tax overall. With the diversification of revenues and tightening of government spend, it is the intent of the Borough to continue to provide the current level of services.

#### **Future Capital Plans**

Central Emergency Services ("CES") is projecting that in FY 2021, they will be remodeling Station #1. The estimated cost is approximately \$10,900,000 with funding to be provided from by a combination of grants and debt issuance. These bonds would be the responsibility of the CES Area.

### **State-Aid Intercept**

In addition to the general obligation pledge by the Borough, the Bond Bank has the ability to intercept state-shared revenues that would otherwise flow to the Borough. The following table summarizes the revenues subject to intercept, along with the maximum annual debt service on Borough's bonds.

Shared Taxes and Fees	\$1,430,737
Dept. of Transportation Reimbursement	\$0
Reimbursement and Other Education Funding	\$2,845,713
Education Support Funding	\$79,721,955
Matching Grants	\$828,418
Community Jails	\$0
PILT Transfers	\$0
Revenue Sharing	\$1,032,704
<b>Total Revenue Subject to Intercept</b>	<b>\$85,859,527</b>
Fiscal Year 2019 Debt Service (includes 2019 Two Loan DS)	\$17,579,878
<b>Debt Service Coverage</b>	<b>4.88</b>

### **Statement of No Litigation**

To be provided closer to board meeting.

### **Summary**

Based on our assessment, the security offered by Borough, as set forth in the Borough's loan application and supplemental materials, provides sufficient security to justify approval of the application. The Borough's General Fund has diverse revenue sources, the Borough maintains high fund balances and the Bond Bank's ability to intercept Borough revenues adds significantly to the security of the loan.

We recommend approval of this loan application conditioned upon receipt of the No Litigation letter. If you or any of the Board members have any questions regarding our analysis, please feel free to call me at (206) 858-5370.

For PFM Financial Advisors LLC



Fred Eoff, Director

**Kenai Peninsula Borough Economic and Demographic Information**

The Borough was incorporated in 1964 as a second-class borough. It occupies a geographic area of approximately 25,600 square miles and is located in the south central part of the state of Alaska. The estimated population for the Borough is 58,024.

The Borough economy is highly diverse. The five industry categories that have the most employment are local government, retail trade, leisure and hospitality, natural resources and health care. Together they represent most of the Borough's employment. That diversity allows the Borough to be more resilient to declines in any one industry. The Borough's economy has experienced consistent, gradual growth since the late 1980's. Borough wide, the general government tax rate has decreased from a high of 8.59 mills in FY1996 to its current rate of 4.7 mills. The Borough also has a 3% sales tax, which is applied only to the first \$500 of each separate sale. Taxable sales in FY2018 were \$1,067 million, an increase of 5.0% from the prior year but a 21.0% increase from FY2010. Most of the increase for FY2018 is attributed to increases in retail sales, restaurant and hotel/motel lines of businesses. The overall increase from FY2010 reflects an improving economy recovering from the recession of 2009. Sales tax continues to generate a larger portion of the Borough's revenue; in FY1998, sales tax revenue represented 21% of total General Fund revenues; in FY2016, sales tax revenues represented almost 40%. It should be noted that the sales tax rate went from 2% to 3% effective January 1, 2008.

For FY2018, real and personal taxable assessed values increased 5.4%, compared to FY2017 which increased 7.4%. Oil and gas property is assessed by the State of Alaska under AS 43.56, and is subject to significant fluctuations in value and plays a vital role in the Borough's economy, although the players are changing. Large national and multi-national companies have been replaced by independents. A tax credit program from the State of Alaska helped fuel a resurgence in exploration and production. This has led to new wells in the Anchor Point and Kenai area, a jack up rig being used in Cook Inlet, along with increased exploration in other areas of the Borough, resulting in an increase in assessed value for oil and gas properties. During 2016, large investments by Blue Crest and Furie resulted in an increase in oil and gas properties for FY2017 and FY2018. Assessed values for oil and gas properties have increased from \$699 million for 2012, to \$1.470 billion in 2018. Given current market conditions, the out year projection forecasts a slight decrease in assessed oil and gas values.

The Borough has been selected as the site of a natural gas liquefaction plant as part of the Alaska LNG Project. The Alaska LNG project would be among the world's largest natural gas development projects. The project is anchored by the Prudhoe Bay and Point Thomson fields and is expected to handle approximately 3.3 billion cubic feet of natural gas per day. The Alaska LNG Project includes a natural gas liquefaction plant and storage facilities and an export terminal at Nikiski on the Kenai Peninsula, an 800-mile gas pipeline from southcentral Alaska to the North Slope, a gas treatment plant and transmission lines connecting the project to gas producing fields. The project has an estimated cost of \$45 billion and approximately \$25 billion of the project would be located in the Borough. The project is currently in the preliminary engineering stage and early

regulatory review. Given current market conditions, this project does not appear to be feasible in the next five years.

Increased oil and gas exploration has also had an impact on the Borough's unemployment rate:

Unemployment			Unemployment		
Year	Rate	Increase (Decrease)	Year	Rate	Increase (Decrease)
2011	9.50	-	2015	7.80	(0.10)
2012	8.60	(0.90)	2016	8.50	0.70
2013	8.00	(0.60)	2017	8.30	(0.20)
2014	7.90	(0.10)	2018	7.70	(0.60)

Traditionally the Borough's unemployment rate has been 2% to 3% higher than the statewide rate, much of this due to the seasonality of work in the fishing and tourism industry.

With the decrease in the price of oil and phase out of the tax credit program from the State of Alaska, oil companies have announced a reduction in the amount of drilling and exploration. The impact to the Borough if the global reduction in the price of gas and oil continues; is unknown at this time.





## Application for General Obligation Bonds

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase a revenue 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):

Central Emergency Service Area (CES)

B. Type of government (home rule, first class, authority, etc.):

A Service Area of the Kenai Peninsula Borough - a 2nd Class Borough

C. Contact Person for the government:

Name:	_____	Title:	_____		
Brandi Harbaugh	_____	Finance Director	_____		
Address:	_____	City:	_____	State:	Zip:
144 N Binkley St	_____	Soldotna	AK		99611
Phone:	Fax:	E-mail:	_____		
(907) 714-2176	_____	bharbaugh@kpb.us	_____		

D. Applicant's Bond Counsel:

Name:	_____	Title:	_____		
Jermain Dunnagan & Owens	_____	Cynthia Cartledge	_____		
Address:	_____	City:	_____	State:	Zip:
3000 A Street, Suite 300	_____	Anchorage	AK		99503
Phone:	Fax:	E-mail:	_____		
907 563-8844	_____	ccartledge@jdolaw.com	_____		

E. Applicant's Financial Advisor or Underwriter (if applicable):

Name:	_____	Title:	_____		
N/A	_____		_____		
Address:	_____	City:	_____	State:	Zip:
Phone:	Fax:	E-mail:	_____		
			_____		

## II. Issue Information

### A. Total amount of bond purchase request:

approximately including premium \$1,585,000

### B. Total term of requested loan:

15 years

### C. Preferred principal and interest payment months:

                     principal /interest                      interest only

### D. If a bond election is required, provide a copy of the bond election ordinance and ballot proposition.

Attachment # 1

If a bond election has been held, provide the votes for and against the issue(s):

Yes:	No:	Percent of registered voters casting ballots:
204	61	18.10%

Does the municipality intend to pledge any specific assets or taxes in addition to property tax?

No

### E. Will you need interim financing?

No

#### 1. If applicable, provide interim financing information:

Amount:	Maturity:	Rate:	Lender:
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

2. Provide information that would impact the Bond Bank's ability to retire the interim financing with permanent financing. ☐ Attached ☒ None

None

### F. Describe project to be financed, including the information requesting in 1-6. If this information is available in a project feasibility study, you may reference and attach it.

Attachment #2

1. Are engineering and specifications completed? ☐ Yes ☒ No
2. If not, when are they projected for completion?
3. Have construction bids been awarded? ☐ Yes ☒ No
4. Are there additional state or local approvals required? ☐ Yes ☒ No
5. Describe timing/scheduling plan:

Attachment #2

6. What is the projected completion date?

Varies

### G. Sources of uses of funds

#### Sources of Funds

#### Uses of Funds

Bonds (this application)	\$1,604,863	Construction	\$0
Federal Funds*	\$	Equipment	\$1,585,000
State Funds*	\$	Contingency	\$0
Applicant's Funds	\$	Cost of Issuance	\$19,863
Other (specify)	\$	Other	\$0
Total:	\$1,604,863	Total:	\$1,604,863

\*If federal or state funds are involved, provide a complete description of the status and uses of these funds.

1. Indicate which costs, including costs of issuance, would be paid for with AMBBA bond proceeds:

all eligible cost of the project would be charged to bond proceeds

### III. Credit Information

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

Attachment # 3

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

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

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

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

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.

attachment # 3

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

Attachment # 4

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

Attachment # 5

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

Attachment  
5.1

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
December 31, 2017	58,024	Alaska Department of Labor
December 31, 2016	58,060	Alaska Department of Labor
December 31, 2015	57,763	Alaska Department of Labor
December 31, 2014	57,415	Alaska Department of Labor
December 31, 2013	56,862	Alaska Department of Labor

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

Attachment # 6

M. Provide your audited financial statements from the last two years.

Attachement # 7

N. Provide your current year's budget.

Attachement # 8

O. Provide your capital improvement plan.

Attachement # 9

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
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

To be provided closer to board meeting date

Attachment # 10

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

**Brandi Harbaugh**

Name (print)

**Kenai Peninsula Borough, Finance Director**

Title



Signature

**January 28, 2019**

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

Introduced by:	Mayor
Date:	07/07/15
Hearing:	07/28/15
Action:	Enacted
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2015-21**

**AN ORDINANCE PROVIDING FOR SUBMISSION TO THE QUALIFIED VOTERS OF  
THE CENTRAL EMERGENCY SERVICE AREA IN THE KENAI PENINSULA  
BOROUGH, ALASKA, THE QUESTION OF AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION BONDS OF THE CENTRAL EMERGENCY SERVICE  
AREA NOT TO EXCEED FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS  
(\$4,400,000) FOR THE PURCHASE OF EMERGENCY RESPONSE VEHICLES FOR  
THE CENTRAL EMERGENCY SERVICE AREA, AT AN ELECTION IN AND FOR  
THE SERVICE AREA ON OCTOBER 6, 2015**

**WHEREAS,** the Central Emergency Service Area ("CESA" or "Service Area") has the responsibility to provide prompt and responsive fire and other emergency services to all of its constituents; and

**WHEREAS,** the CESA has a need to replace multiple emergency response vehicles during the five year period FY2017 through FY2021; and

**WHEREAS,** the estimated cost of replacing the emergency response vehicles needing replacement is \$4,400,000; and

**WHEREAS,** a .17 mil rate increase throughout the CESA may be required to maintain debt service on the \$4,400,000 bond indebtedness; and

**WHEREAS,** the Assembly finds it desirable that the necessary capital improvements be funded through the issuance of general obligation bonds issued by the borough on behalf of the CESA, subject to voter approval; and

**WHEREAS,** at its regularly scheduled meeting on June 18, 2015, the CESA Board recommended approval to issue debt for purchase of emergency response vehicles;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** It is hereby determined to be for a public purpose and in the public interest of the Kenai Peninsula Borough, Alaska to incur general obligation bonded indebtedness of the Central Emergency Service Area in an amount not to exceed Four Million Four Hundred Thousand Dollars (\$4,400,000) for the purpose of paying the costs

of replacing multiple emergency response vehicles in the Central Emergency Service Area ("Service Area").

**SECTION 2.** The sum of not to exceed Four Million Four Hundred Thousand Dollars (\$4,400,000) shall be borrowed by the Kenai Peninsula Borough for and on behalf of the Service Area and shall be evidenced by the issuance of general obligation bonds of the Borough. The bond proceeds shall be used only for the purchase of emergency response vehicles and the costs of issuance of the bonds, in accordance with Treasury Regulation 26 § CFR 1.150-2. The full faith and credit of only the Service Area is pledged for the payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the Service Area shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

**SECTION 3.** An election is to be held on October 6, 2015, in and for the Service Area, for the purpose of submitting a general obligation bond proposition to the qualified voters of the Service Area for approval or rejection. The proposition must receive a majority vote of those in the Service Area voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. \_\_\_\_

CENTRAL EMERGENCY SERVICE AREA BONDS

Shall the Kenai Peninsula Borough borrow up to \$4,400,000 through the issuance of general obligation bonds for the purchase of emergency response vehicles in the Central Emergency Service Area?

The indebtedness will be repaid from ad valorem taxes levied on all taxable property located within the Central Emergency Service Area. The Central Emergency Service Area will pledge its full faith and credit for repayment of the indebtedness.

Voter approval for this proposition authorizes for each \$100,000 of assessed real and personal property value in the Central Emergency Service Area (based on the estimated FY2016 assessed valuation) an annual tax of approximately \$17 to retire the proposed indebtedness.

(Ordinance No. 2015-21)

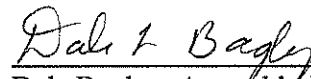
**SECTION 4.** The proposition set forth in Section 3 shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate and next to an area provided for marking the ballot for voting:

PROPOSITION NO. \_\_\_\_ YES \_\_\_\_ NO \_\_\_\_

**SECTION 5.** The Bonds shall be issued upon such terms and conditions and in such form as the Finance Director finds to be in the best interests of the Kenai Peninsula Borough.

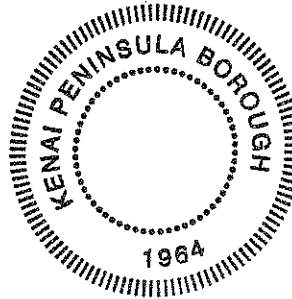
**SECTION 6.** That Sections 2 and 5 of this ordinance shall become effective only if and when the proposition described in Section 3 is approved by a majority of the qualified voters of the Central Emergency Service Area voting on the proposition at the regular election on October 6, 2015. The remaining sections of this ordinance shall become effective immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 28TH DAY OF JULY, 2015.**

  
Dale Bagley, Assembly President

ATTEST:

  
John Blankenship, MMC, Borough Clerk



Yes: Cooper, Haggerty, Gilman, Johnson, McClure, Ogle, Welles, Wolf, Bagley  
No: None  
Absent: None



Introduced by: Mayor  
Date: 02/02/16  
Hearing: 02/23/16  
Action: Enacted  
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2015-19-23**

**AN ORDINANCE APPROPRIATING \$2,795,137.58 IN BOND PROCEEDS FOR THE  
PURPOSE OF PURCHASING EMERGENCY RESPONSE VEHICLES IN THE  
CENTRAL EMERGENCY SERVICE AREA**

**WHEREAS**, Resolution 2016-003 authorized the issuance of not to exceed \$4,400,000 for the purchase of emergency response vehicles for the Central Emergency Service Area; and

**WHEREAS**, the borough administration elected to issue the debt in two phases with phase I to be issued in February 2016 and the remainder amount in phase II in either 2018 or 2019 depending on the emergency response vehicle replacement schedule; and

**WHEREAS**, bond proceeds from the initial issuance in the amount of \$2,795,137.58 were received on February 2, 2016;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

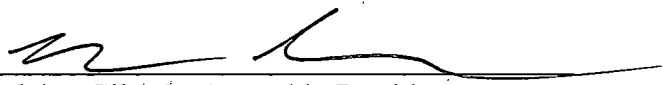
**SECTION 1.** That bond proceeds in the amount of \$2,795,137.58 are appropriated to the Central Emergency Service Area Capital Project Fund, account number 443.51610.16CES.48310.

**SECTION 2.** That the appropriations made in this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.


**SECTION 3.** That eligible costs incurred prior to the appropriation date will be charged to the project.

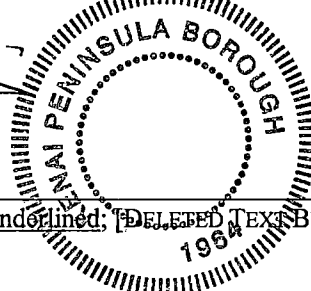
**SECTION 4.** This ordinance takes effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS  
23RD DAY OF FEBRUARY, 2016.**

  
Blaine Gilman, Assembly President

ATTEST:

  
Johni Blankenship, Borough Clerk



Yes: Bagley, Dunne, Holmdahl, Johnson, Knopp, Ogle, Welles, Gilman  
No: None  
Absent: None

## Kenai Peninsula Borough

### Project description

In the October 6, 2015 general election, Central Emergency Service Area (CES) residents approved the issuance of up to \$4,400,000 in general obligation bonds to fund the purchase of replacement emergency response vehicles; ambulances, engines and support which are nearing the end of their useful life and need to be replaced in the next few years.

Phase I was issued June 2015 for the following vehicles:

- Engine 913 in FY2017, purchased in 2001, estimated cost \$613,000
- SUV 902 in FY2017, purchased in 2004, estimated cost \$50,000
- Ambulance 932 in FY2017, purchased in 2007, estimated remount cost \$196,000
- Ladder truck 951 in FY2018, purchased 1998, estimated cost \$970,000
- Ambulance 931 in FY2018, purchased in 2008, estimated remount cost \$196,000
- Engine 918 in FY2019 purchased in 2005, estimated cost \$613,000

It is proposed that Phase II be issued for the following vehicles:

- Tanker 925 (formally 923) in FY2020, purchased in 1999, estimated cost \$660,000
- Ambulance 937 (formally 933) in FY2020, purchased in 2010, estimated cost \$250,000
- Engine 914 (formally 919) in FY2021, purchased in 2008, estimated cost \$675,000

The Service Area is proposing that debt be issued for the purchase of these vehicles. The debt is proposed to be issued in two phases, phase I was issued in 2015 for \$2,795,137.58 (including premium) and phase II issued in 2019 in an estimated amount of \$1,604,862.42. The estimated annual debt service is approximately \$440,000; an amount equal to roughly .17 mills based upon FY2019 assessed values.

The Borough is working on developing RFP's for the purchase of the needed equipment which is expected to be issued sometime in the summer 2019. Expected build time of the equipment is between three (3) and twelve (12) months.

# Kenai Peninsula Borough Outstanding Bonds 12/31/18

## Central Kenai Peninsula Hospital Service Area

December 2011	20 year debt	\$18,315,000 (1)
February 2014	15 year debt	\$ 6,640,000 (1)(3)
February 2014	15 year debt	\$18,490,000 (1)(4)
June 2015	8 year debt	\$ 2,035,000 (1)(3)
June 2016	8 year debt	\$ 2,275,000 (1)(3)
November 2017	20 year debt	\$28,060,000 (1)(4)

## South Kenai Peninsula Hospital Service Area

September 2003 issue	20 year debt	\$ 2,640,000 (1)
September 2011 issue	7 year debt	\$ 600,000 (1)
June 2015 issue	13 year debt	\$ 8,545,000 (1)
April 2017 issue	15 year debt	\$ 4,285,000 (1)

## Central Emergency Service Area

October 2014 issue	10 year debt	\$ 1,190,000 (1)
February 2016 issue	7 year debt	\$ 320,000 (1)
February 2016 issue	15 year debt	\$ 1,825,000 (1)

## Bear Creek Fire Service Area

March 2013 issue	20 year debt	\$ 1,005,000 (1)
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## Solid Waste Bonds

April 2017 issue	6 year debt	\$ 4,605,000 (2)
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## School Bonds

December 2010	20 year debt	\$11,225,000 (2)
September 2011	10 year debt	\$ 4,350,000 (2)
November 2013	20 year debt	\$17,335,000 (2)

- (1) General obligations of the Service Area
- (2) General obligations of the Borough
- (3) Taxable Revenue Bonds of the Hospital
- (4) Tax Exempt Revenue Bonds of the Hospital

## Kenai Peninsula Borough Authorized but unissued Bonds 01/31/2019

Kenai Peninsula Borough

Central Peninsula Landfill

Expected to be issued	early 2022	6 year debt	\$ 5,195,000 (2)
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(1) General obligations of the Service Area

(2) General obligations of the Borough

### Forecast of future general obligations

#### Central Emergency Services

CES is projecting that in FY2021, they will be remodeling Station #1. The estimated cost is approximately \$10,900,000 with funding to be provided from by a combination of grants and debt issuance. These bonds would be the responsibility of the Service Area.

### **Profile of the Kenai Peninsula Borough**

The Borough was incorporated in 1964 as a second-class borough. It occupies a geographic area of approximately 25,600 square miles and is located in the south central part of the state of Alaska. The estimated population for the Borough is 58,024.

### **Local Economy**

The Borough economy is highly diverse. The five industry categories that have the most employment are local government, retail trade, leisure and hospitality, natural resources and health care. Together they represent most of the Borough's employment. That diversity allows the Borough to be more resilient to declines in any one industry. The Borough's economy has experienced consistent, gradual growth since the late 1980's. Borough wide, the general government tax rate has decreased from a high of 8.59 mills in FY1996 to its current rate of 4.7 mills. The Borough also has a 3% sales tax, which is applied only to the first \$500 of each separate sale. Taxable sales in FY2016 were \$1,008 million, a decrease of 1.0% from the prior year but a 15.0% increase from FY2010. Most of the decrease for FY2016 is attributed a reduction in sales tax collected on fuel sales due to a drop in the price of oil. The overall increase from FY2010 reflects an improving economy recovering from the recession of 2009. Sales tax continues to generate a larger portion of the Borough's revenue; in FY1998, sales tax revenue represented 21% of total General Fund revenues; in FY2016, sales tax revenues represented almost 40%. It should be noted that the sales tax rate went from 2% to 3% effective January 1, 2008.

For FY2018, real and personal taxable assessed values increased 5.4%, compared to FY2017 which increased 7.4%. Oil and gas property is assessed by the State of Alaska under AS 43.56, and is subject to significant fluctuations in value and plays a vital role in the Borough's economy, although the players are changing. Large national and multi-national companies have been replaced by independents. A tax credit program from the State of Alaska helped fuel a resurgence in exploration and production. This has led to new wells in the Anchor Point and Kenai area, a jack up rig being used in Cook Inlet, along with increased exploration in other areas of the Borough, resulting in an increase in assessed value for oil and gas properties. During 2016, large investments by Blue Crest and Furie resulted in an increase in oil and gas properties for FY2017 and FY2018. Assessed values for oil and gas properties have increased from \$699 million for 2012, to \$1.470 billion in 2018. Given current market conditions, the out year projection forecasts a slight decrease in assessed oil and gas values.

The Borough has been selected as the site of a natural gas liquefaction plant as part of the Alaska LNG Project. The Alaska LNG project would be among the world's largest natural gas development projects. The project is anchored by the Prudhoe Bay and Point Thomson fields and is expected to handle approximately 3.3 billion cubic feet of natural gas per day. The Alaska LNG Project includes a natural gas liquefaction plant and storage facilities and an export terminal at Nikiski on the Kenai Peninsula, an 800-mile gas pipeline from southcentral Alaska to the North Slope, a gas treatment plant and transmission lines connecting the project to gas producing fields. The project has an estimated cost of \$45 billion and approximately \$25 billion of the project would be located in the Borough. The project is currently in the preliminary engineering stage and early regulatory review. Given current market conditions, this project does not appear to be feasible in the next five years.

Increased oil and gas exploration has also had an impact on the Borough's unemployment rate. The unemployment rate decreased from 9.5% in 2011; to 8.6% for 2012; to 8.0% for 2013, to 7.8% in 2014, 7.8% in 2015 and 8.2% in 2016. The borough's unemployment rate is expected to increase in 2017. The 2016 unemployment rate for the Borough was 8.2%. The 2016 statewide unemployment average was 6.6%. Traditionally the Borough's unemployment rate has been 2% to 3% higher than the statewide rate, much of this due to the seasonality of work in the fishing and tourism industry.

With the decrease in the price of oil and phase out of the tax credit program from the State of Alaska, oil companies have announced a reduction in the amount of drilling and exploration. The impact to the Borough if the global reduction in the price of gas and oil continues; is unknown at this time.

## **AGDC project schedule calls for work to start first-quarter 2020**

By Larry Persily [paper@alaskan.com](mailto:paper@alaskan.com)

Nov. 8, 2018

The Alaska Gasline Development Corp. (AGDC) told federal regulators Nov. 6 that it plans to start building construction camps and access roads at the natural gas liquefaction plant site in Nikiski in the first quarter of 2020 and along the 807-mile pipeline route by the second quarter. The state-led project's latest timeline still shows first liquefied gas production by fall 2024.

Sticking to that schedule assumes the state corporation can sign LNG customers to binding long-term contracts, complete the deals to buy gas from North Slope producers, find investors and financing for the estimated \$43 billion project, acquire the rights to about 900 acres of land in Nikiski, secure any state legislative approvals that may be needed, work through all the required federal and state regulatory authorizations, and reach terms with contractors and suppliers for one of the most expensive energy projects in U.S. history.

LNG developments proposed along the U.S. Gulf Coast, in Canada and elsewhere in the world face many of the same issues.

AGDC has been talking the past year with Chinese interests about taking 75 percent of the Alaska project's LNG capacity while financing 75 percent of development costs. No firm deals have been announced.

The project's latest schedule presented to the Federal Energy Regulatory Commission (FERC) also says work would start early 2019 on relocation of a few miles of state highway in Nikiski to make way for the gas liquefaction plant and marine terminal. However, the state corporation leading the North Slope natural gas project lacks funding to buy land for the highway relocation or to contract for its construction.

AGDC's work schedule presented to FERC is not binding; it's the corporation's best estimate of what it wants to accomplish. Federal regulators on Oct. 2 asked for an updated project timeline to include in the draft environmental impact statement (EIS), which is due for release in February 2019.

But unless the Legislature next year appropriates additional state money or the corporation raises funds from other sources, the project could run out of funding by the end of calendar year 2019, about the same time FERC is scheduled to release its final EIS in November 2019, according to a spending plan prepared for the AGDC board's Nov. 8 meeting.

As such, the corporation is planning to approach potential investors in late 2018 or early 2019, according to a report at the board's Oct. 11 meeting. The presentation for investors "will outline equity offer terms, methods of investment and commercial structuring," according to the information given to the board.

The corporation plans to spend between \$3 million and \$4 million a month in the current fiscal year that ends June 30, 2019.

The Nov. 8 board meeting packet also included an explanation of the proposed project ownership structure for Alaska LNG, which the state took over from North Slope oil and gas producers ExxonMobil, BP and Conoco Phillips two years ago when the companies decided to put the venture on hold due to unfavorable market conditions.

AGDC would set up and control a new company, 8-Star Alaska LLC, which would then control Alaska LNG LLC, which would construct, own and operate the entire project including the gas conditioning plant at Prudhoe Bay, the pipeline and the gas liquefaction plant on Cook Inlet.

Using the two "pass-through LLCs" would preserve the tax-exempt status of any project income that flows to AGDC and the state of Alaska, according to the presentation for the board. Supporters of state ownership contend that any income earned by the state would be exempt from federal corporate income taxes and that the interest paid on debt issued by a state-controlled company also would be exempt from federal taxes, allowing the project to pay a lower interest rate to bond holders and cutting the cost of LNG exports.

The 8-Star Alaska LLC would be set up so that Alaskans could invest in the project.

Under the proposed ownership structure, AGDC would need to license or transfer its permits and authorizations, rights of way and other assets to Alaska LNG LLC.

The project schedule submitted to FERC on Nov. 6 assumes the commission issues its authorization for construction by February 2020 — within the 90-day deadline after the final EIS.

"The forecasted schedule for both the draft and final EIS is based on AGDC providing complete and timely responses to this and any future data requests," FERC reminded the project team Oct. 2 when regulators presented the state with 63 pages of information requests. The potential for any new information requests will depend, commission staff told AGDC representatives at an Oct. 18 meeting, on whether the corporation's information is complete or prompts follow-up questions.



If AGDC and its partners move quickly to a final investment decision after receiving FERC authorization, the project schedule calls for site preparation to begin in early 2020 at the LNG terminal and later that year along the pipeline route. Sealifts of large production modules aboard barges to the North Slope would start in 2023.

The state project team on Nov. 6 provided FERC with some of the additional information requested last month, as AGDC nears the end of submitting data needed for the draft EIS. The latest information included:

- A list of 34 potential sites where four rock crushers would be set up and moved as needed to provide material during pipeline construction, operating 24 hours a day between 8 and 49 days at each site.
- The location, acreage, number of crew beds and duration of use for the 29 pioneer work camps that would be set up for initial site prep and access road construction along the pipeline route. Each camp would cover about 4 acres, with accommodations for 120 workers, with the first camps going in by the second quarter of 2020.

AGDC plans to submit by Nov. 19 the final batch of information requested last month by FERC, including:

- Additional details on construction plans to lay concrete-coated pipe across 29 miles of the seafloor from the west side of Cook Inlet to Nikiski.
- Further information on potential impacts on permafrost during and after construction.
- Additional geotechnical and geophysical studies of the feasibility of trenchless pipeline crossings at specific waterways.

# Kenai Peninsula Borough

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands of dollars)

Attachment # 6

Fiscal Year	Total estimated actual value of property less mandatory federal and state exemptions (1)	Assessed Values (1)			Tax Exempt Values (1)			Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
		Real	Oil & Gas	Personal Property	Real	Personal				
2009	\$ 6,389,338	\$5,533,794	\$ 635,272	\$ 220,272	\$ 394,457	\$ 28,124		\$ 5,966,757	4.50	93.39%
2010	6,832,859	5,883,881	703,063	245,915	434,556	29,205		6,369,098	4.50	93.21%
2011	6,875,572	5,901,904	713,954	259,714	451,127	30,914		6,393,531	4.50	92.99%
2012	7,137,074	6,180,464	698,991	257,619	472,878	30,955		6,633,241	4.50	92.94%
2013	7,229,051	6,132,587	810,065	286,399	480,530	32,511		6,716,010	4.50	92.90%
2014	7,484,667	6,202,494	989,766	292,407	492,565	31,906		6,960,196	4.50	92.99%
2015	7,797,117	6,330,106	1,142,158	324,853	826,802 (2)	32,999		6,937,316	4.50	88.97%
2016	8,189,350	6,625,347	1,224,525	339,478	876,966	33,986		7,278,398	4.50	88.88%
2017	8,752,156	6,915,818	1,467,353	368,985	902,055	34,392		7,815,709	4.50	89.30%
2018	9,172,335	7,342,187	1,468,599	361,549	998,047	33,842		8,140,446	4.50	88.75%

Note: Borough code requires a revaluation of all property no less than every 5 years, current average is approximately every 7 years. Figures in this table have been revised from the FY05 CAFR to exclude state and federal exemptions previously included.

(1) Assessed values and Tax exempt values represent only those values/exemptions provided by the Borough. It does not include those values/exemptions provided by federal or state requirements.

(2) Increase in real property exempt amount due to increase of residential exemption from \$20,000 to \$50,000 in FY15.

**Source:** Data is provided by the Kenai Peninsula Borough's Assessing Department.

Attachments #7, #8, & #9

Attachment #7, the Borough's audited financial statements can be found online at the Borough's web site, or at the following address: <https://www.kpb.us/finance-dept/finance-documents>

Attachment #8, the Borough's current year budget can be found on the Borough's web site, or at the following address: <https://www.kpb.us/finance-dept/finance-documents>

Attachment # 9, the Borough's capital improvement plans can be found on pages 335-384 of the Borough's FY2019 budget. A copy of the budget can be found at <https://www.kpb.us/finance-dept/finance-documents>

## OFFICIAL STATEMENT

### NEW ISSUE

### FULL BOOK-ENTRY ONLY

Rating: Moody's: "Aaa"

See "RATINGS" herein.

In the opinion of Wohlforth, Vassar, Johnson & Brecht, P.C., Bond Counsel, based on an analysis of existing statutes, regulations, rulings, and court decisions, and assuming, among other things, compliance by the Borough with its covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income of owners thereof for federal income tax purposes. Interest on the Bonds is not treated as a preference item to be included in calculating the federal alternative minimum tax imposed under the Code on individuals and corporations; such interest, however, is included in calculating the "adjusted current earnings" for purposes of computing the federal alternative minimum tax on corporations. Interest on the Bonds is exempt from taxation by the State of Alaska except for transfer, estate, and inheritance taxes and except to the extent that inclusion of said interest in computing the federal corporate alternative minimum tax under Section 55 of the Code may affect the corresponding provisions of the State of Alaska corporate income tax. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or accrual or receipt of, interest on the Bonds. See "TAX MATTERS" herein.

\$47,985,000

### KENAI PENINSULA BOROUGH, ALASKA CENTRAL KENAI PENINSULA HOSPITAL SERVICE AREA GENERAL OBLIGATION BONDS, SERIES 2003

Dated: Date of Delivery

Due: August 1, as shown below

The above-captioned bonds (the "Bonds") are being issued by the Kenai Peninsula Borough, Alaska (the "Borough") to finance healthcare capital improvements in the Central Kenai Peninsula Hospital Service Area of the Borough (the "Service Area") and to pay the costs of issuing the Bonds. See "SOURCES AND USES OF FUNDS" herein.

The Bonds are being issued only as fully registered bonds under a book-entry system in the principal amount of \$5,000 and integral multiples thereof within a single maturity, and will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC") in New York, New York, which will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds. Both principal and interest will be paid by J.P. Morgan Trust Company, National Association, as Paying Agent and Registrar, to DTC, which is obligated to remit both principal and interest when due to its participants for subsequent disbursements to beneficial owners of the Bonds. See Appendix B hereto for a description of DTC and its book-entry system.

Interest on the Bonds will be paid on August 1, 2004 and semi-annually thereafter on February 1 and August 1 of each year. Principal of the Bonds is payable on the dates set forth on the inside of the cover page.

### MATURITY SCHEDULE

Inside of Cover Page

The Bonds are subject to redemption prior to their respective scheduled maturities as more fully described herein under the caption "THE BONDS - Redemption."

The Bonds are general obligations of the Service Area, and the Borough has pledged the full faith and credit of the Service Area to the payment of the principal of and interest on the Bonds. The Borough has the power, and is obligated, to levy ad valorem taxes for the payment of the principal of and interest on the Bonds on all property within the Service Area subject to taxation by the Borough, without limitation as to rate or amount. The Bonds are special obligations of the Borough payable solely from ad valorem taxes levied by the Borough on property in the Service Area. The Bonds are not obligations of the State of Alaska or any political subdivision thereof other than the Borough. See "SECURITY FOR THE BONDS" herein.

Payment of the principal of and interest on the Bonds when due will be guaranteed by a municipal bond new issue insurance policy to be issued simultaneously with the delivery of the Bonds by Financial Guaranty Insurance Company.



Financial Guaranty Insurance  
Company

FGIC is a registered service mark, used by Financial Guaranty Insurance Company, a service mark and affiliated with the U.S. Government's seal.

The Bonds are offered when, as, and if issued by the Borough and accepted by the Underwriters, subject to prior sale and subject to the legal opinion of Wohlforth, Vassar, Johnson & Brecht, P.C., of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Cacheaux, Cavazos & Newton, L.L.P., San Antonio, Texas. It is expected that the Bonds will be issued and available for delivery in New York, New York, through the facilities of DTC, on or about December 18, 2003.

GEORGE K. BAUM & COMPANY

RBC DAIN RAUSCHER

Dated: December 10, 2003

C P G H

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS OR PRICES, AND CUSIP NUMBERS

<u>Due</u> <u>August 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u> <sup>1</sup>
2004	\$ 1,330,000	2.50%	1.14%	488530 ML7
2005	1,635,000	4.00	1.47	488530 MM5
2006	900,000	2.50	1.83	488530 NL6
2006	790,000	4.00	1.83	488530 MN3
2007	1,750,000	3.00	2.19	488530 MP8
2008	450,000	2.70	2.54	488530 MQ6
2008	1,355,000	3.00	2.54	488530 NG7
2009	1,855,000	3.25	2.80	488530 MR4
2010	1,930,000	5.00	3.10	488530 MS2
2011	1,000,000	5.00	3.38	488530 MT0
2011	1,025,000	3.75	3.38	488530 NH5
2012	150,000	4.00	3.62	488530 MU7
2012	1,975,000	5.00	3.62	488530 NJ1
2013	500,000	3.75	3.75	488530 MV5
2013	1,725,000	5.00	3.75	488530 NK8
2014	2,340,000	5.00	3.88*	488530 MW3
2015	2,460,000	5.00	4.00*	488530 MX1
2016	2,585,000	5.00	4.13*	488530 MY9
2017	2,715,000	5.00	4.21*	488530 MZ6
2018	2,855,000	5.00	4.30*	488530 NA0
2019	3,005,000	5.00	4.39*	488530 NB8
2020	3,160,000	5.00	4.48*	488530 NC6
2021	3,325,000	5.00	4.56*	488530 ND4
2022	3,500,000	5.00	4.62*	488530 NE2
2023	3,670,000	5.00	4.69*	488530 NF9

<sup>1</sup> CUSIP numbers have been assigned to the Bonds by Standard and Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc., and are included solely for the convenience of the owners of the Bonds. Neither the Borough nor the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth herein.

\* Price to August 1, 2013 optional call date at par.

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CPGH

## SOURCES AND USES OF FUNDS

Alaska Municipal Bond Bank Authority  
Central Kenai Peninsula Hospital Refunding  
2011 Series ThreeDated Date 09/15/2011  
Delivery Date 09/15/2011

## Sources:

Bond Proceeds:	
Par Amount	27,905,000.00
Premium	4,711,814.40
	<u>32,616,814.40</u>
Other Sources of Funds:	
Bond Bank Contribution	57,156.76
	<u>32,673,971.16</u>

## Uses:

Refunding Escrow Deposits:	
Cash Deposit	10.62
SLGS Purchases	32,472,351.00
	<u>32,472,361.62</u>
Delivery Date Expenses:	
Cost of Issuance	57,156.76
Underwriter's Discount	113,374.79
Borrower Cost of Issuance	27,000.00
Verification Agent	2,017.42
	<u>199,548.97</u>
Other Uses of Funds:	
Additional Proceeds	2,060.57
	<u>32,673,971.16</u>

8/2011 CPGH Refunding

Morgan Stanley

## BOND SUMMARY STATISTICS

Alaska Municipal Bond Bank Authority  
Central Kenai Peninsula Hospital Refunding  
2011 Series Three

Dated Date	09/15/2011
Delivery Date	09/15/2011
Last Maturity	09/01/2023
Arbitrage Yield	2.399960%
True Interest Cost (TIC)	2.500485%
Net Interest Cost (NIC)	2.757437%
All-In TIC	2.540411%
Average Coupon	4.855123%
Average Life (years)	7.856
Duration of issue (years)	6.735
Par Amount	27,905,000.00
Bond Proceeds	32,616,814.40
Total Interest	10,843,148.89
Net Interest	6,044,709.28
Total Debt Service	38,548,148.89
Maximum Annual Debt Service	3,533,750.00
Average Annual Debt Service	3,222,789.97
Underwriter's Fees (per \$1000)	
Average Takedown	3.514110
Other Fee	0.548774
Total Underwriter's Discount	4.062884
Bld Price	116.478909

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Serial Bonds	27,905,000.00	116.885	4.855%	7.856	6.740	20,654.45
	27,905,000.00			7.856		20,654.45

	TIC	All-In TIC	Arbitrage Yield
Par Value	27,905,000.00	27,905,000.00	27,905,000.00
+ Accrued Interest			
+ Premium (Discount)	4,711,814.40	4,711,814.40	4,711,814.40
- Underwriter's Discount	-113,374.79	-113,374.79	
- Cost of Issuance Expense		-57,156.76	
- Other Amounts		-29,017.42	
Target Value	32,503,439.61	32,417,265.43	32,616,814.40
Target Date	09/15/2011	09/15/2011	09/15/2011
Yield	2.500485%	2.540411%	2.399960%

**SUMMARY OF REFUNDING RESULTS**

**Alaska Municipal Bond Bank Authority**  
**Central Kenai Peninsula Hospital Refunding**  
**2011 Series Three**

Dated Date	09/15/2011
Delivery Date	09/15/2011
Arbitrage yield	2.399960%
Escrow yield	0.177039%
Bond Par Amount	27,905,000.00
True Interest Cost	2.500485%
Net Interest Cost	2.757437%
Average Coupon	4.855123%
Average Life	7.856
Par amount of refunded bonds	29,615,000.00
Average coupon of refunded bonds	5.000000%
Average life of refunded bonds	7.790
PV of prior debt to 09/15/2011 @ 2.399960%	35,174,643.12
Net PV Savings	2,397,813.26
Percentage savings of refunded bonds	8.096617%
Percentage savings of refunding bonds	8.592773%



OFFICIAL STATEMENT DATED FEBRUARY 6, 2014

New Issue  
Book-Entry Only

Fitch Rating: AA+  
Moody's Rating: Aa2  
Standard & Poor's Rating: AA+  
(See "Ratings" herein.)

*In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank and the Governmental Units with covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2014A Series One Bonds is excludable from gross income of owners thereof for federal income tax purposes. Interest on the 2014A Series One Bonds is not treated as a tax preference item for purposes of either the individual or corporate alternative minimum tax. However, interest on the 2014A Series One Bonds is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. Interest on the 2014B Series One Bonds is not excludable from gross income of the owners thereof for federal tax purposes. See "TAX MATTERS" herein.*

**\$61,205,000**

**ALASKA MUNICIPAL BOND BANK**  
**General Obligation Bonds, 2014 Series One**

**\$47,205,000**  
**General Obligation Bonds**  
**2014A Series One**  
**(Tax-Exempt)**

**\$14,000,000**  
**General Obligation Bonds**  
**2014B Series One**  
**(Taxable)**

**Dated: Date of Delivery**

**Due: As shown on inside cover**

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$47,205,000 principal amount of General Obligation Bonds, 2014A Series One (Tax-Exempt) (the "2014A Series One Bonds") and \$14,000,000 principal amount of General Obligation Bonds, 2014B Series One (Taxable) (the "2014B Series One Bonds", and together with the 2014A Series One Bonds, the "2014 Series One Bonds"). The 2014 Series One Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2014 Series One Bonds. Individual purchases of the 2014 Series One Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single maturity of a sub-series. Purchasers of the 2014 Series One Bonds will not receive certificates representing their beneficial ownership interests in the 2014 Series One Bonds. Interest on the 2014 Series One Bonds will accrue from the date of delivery of the 2014 Series One Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each March 1 and September 1, commencing September 1, 2014.

The Bank of New York Mellon Trust Company, N.A., of Seattle, Washington, as the Trustee and Paying Agent for the 2014 Series One Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2014 SERIES ONE BONDS" and "APPENDIX G - DTC AND BOOK-ENTRY SYSTEM."

The 2014 Series One Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2014 SERIES ONE BONDS - Optional Redemption, - Mandatory Redemption."

The 2014 Series One Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2014 Series One Bonds. The 2014 Series One Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2014 Series One Bonds are the twenty-eighth series of Bonds issued under the 2005 General Obligation Bond Resolution.

The 2014 Series One Bonds do not constitute a debt or other liability of the State of Alaska, and the 2014 Series One Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2014 Series One Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2014 Series One Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2014 SERIES ONE BONDS."

The 2014 Series One Bonds are offered when, as and if issued, subject to the approving legal opinion of Wohlforth, Brecht, Cartledge & Brooking of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriters by their counsel, Foster Pepper PLLC of Seattle, Washington. It is expected that the 2014 Series One Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about February 20, 2014.

**RBC Capital Markets**  
**(Sole Underwriter for the 2014A Series One Bonds)**

**J.P. Morgan**  
**(Sole Underwriter for the 2014B Series One Bonds)**

New Issue  
Book-Entry Only

*Specialty Clinic*  
*June 15* *mob*

Fitch Rating: AA+  
Standard & Poor's Rating: AA+  
(See "Ratings" herein.)

*In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank and the Governmental Units with covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2015A Series Two Bonds and 2015B Series Two Bonds (together, the "2015 Series Two Bonds") is excludable from gross income of owners thereof for federal income tax purposes, except, in the case of the 2015B Series Two Bonds during the period when such bonds are held by a "substantial user" of the facilities financed thereby or a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that (i) interest on the 2015A Series Two Bonds is not treated as a tax preference item for purposes of the alternative minimum tax, but interest on the 2015A Series Two Bonds is taken into account in determining a corporation's "adjusted current earnings" and (ii) interest on the 2015B Series Two Bonds is a tax preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; In addition, in the opinion of Bond Counsel, under existing statutes, interest on the 2015 Series Two Bonds is exempt from taxation by the State of Alaska except for transfer, estate and inheritance taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2015 Series Two Bonds. See "TAX MATTERS" herein.*



**\$59,550,000**

**ALASKA MUNICIPAL BOND BANK**

**General Obligation and Refunding Bonds, 2015 Series Two**

**Consisting Of:**

**\$34,220,000**

**General Obligation and Refunding Bonds  
2015A Series Two  
(Non-AMT)**

**\$25,330,000**

**General Obligation Bonds  
2015B Series Two  
(AMT)**

**Dated: Date of Delivery**

**Due: As shown on inside cover**

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$59,550,000 principal amount of General Obligation and Refunding Bonds, 2015 Series Two (the "2015 Series Two Bonds"), consisting of \$34,220,000 principal amount of General Obligation and Refunding Bonds, 2015A Series Two (Non-AMT) (the "2015A Series Two Bonds") and \$25,330,000 principal amount of General Obligation Bonds, 2015B Series Two (AMT) (the "2015B Series Two Bonds"). The 2015 Series Two Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2015 Series Two Bonds. Individual purchases of the 2015 Series Two Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single maturity of a sub-series. Purchasers of the 2015 Series Two Bonds will not receive certificates representing their beneficial ownership interests in the 2015 Series Two Bonds. Interest on the 2015 Series Two Bonds will accrue from the date of delivery of the 2015 Series Two Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each March 1 and September 1, commencing September 1, 2015.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2015 Series Two Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2015 SERIES TWO BONDS" and "APPENDIX G – DTC AND BOOK-ENTRY SYSTEM."

The 2015 Series Two Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2015 SERIES TWO BONDS – Optional Redemption, – Mandatory Redemption."

The 2015 Series Two Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2015 Series Two Bonds. The 2015 Series Two Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2015 Series Two Bonds are the thirty-second series of Bonds issued under the 2005 General Obligation Bond Resolution.

**The 2015 Series Two Bonds do not constitute a debt or other liability of the State of Alaska, and the 2015 Series Two Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2015 Series Two Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2015 Series Two Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2015 SERIES TWO BONDS."**

The 2015 Series Two Bonds are offered when, as and if issued, subject to the approving legal opinion of Wohlforth, Brecht & Cartledge of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriters by their counsel, Foster Pepper PLLC of Seattle, Washington. It is expected that the 2015 Series Two Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about June 4, 2015.

**RBC Capital Markets**  
(Sole Underwriter for the 2015B Series Two Bonds)

**J.P. Morgan**



**FINAL**  
**Wire Instructions Memorandum**  
**Alaska Municipal Bond Bank**  
**\$3,050,000 Direct Loan to Kenai Peninsula Borough**

To: Kenai Peninsula Borough Direct Loan Working Group

From: Ryan Williams, Alaska Municipal Bond Bank Authority

Date: May 26, 2016

The following are final wire instructions for the closing of the above referenced financing. The closing will take place at 9:00 am (Pacific Time) on June 9, 2016, at the Seattle offices of Orrick: 701 5<sup>th</sup> Avenue, Suite 5600. Pre-closing will take place at 9:00 am (Pacific Time) on June 8, 2016, at the same location. **Kenai Peninsula Borough staff that will be attending the pre-closing in person should contact their bond counsel to confirm when they should arrive.**

There will be two providers and one initial recipient of funds at closing. The providers will be the Kenai Peninsula Borough ("KPB") and the Alaska Municipal Bond Bank ("AMBB"). The initial recipient will be The Bank of New York Mellon Trust Company ("BNY"). BNY will receive all funds relating to the KPB project funds and KPB debt service reserve fund. BNY will then make a subsequent wire to Kenai Peninsula Borough related to its project.

On June 8, 2016, BNY will receive \$3,050,000.00 from AMBB.

On June 7, 2016, BNY will receive \$305,000.00 from KPB, representing the debt service reserve fund associated with KPB's direct loan from the Bond Bank.

**The funds from KPB and AMBB will be wired to BNY on June 7<sup>th</sup> and June 8<sup>th</sup>, respectively, before the final closing of the KPB direct loan on June 9<sup>th</sup>.**

The following are wire instructions for funds wired to BNY by AMBB and KPB:

THE BANK OF NEW YORK MELLON  
ABA# 021000018  
Account # 7448748400  
Account Name: Kenai Peninsula Borough 2016

***Debt Service Reserve Deposit***

On June 7, 2016, BNY will deposit \$305,000.00 to the debt service reserve fund established related to the 2016 Kenai Peninsula Borough direct loan (wire incoming from KPB).

*Phone: (907) 465-3750  
333 Willoughby Ave., 11<sup>th</sup> Floor  
PO Box 110405  
Juneau, Alaska 99811*

***Distribution of Borrower Loan Proceeds***

**Kenai Peninsula Borough**

On June 9, 2016, BNY will wire \$3,050,000.00 to the Kenai Peninsula Borough for the Borough's Central Peninsula Hospital Specialty Clinics project. The following are wire instructions for funds that will be wired from BNY to the Kenai Peninsula Borough:

ABA# 041-001-039  
Bank Name: KeyBank National Association Cleveland Ohio  
A/C #5064 Cash Processing  
FFC: AMLIP-Kenai Peninsula Borough FY2014 CPH Bonds 0025740.4

If you have any questions related to this memo or the accompanying pages, please contact Ryan Williams at (907) 465-2893. Thank you for your assistance.

OFFICIAL STATEMENT DATED SEPTEMBER 16, 2003

Negotiated New Issue  
Book-Entry Only

Moody's Rating: Aaa  
Standard & Poor's Rating: AAA  
(See "RATINGS" and "SECURITY FOR THE 2003  
SERIES E BONDS - Municipal Bond Insurance" herein.)

In the opinion of Wohlforth, Vassar, Johnson & Brecht, P.C., Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank with its covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended, interest on the 2003 Series E Bonds is excluded from gross income of owners thereof for federal income tax purposes. Interest on the 2003 Series E Bonds is not treated as a preference item to be included in calculating the federal alternative minimum tax imposed under the Code on individuals and corporations; such interest, however, is included in calculating the "adjusted current earnings" for purposes of computing the federal alternative minimum tax on corporations. Interest on the 2003 Series E Bonds is exempt from taxation by the State of Alaska except for transfer, estate and inheritance taxes and except to the extent that inclusion of said interest in computing the federal corporate alternative minimum tax under Section 55 of the Code may affect the corresponding provisions of the State of Alaska corporate income tax. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2003 Series E Bonds. See "TAX EXEMPTION" herein.

\$32,020,000  
ALASKA MUNICIPAL BOND BANK  
General Obligation Bonds  
2003 Series E

Dated: Date of Delivery

Due: December 1, as shown on inside cover

The Alaska Municipal Bond Bank General Obligation Bonds, 2003 Series E (the "2003 Series E Bonds") initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of DTC, which will act as depository of the 2003 Series E Bonds. Individual purchases of the 2003 Series E Bonds will be made in the principal amount of \$5,000, or integral multiples thereof within a single maturity. Purchasers of the 2003 Series E Bonds will not receive certificates representing their beneficial ownership interests in the 2003 Series E Bonds. Interest on the 2003 Series E Bonds will accrue from the date of delivery of the 2003 Series E Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each June 1 and December 1, commencing June 1, 2004.

J.P. Morgan Trust Company, National Association, of Los Angeles, California, as the Trustee and Paying Agent for the 2003 Series E Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC's Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2003 SERIES E BONDS" and "APPENDIX G - DTC AND BOOK-ENTRY SYSTEM."

The 2003 Series E Bonds are subject to optional and mandatory redemption. See "DESCRIPTION OF THE 2003 SERIES E BONDS - Optional Redemption" and "DESCRIPTION OF THE 2003 SERIES E BONDS - Mandatory Redemption."

The 2003 Series E Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2003 Series E Bonds. The 2003 Series E Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the General Bond Resolution.

The 2003 Series E Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2003 Series E Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2003 Series E Bonds. Neither the full faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2003 Series E Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2003 SERIES E BONDS."

The scheduled payment of principal of and interest on the 2003 Series E Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2003 Series E Bonds by MBIA Insurance Corporation. See "Municipal Bond Insurance."

**MBIA**

The 2003 Series E Bonds are offered when, as and if issued subject to the approving legal opinion of Wohlforth, Vassar, Johnson & Brecht, P.C. of Anchorage, Alaska, Bond Counsel, as to validity of the 2003 Series E Bonds and exemption of interest from federal income taxation and subject to certain other conditions. The issuance by the Bond Bank of the 2003 Series E Bonds is subject to, among other things, receipt by the Bond Bank of the Municipal Bond to be issued by the Kenai Peninsula Borough and of the approving opinion of Wohlforth, Vassar, Johnson & Brecht, P.C., Anchorage Alaska, bond counsel to the Kenai Peninsula Borough, and to receipt by the Bond Bank of the Municipal Bond to be issued by the Aleutians East Borough and of the approving opinions of Walker & Levesque, LLC, Anchorage, Alaska and Orrick, Herrington & Sutcliffe LLP, Seattle, Washington, co-bond counsel to the Aleutians East Borough. Certain legal matters will be passed upon for the Underwriter by its counsel, Cacheaux, Cavazos & Newton, L.L.P. of San Antonio, Texas. It is expected that the 2003 Series E Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York on or about September 30, 2003.

George K. Baum & Company

SPH

## BOND DEBT SERVICE - (ALIGNED TO BOND MATURITY DATE)

Alaska Municipal Bond Bank Authority  
Kenai Peninsula Borough Refunding (2003E Refunding)  
2011 Series Three

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2012	60,000	2.000%	69,835.28	129,835.28	
09/01/2012			75,125.00	75,125.00	204,960.28
03/01/2013			75,125.00	75,125.00	
09/01/2013			75,125.00	75,125.00	150,250.00
03/01/2014			75,125.00	75,125.00	
09/01/2014	480,000	5.000%	75,125.00	555,125.00	630,250.00
03/01/2015			63,125.00	63,125.00	
09/01/2015	500,000	4.000%	63,125.00	563,125.00	626,250.00
03/01/2016			53,125.00	53,125.00	
09/01/2016	525,000	5.000%	53,125.00	578,125.00	631,250.00
03/01/2017			40,000.00	40,000.00	
09/01/2017	545,000	5.000%	40,000.00	585,000.00	625,000.00
03/01/2018			26,375.00	26,375.00	
09/01/2018	575,000	5.000%	26,375.00	601,375.00	627,750.00
03/01/2019			12,000.00	12,000.00	
09/01/2019	600,000	4.000%	12,000.00	612,000.00	624,000.00
	3,285,000		834,710.28	4,119,710.28	4,119,710.28

2003 SPH Refunding

## SAVINGS

Alaska Municipal Bond Bank Authority  
 Kanai Peninsula Borough Refunding (2003E Refunding)  
 2011 Series Three

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 09/15/2011 @ 2.3999603%
12/01/2011	80,618.75		80,618.75		80,213.74
03/01/2012		129,835.28	-129,835.28		-128,414.84
06/01/2012	80,618.75		80,618.75		79,262.60
06/30/2012				31,402.22	
09/01/2012		75,125.00	-75,125.00		-73,422.06
12/01/2012	80,618.75		80,618.75		78,322.75
03/01/2013		75,125.00	-75,125.00		-72,551.45
06/01/2013	80,618.75		80,618.75		77,394.03
06/30/2013				10,987.50	
09/01/2013		75,125.00	-75,125.00		-71,691.17
12/01/2013	80,618.75		80,618.75		76,476.33
03/01/2014		75,125.00	-75,125.00		-70,841.10
06/01/2014	80,618.75		80,618.75		75,569.51
06/30/2014				10,987.50	
09/01/2014		555,125.00	-555,125.00		-517,262.68
12/01/2014	580,618.75		580,618.75		537,800.50
03/01/2015		63,125.00	-63,125.00		-58,122.10
06/01/2015	70,618.75		70,618.75		64,635.30
06/30/2015				32,987.50	
09/01/2015		563,125.00	-563,125.00		-512,347.13
12/01/2015	590,618.75		590,618.75		534,166.34
03/01/2016		53,125.00	-53,125.00		-47,761.51
06/01/2016	57,618.75		57,618.75		51,493.53
06/30/2016				31,987.50	
09/01/2016		578,125.00	-578,125.00		-513,594.54
12/01/2016	602,618.75		602,618.75		532,170.84
03/01/2017		40,000.00	-40,000.00		-35,113.83
06/01/2017	45,356.25		45,356.25		39,579.03
06/30/2017				29,850.00	
09/01/2017		585,000.00	-585,000.00		-507,450.47
12/01/2017	615,356.25		615,356.25		530,608.49
03/01/2018		26,375.00	-26,375.00		-22,607.36
06/01/2018	30,750.00		30,750.00		26,200.66
06/30/2018				34,731.25	
09/01/2018		601,375.00	-601,375.00		-509,357.03
12/01/2018	630,750.00		630,750.00		531,060.48
03/01/2019		12,000.00	-12,000.00		-10,043.33
06/01/2019	15,750.00		15,750.00		13,103.49
06/30/2019				33,125.00	
09/01/2019		612,000.00	-612,000.00		-506,136.32
12/01/2019	645,750.00		645,750.00		530,872.57
06/30/2020				33,750.00	
	4,369,518.75	4,119,710.28	249,808.47	249,808.47	202,213.27

Savings Summary

PV of savings from cash flow	202,213.27
Plus: Refunding funds on hand	228.59
Net PV Savings	202,441.86

2003 SPH Refunding

OFFICIAL STATEMENT DATED AUGUST 14, 2007

SPH

New Issue  
Book-Entry Only  
Competitive Sale Date: August 14, 2007

Moody's Rating: Aaa  
Standard & Poor's Rating: AAA  
(See "Ratings" and "Municipal Bond Insurance" herein.)

*In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank with its covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended, interest on the 2007 Series Four Bonds is excludable from gross income of owners thereof for federal income tax purposes. Interest on the 2007 Series Four Bonds is not treated as a preference item to be included in calculating the federal alternative minimum tax imposed under the Code on individuals and corporations; such interest, however, may be indirectly subject to corporate alternative minimum tax and certain other taxes imposed on certain corporations. Interest on the 2007 Series Four Bonds is exempt from taxation by the State of Alaska except for transfer, estate and inheritance taxes and except to the extent that inclusion of said interest in computing the federal corporate alternative minimum tax under Section 55 of the Code may affect the corresponding provisions of the State of Alaska corporate income tax. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2007 Series Four Bonds. See "TAX EXEMPTION" herein.*

\$15,625,000

**ALASKA MUNICIPAL BOND BANK**  
**General Obligation Bonds, 2007 Series Four**

Dated: Date of Delivery

Due: September 1, as shown on inside cover

The Alaska Municipal Bond Bank General Obligation Bonds, 2007 Series Four (the "2007 Series Four Bonds") initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository of the 2007 Series Four Bonds. Individual purchases of the 2007 Series Four Bonds will be made in principal amounts of \$5,000, or integral multiples thereof within a single maturity. Purchasers of the 2007 Series Four Bonds will not receive certificates representing their beneficial ownership interests in the 2007 Series Four Bonds. Interest on the 2007 Series Four Bonds will accrue from the date of delivery of the 2007 Series Four Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each March 1 and September 1, commencing March 1, 2008.

The Bank of New York Trust Company, N. A., of Seattle, Washington, as the Trustee and Paying Agent for the 2007 Series Four Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC's Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2007 SERIES FOUR BONDS" and "APPENDIX G - DTC AND BOOK-ENTRY SYSTEM."

The 2007 Series Four Bonds are subject to optional and mandatory redemption. See "DESCRIPTION OF THE 2007 SERIES FOUR BONDS - Optional Redemption" and "DESCRIPTION OF THE 2007 SERIES FOUR BONDS - Mandatory Redemption."

The 2007 Series Four Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2007 Series Four Bonds. The 2007 Series Four Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank hereafter issued under the 2005 General Bond Resolution. The 2007 Series Four Bonds are the seventh series of Bonds issued under the 2005 General Obligation Bond Resolution.

The 2007 Series Four Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2007 Series Four Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2007 Series Four Bonds. Neither the full faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2007 Series Four Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2007 SERIES FOUR BONDS." The scheduled payments of principal of and interest on the 2007 Series Four Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2007 Series Four Bonds by XL Capital Assurance, Inc. See "Municipal Bond Insurance."

**XL CAPITAL ASSURANCE**

The 2007 Four Bonds were sold to Hutchinson, Shockey, Erley & Co. through a competitive sale held on August 14, 2007. The 2007 Series Four Bonds are offered when, as and if issued subject to the approving legal opinion of Wohlforth, Johnson, Brecht, Cartledge & Brooking, P.C. of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the South Kenai Peninsula Hospital Service Area by counsel to the Kenai Peninsula Borough. It is expected that the 2007 Series Four Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York on or about August 28, 2007.

SPH



*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2016 Series Three and Four Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, except that no opinion is expressed as to the status of interest on any 2016 Series Four Bond for any period that such 2016 Series Four Bond is held by a "substantial user" of the facilities financed or refinanced by the 2016 Series Four Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986. Bond Counsel observes, however, that interest on the 2016 Series Four Bonds is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. In the further opinion of Bond Counsel, interest on the 2016 Series Three Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel also is of the opinion based upon existing laws of the State of Alaska that interest on the 2016 Series Three and Four Bonds is exempt from taxation by the State except for transfer, inheritance and estate taxes. See "TAX MATTERS."*



## ALASKA MUNICIPAL BOND BANK

**\$80,435,000 General Obligation and Refunding Bonds, 2016 Series Three**

**\$29,400,000 General Obligation and Refunding Bonds, 2016 Series Four (AMT)**

**Dated: Date of Delivery**

**Due: December 1, as shown on inside cover pages**

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$80,435,000 aggregate principal amount of its General Obligation and Refunding Bonds, 2016 Series Three (the "2016 Series Three Bonds"), and \$29,400,000 aggregate principal amount of its General Obligation and Refunding Bonds, 2016 Series Four (the "2016 Series Four Bonds," and together with the 2016 Series Three Bonds, the "2016 Series Three and Four Bonds"). The 2016 Series Three and Four Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2016 Series Three and Four Bonds. Individual purchases of the 2016 Series Three and Four Bonds of each Series will be made in principal amounts of \$5,000 or integral multiples thereof within a maturity. Purchasers of the 2016 Series Three and Four Bonds will not receive certificates representing their beneficial ownership interests in the 2016 Series Three and Four Bonds. Interest on the 2016 Series Three and Four Bonds will accrue from the date of delivery of the 2016 Series Three and Four Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each June 1 and December 1, commencing December 1, 2016.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2016 Series Three and Four Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants.

The 2016 Series Three and Four Bonds are subject to redemption prior to their stated maturity dates.

The scheduled payment of principal of and interest on the 2016 Series Three and Four Bonds so designated on the inside cover pages of this Official Statement is to be insured by a municipal bond insurance policy to be issued by National Public Finance Guarantee Corporation, as described herein.

The 2016 Series Three and Four Bonds will be issued under the General Obligation Bond Resolution, adopted by the Board of Directors of the Bond Bank on July 13, 2005, as amended (the "2005 General Bond Resolution"). The 2016 Series Three and Four Bonds are direct and general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the 2016 Series Three and Four Bonds, subject to any agreements made with the holders of any other notes or bonds of the Bond Bank pledging any particular revenues or assets not pledged under the 2005 General Bond Resolution. The 2016 Series Three and Four Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank issued under the 2005 General Bond Resolution. The 2016 Series Three and Four Bonds are the 36th and 37th Series of Bonds issued under the 2005 General Bond Resolution.

**The 2016 Series Three and Four Bonds are payable solely from the sources provided in the 2005 General Bond Resolution and the Series Resolution described herein. The 2016 Series Three and Four Bonds do not constitute a debt or other liability of the State of Alaska, and the 2016 Series Three and Four Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2016 Series Three and Four Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2016 Series Three and Four Bonds. The Bond Bank has no taxing power.**

*The 2016 Series Three and Four Bonds are offered when, as and if issued, subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriters by their special counsel, Foster Pepper PLLC, Seattle, Washington. It is expected that the 2016 Series Three and Four Bonds in definitive form will be issued and available for delivery through the facilities of DTC in New York, New York, on or about November 3, 2016.*

**RBC Capital Markets**

**BofA Merrill Lynch**

(Co-Manager for the 2016 Series Three Bonds)

**Goldman, Sachs & Co.**

(Co-Manager for the 2016 Series Four Bonds)

October 18, 2016.

*SPH Refinancing*

New Issue  
Book-Entry Only

OFFICIAL STATEMENT DATED MAY 13, 2015

Fitch Rating: AA+  
Standard & Poor's Rating: AA+  
(See "Ratings" herein.)

*In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank and the Governmental Units with covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2015A Series Two Bonds and 2015B Series Two Bonds (together, the "2015 Series Two Bonds") is excludable from gross income of owners thereof for federal income tax purposes, except, in the case of the 2015B Series Two Bonds during the period when such bonds are held by a "substantial user" of the facilities financed thereby or a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that (i) interest on the 2015A Series Two Bonds is not treated as a tax preference item for purposes of the alternative minimum tax, but interest on the 2015A Series Two Bonds is taken into account in determining a corporation's "adjusted current earnings" and (ii) interest on the 2015B Series Two Bonds is a tax preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; In addition, in the opinion of Bond Counsel, under existing statutes, interest on the 2015 Series Two Bonds is exempt from taxation by the State of Alaska except for transfer, estate and inheritance taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2015 Series Two Bonds. See "TAX MATTERS" herein.*



**\$59,550,000**

**ALASKA MUNICIPAL BOND BANK**

**General Obligation and Refunding Bonds, 2015 Series Two**

**Consisting Of:**

**\$34,220,000**

**General Obligation and Refunding Bonds  
2015A Series Two  
(Non-AMT)**

**\$25,330,000**

**General Obligation Bonds  
2015B Series Two  
(AMT)**

**Dated: Date of Delivery**

**Due: As shown on inside cover**

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$59,550,000 principal amount of General Obligation and Refunding Bonds, 2015 Series Two (the "2015 Series Two Bonds"), consisting of \$34,220,000 principal amount of General Obligation and Refunding Bonds, 2015A Series Two (Non-AMT) (the "2015A Series Two Bonds") and \$25,330,000 principal amount of General Obligation Bonds, 2015B Series Two (AMT) (the "2015B Series Two Bonds"). The 2015 Series Two Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2015 Series Two Bonds. Individual purchases of the 2015 Series Two Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single maturity of a sub-series. Purchasers of the 2015 Series Two Bonds will not receive certificates representing their beneficial ownership interests in the 2015 Series Two Bonds. Interest on the 2015 Series Two Bonds will accrue from the date of delivery of the 2015 Series Two Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each March 1 and September 1, commencing September 1, 2015.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2015 Series Two Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2015 SERIES TWO BONDS" and "APPENDIX G – DTC AND BOOK-ENTRY SYSTEM."

The 2015 Series Two Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2015 SERIES TWO BONDS – Optional Redemption, – Mandatory Redemption."

The 2015 Series Two Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2015 Series Two Bonds. The 2015 Series Two Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2015 Series Two Bonds are the thirty-second series of Bonds issued under the 2005 General Obligation Bond Resolution.

**The 2015 Series Two Bonds do not constitute a debt or other liability of the State of Alaska, and the 2015 Series Two Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2015 Series Two Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2015 Series Two Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2015 SERIES TWO BONDS."**

The 2015 Series Two Bonds are offered when, as and if issued, subject to the approving legal opinion of Wohlforth, Brecht & Cartledge of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriters by their counsel, Foster Pepper PLLC of Seattle, Washington. It is expected that the 2015 Series Two Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about June 4, 2015.

**RBC Capital Markets**  
**(Sole Underwriter for the 2015B Series Two Bonds)**

**J.P. Morgan**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2017 Series One and Two Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, except that no opinion is expressed as to the status of interest on any 2017 Series Two Bond for any period that such 2017 Series Two Bond is held by a "substantial user" of the facilities financed or refinanced by the 2017 Series Two Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986. Bond Counsel observes, however, that interest on the 2017 Series Two Bonds is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. In the further opinion of Bond Counsel, interest on the 2017 Series One Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel also is of the opinion based upon existing laws of the State of Alaska that interest on the 2017 Series One and Two Bonds is exempt from taxation by the State except for transfer, inheritance and estate taxes. See "TAX MATTERS."*



## ALASKA MUNICIPAL BOND BANK

**\$12,795,000 General Obligation Bonds, 2017 Series One (Non-AMT)**

**\$31,655,000 General Obligation Bonds, 2017 Series Two (AMT)**

**Dated: Date of Delivery**

**Due: May 1, as shown on inside cover**

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$12,795,000 aggregate principal amount of its General Obligation Bonds, 2017 Series One (the "2017 Series One Bonds"), and \$31,655,000 aggregate principal amount of its General Obligation Bonds, 2017 Series Two (the "2017 Series Two Bonds," and together with the 2017 Series One Bonds, the "2017 Series One and Two Bonds"). The 2017 Series One and Two Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2017 Series One and Two Bonds. Individual purchases of the 2017 Series One and Two Bonds of each Series will be made in principal amounts of \$5,000 or integral multiples thereof within a maturity. Purchasers of the 2017 Series One and Two Bonds will not receive certificates representing their beneficial ownership interests in the 2017 Series One and Two Bonds. Interest on the 2017 Series One and Two Bonds will accrue from the date of delivery of the 2017 Series One and Two Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each May 1 and November 1, commencing November 1, 2017.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2017 Series One and Two Bonds, will make principal and interest payments to DTC as the registered owner of the 2017 Series One and Two Bonds. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. See "DESCRIPTION OF THE 2017 SERIES ONE AND TWO BONDS" and "APPENDIX I – DTC AND ITS BOOK-ENTRY SYSTEM."

The 2017 Series One and Two Bonds are subject to redemption prior to their stated maturity dates.

The 2017 Series One and Two Bonds will be issued under the General Obligation Bond Resolution, adopted by the Board of Directors of the Bond Bank on July 13, 2005, as amended (the "2005 General Bond Resolution"), as supplemented by Series Resolution No. 2017-02 adopted on March 29, 2017. The 2017 Series One and Two Bonds are direct and general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the 2017 Series One and Two Bonds, subject to any agreements made with the holders of any other notes or bonds of the Bond Bank pledging any particular revenues or assets not pledged under the 2005 General Bond Resolution. The 2017 Series One and Two Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank issued under the 2005 General Bond Resolution. The 2017 Series One and Two Bonds are the 38th and 39th Series of Bonds issued under the 2005 General Bond Resolution.

**The 2017 Series One and Two Bonds are payable solely from the sources provided in the 2005 General Bond Resolution and the Series Resolution described herein. The 2017 Series One and Two Bonds do not constitute a debt or other liability of the State of Alaska, and the 2017 Series One and Two Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2017 Series One and Two Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2017 Series One and Two Bonds. The Bond Bank has no taxing power.**

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision*

The 2017 Series One and Two Bonds are offered when, as and if issued, subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriters by their special counsel, K&L Gates LLP, Seattle, Washington. It is expected that the 2017 Series One and Two Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about April 27, 2017.

**BofA Merrill Lynch**

(Senior Manager for the 2017 Series One Bonds  
and Co-Manager for the 2017 Series Two Bonds)

**Goldman, Sachs & Co.**

(Senior Manager for the 2017 Series Two Bonds  
and Co-Manager for the 2017 Series One Bonds)

April 12, 2017

2017 SPH  
2017 Swaste

New Issue  
Book-Entry Only

Moody's Rating: Aaa  
Standard & Poor's Rating: AAA

(See "Ratings" and "Municipal Bond Insurance" herein.)

In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank with its covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended, interest on the 2006 Series One Bonds is excluded from gross income of owners thereof for federal income tax purposes. Interest on the 2006 Series One Bonds is not treated as a preference item to be included in calculating the federal alternative minimum tax imposed under the Code on individuals and corporations; such interest, however, is included in calculating the "adjusted current earnings" for purposes of computing the federal alternative minimum tax on corporations. Interest on the 2006 Series One Bonds is exempt from taxation by the State of Alaska except for transfer, estate and inheritance taxes and except to the extent that inclusion of said interest in computing the federal corporate alternative minimum tax under Section 55 of the Code may affect the corresponding provisions of the State of Alaska corporate income tax. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2006 Series One Bonds. See "TAX EXEMPTION" herein.

\$7,390,000

**ALASKA MUNICIPAL BOND BANK**  
General Obligation Bonds, 2006 Series One

Dated: Date of Delivery

Due: June 1, as shown on inside cover

The Alaska Municipal Bond Bank General Obligation and Bonds, 2006 Series One (the "2006 Series One Bonds") initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as depository of the 2006 Series One Bonds. Individual purchases of the 2006 Series One Bonds will be made in principal amounts of \$5,000, or integral multiples thereof within a single maturity. Purchasers of the 2006 Series One Bonds will not receive certificates representing their beneficial ownership interests in the 2006 Series One Bonds. Interest on the 2006 Series One Bonds will accrue from the date of delivery of the 2006 Series One Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each June 1 and December 1, commencing December 1, 2006.

J.P. Morgan Trust Company, National Association, of Seattle, Washington, as the Trustee and Paying Agent for the 2006 Series One Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC's Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2006 SERIES ONE BONDS" and "APPENDIX G - DTC AND BOOK-ENTRY SYSTEM."

The 2006 Series One Bonds are subject to optional redemption. See "DESCRIPTION OF THE 2006 SERIES ONE BONDS - Optional Redemption."

The 2006 Series One Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2006 Series One Bonds. The 2006 Series One Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank hereafter issued under the 2005 General Bond Resolution. The 2006 Series One Bonds are the second series of Bonds issued under the 2005 General Obligation Bond Resolution.

The 2006 Series One Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2006 Series One Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2006 Series One Bonds. Neither the full faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2006 Series One Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2006 SERIES ONE BONDS." The scheduled payment of principal of and interest on the 2006 Series One Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2006 Series One Bonds by MBIA Insurance Corporation. See "Municipal Bond Insurance."

**MBIA**

The 2006 Series One Bonds were sold to Bank of America Securities LLC through a competitive sale held on June 13, 2006. The 2006 Series One Bonds are offered when, as and if issued subject to the approving legal opinion of Wohlforth, Johnson, Brecht, Cartledge & Brooking, P.C. of Anchorage, Alaska, Bond Counsel, as to validity of the 2006 Series One Bonds and exemption of interest from federal income taxation and subject to certain other conditions. Certain legal matters will be passed upon by Counsel for the City of Seward and the Kenai Peninsula Borough. It is expected that the 2006 Series One Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York on or about June 21, 2006.

OFFICIAL STATEMENT DATED SEPTEMBER 24, 2014

New Issue  
Book-Entry Only

Fitch Rating: AA+  
Standard & Poor's Rating: AA+  
(See "Ratings" herein.)

*In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank and the Governmental Units with covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2014 Series Three Bonds is excludable from gross income of owners thereof for federal income tax purposes. Interest on the 2014 Series Three Bonds is not treated as a tax preference item for purposes of either the individual or corporate alternative minimum tax. However, interest on the 2014 Series Three Bonds is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein.*



**\$55,370,000**

**ALASKA MUNICIPAL BOND BANK**  
**General Obligation and Refunding Bonds, 2014 Series Three**

**Dated: Date of Delivery**

**Due: As shown on inside cover**

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$55,370,000 principal amount of General Obligation and Refunding Bonds, 2014 Series Three (the "2014 Series Three Bonds"). The 2014 Series Three Bonds initially will be issued as fully registered bonds, in book-entry only form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2014 Series Three Bonds. Individual purchases of the 2014 Series Three Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single maturity. Purchasers of the 2014 Series Three Bonds will not receive certificates representing their beneficial ownership interests in the 2014 Series Three Bonds. Interest on the 2014 Series Three Bonds will accrue from the date of delivery of the 2014 Series Three Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each April 1 and October 1, commencing April 1, 2015.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2014 Series Three Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2014 SERIES THREE BONDS" and "APPENDIX G - DTC AND BOOK-ENTRY SYSTEM."

The 2014 Series Three Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2014 SERIES THREE BONDS - Optional Redemption, - Mandatory Redemption."

The 2014 Series Three Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2014 Series Three Bonds. The 2014 Series Three Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2014 Series Three Bonds are the thirtieth series of Bonds issued under the 2005 General Obligation Bond Resolution.

The 2014 Series Three Bonds do not constitute a debt or other liability of the State of Alaska, and the 2014 Series Three Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2014 Series Three Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2014 Series Three Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2014 SERIES THREE BONDS."

The 2014 Series Three Bonds are offered when, as and if issued, subject to the approving legal opinion of Wohlforth, Brecht & Cartledge of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriters by their counsel, Foster Pepper PLLC of Seattle, Washington. It is expected that the 2014 Series Three Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about October 30, 2014.

**RBC Capital Markets**

**KeyBank Capital Markets Inc.**

*CES Refunding*

*RC*



CES

OFFICIAL STATEMENT DATED JANUARY 20, 2016

New Issue  
Book-Entry Only

16CES

Fitch Rating: AA+  
Standard & Poor's Rating: AA (negative outlook)  
(See "Ratings" herein.)

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel also is of the opinion based upon existing laws of the State of Alaska that interest on the 2016 Series One Bonds is exempt from taxation by the State except for transfer, inheritance and estate taxes. See "TAX MATTERS" herein.*



\$33,015,000

ALASKA MUNICIPAL BOND BANK

General Obligation and Refunding Bonds, 2016 Series One

Dated: Date of Delivery

Due: As shown on inside cover

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$33,015,000 principal amount of General Obligation and Refunding Bonds, 2016 Series One (the "2016 Series One Bonds"). The 2016 Series One Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2016 Series One Bonds. Individual purchases of the 2016 Series One Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single maturity and interest rate. Purchasers of the 2016 Series One Bonds will not receive certificates representing their beneficial ownership interests in the 2016 Series One Bonds. Interest on the 2016 Series One Bonds will accrue from the date of delivery of the 2016 Series One Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each February 1 and August 1, commencing August 1, 2016.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2016 Series One Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2016 SERIES ONE BONDS" and "APPENDIX G - DTC AND BOOK-ENTRY SYSTEM."

The 2016 Series One Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2016 SERIES ONE BONDS - Optional Redemption" and "Mandatory Redemption."

The 2016 Series One Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2016 Series One Bonds. The 2016 Series One Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2016 Series One Bonds are the thirty-fourth series of Bonds issued under the 2005 General Obligation Bond Resolution.

The 2016 Series One Bonds do not constitute a debt or other liability of the State of Alaska, and the 2016 Series One Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2016 Series One Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2016 Series One Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2016 SERIES ONE BONDS."

The 2016 Series One Bonds are offered when, as and if issued, subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel. It is expected that the 2016 Series One Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about February 2, 2016.

OFFICIAL STATEMENT DATED FEBRUARY 26, 2013

New Issue  
Book-Entry Only

Fitch Rating: AA+  
Moody's Rating: Aa2  
(See "Ratings" herein.)

*In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank and the Governmental Units with covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2013 Series One Bonds is excludable from gross income of owners thereof for federal income tax purposes. Interest on the 2013 Series One Bonds is not treated as a tax preference item for purposes of either the individual or corporate alternative minimum tax. However, interest on the 2013 Series One Bonds is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein.*

**\$96,045,000**

**ALASKA MUNICIPAL BOND BANK**  
**General Obligation and Refunding Bonds, 2013 Series One**

**Dated: Date of Delivery**

**Due: February 1, as shown on inside cover**

The Alaska Municipal Bond Bank (the "Bond Bank") General Obligation and Refunding Bonds, 2013 Series One (the "2013 Series One Bonds") initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2013 Series One Bonds. Individual purchases of the 2013 Series One Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single maturity. Purchasers of the 2013 Series One Bonds will not receive certificates representing their beneficial ownership interests in the 2013 Series One Bonds. Interest on the 2013 Series One Bonds will accrue from the date of delivery of the 2013 Series One Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each August 1 and February 1, commencing August 1, 2013.

The Bank of New York Mellon Trust Company, N.A., of Seattle, Washington, as the Trustee and Paying Agent for the 2013 Series One Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC's Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2013 SERIES ONE BONDS" and "APPENDIX G – DTC AND BOOK-ENTRY SYSTEM."

The 2013 Series One Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2013 SERIES ONE BONDS – Optional Redemption, – Mandatory Redemption."

The 2013 Series One Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2013 Series One Bonds. The 2013 Series One Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2013 Series One Bonds are the twenty-fifth series of Bonds issued under the 2005 General Obligation Bond Resolution.

**The 2013 Series One Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2013 Series One Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2013 Series One Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2013 Series One Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2013 SERIES ONE BONDS."**

The 2013 Series One Bonds are offered when, as and if issued, subject to the approving legal opinion of Wohlforth, Brecht, Cartledge & Brooking of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriters by their counsel, Foster Pepper PLLC of Seattle, Washington. It is expected that the 2013 Series One Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about March 12, 2013.

**RBC Capital Markets**

**J.P. Morgan**

BC

OFFICIAL STATEMENT DATED JULY 30, 2003

Competitive New Issue  
Book-Entry Only  
Sale Date: July 30, 2003

Moody's Rating: Aaa  
Standard & Poor's Rating: AAA  
(See "Ratings" and "Municipal Bond Insurance" herein.)

*In the opinion of Wohlforth, Vassar, Johnson & Brecht, P.C., Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank with its covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended, interest on the 2003 Series D Bonds is excluded from gross income of owners thereof for federal income tax purposes. Interest on the 2003 Series D Bonds is not treated as a preference item to be included in calculating the federal alternative minimum tax imposed under the Code on individuals and corporations; such interest, however, is included in calculating the "adjusted current earnings" for purposes of computing the federal alternative minimum tax on corporations. Interest on the 2003 Series D Bonds is exempt from taxation by the State of Alaska except for transfer, estate and inheritance taxes and except to the extent that inclusion of said interest in computing the federal corporate alternative minimum tax under Section 55 of the Code may affect the corresponding provisions of the State of Alaska corporate income tax. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2003 Series D Bonds. See "TAX EXEMPTION" herein.*

**\$15,065,000**

**ALASKA MUNICIPAL BOND BANK**  
**General Obligation Bonds**  
**2003 Series D**

**Dated:** Date of Delivery

**Due:** June 1, as shown on inside cover

The Alaska Municipal Bond Bank General Obligation Bonds, 2003 Series D (the "2003 Series D Bonds") initially will be issued as fully registered bonds under a book-entry system, registered in the name of Cede & Co., as nominee of DTC, which will act as depository of the 2003 Series D Bonds. Individual purchases of the 2003 Series D Bonds will be made in the principal amount of \$5,000, or integral multiples thereof within a single maturity, and will be in book-entry form only. Purchasers of the 2003 Series D Bonds will not receive certificates representing their beneficial ownership interests in the 2003 Series D Bonds. Interest on the 2003 Series D Bonds is payable on each June 1 and December 1, commencing December 1, 2003.

J.P. Morgan Trust Company, National Association, of Los Angeles, California, as the Trustee and Paying Agent for the 2003 Series D Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC's Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2003 SERIES D BONDS" and "BOOK-ENTRY SYSTEM."

The 2003 Series D Bonds are subject to optional and mandatory redemption. See "DESCRIPTION OF THE 2003 SERIES D BONDS - Optional Redemption" and "DESCRIPTION OF THE 2003 SERIES D BONDS - Mandatory Redemption."

The 2003 Series D Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2003 Series D Bonds. The 2003 Series D Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the General Bond Resolution.

The 2003 Series D Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2003 Series D Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2003 Series D Bonds. Neither the full faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2003 Series D Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2003 SERIES D BONDS."

The scheduled payment of principal of and interest on the 2003 Series D Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2003 Series D Bonds by MBIA Insurance Corporation. See "Municipal Bond Insurance."



The 2003 Series D Bonds were sold to Wachovia Securities, LLC pursuant to a competitive sale held on July 30, 2003. The 2003 Series D Bonds are offered when, as and if issued subject to the approving legal opinion of Wohlforth, Vassar, Johnson & Brecht, P.C. of Anchorage, Alaska, Bond Counsel, as to validity of the 2003 Series D Bonds and exemption of interest from federal income taxation and subject to certain other conditions. Certain legal matters will be passed upon for the Kenai Peninsula Borough by its counsel Wohlforth, Vassar, Johnson & Brecht, P.C. of Anchorage, Alaska. It is expected that the 2003 Series D Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York on or about August 7, 2003.

School 2003



## SAVINGS

Alaska Municipal Bond Bank Authority  
Kenai Peninsula Borough Refunding (2003D Refunding)  
2011 Series Three

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 09/15/2011 @ 2.3099603%
12/01/2011	200,731.25		200,731.25		169,722.82
03/01/2012		340,281.39	-340,281.39		-336,568.49
06/01/2012	200,731.25		200,731.25		197,354.81
06/30/2012				61,171.11	
09/01/2012		188,425.00	-188,425.00		-184,153.76
12/01/2012	200,731.25		200,731.25		195,014.47
03/01/2013		188,425.00	-188,425.00		-181,870.15
06/01/2013	200,731.25		200,731.25		192,702.09
06/30/2013				24,612.50	
09/01/2013		843,425.00	-843,425.00		-804,973.60
12/01/2013	200,731.25		200,731.25		190,417.12
03/01/2014		175,325.00	-175,325.00		-165,327.32
06/01/2014	925,731.25		925,731.25		867,751.75
06/30/2014				107,712.50	
09/01/2014		880,325.00	-880,325.00		-820,282.40
12/01/2014	185,325.00		185,325.00		171,858.04
03/01/2015		157,700.00	-157,700.00		-145,201.67
06/01/2015	935,325.00		935,325.00		856,076.88
06/30/2015				82,625.00	
09/01/2015		887,700.00	-887,700.00		-807,954.70
12/01/2015	169,200.00		169,200.00		153,027.58
03/01/2016		143,100.00	-143,100.00		-128,952.64
06/01/2016	944,200.00		944,200.00		843,825.91
06/30/2016				82,600.00	
09/01/2016		898,100.00	-898,100.00		-797,853.85
12/01/2016	152,150.00		152,150.00		134,363.22
03/01/2017		124,225.00	-124,225.00		-109,050.39
06/01/2017	957,150.00		957,150.00		835,233.70
06/30/2017				86,975.00	
09/01/2017		914,225.00	-914,225.00		-793,032.31
12/01/2017	134,037.50		134,037.50		115,577.66
03/01/2018		104,475.00	-104,475.00		-89,550.46
06/01/2018	969,037.50		969,037.50		825,672.34
06/30/2018				84,375.00	
09/01/2018		824,475.00	-824,475.00		-783,018.66
12/01/2018	114,832.50		114,832.50		98,683.32
03/01/2019		83,975.00	-83,975.00		-70,282.39
06/01/2019	978,832.50		978,832.50		815,188.68
06/30/2019				86,215.00	
09/01/2019		938,975.00	-938,975.00		-776,551.23
12/01/2019	94,505.00		94,505.00		77,692.78
03/01/2020		66,875.00	-66,875.00		-54,651.17
06/01/2020	994,505.00		994,505.00		807,890.34
06/30/2020				83,160.00	
09/01/2020		921,875.00	-921,875.00		-744,435.83
12/01/2020	72,905.00		72,905.00		58,522.43
03/01/2021		45,500.00	-45,500.00		-35,306.65
06/01/2021	1,012,905.00		1,012,905.00		803,439.73
06/30/2021				118,435.00	
09/01/2021		935,500.00	-935,500.00		-737,629.31
12/01/2021	49,875.00		49,875.00		39,081.93
03/01/2022		23,250.00	-23,250.00		-18,114.94
06/01/2022	1,024,875.00		1,024,875.00		793,769.91
06/30/2022				116,000.00	
09/01/2022		953,250.00	-953,250.00		-733,905.82
12/01/2022	25,500.00		25,500.00		19,515.67
06/01/2023	1,045,500.00		1,045,500.00		790,654.81
06/30/2023				117,750.00	
	11,791,047.50	10,739,418.39	1,051,631.11	1,051,631.11	761,778.58

Savings Summary

PV of savings from cash flow	761,778.58
Plus: Refunding funds on hand	1,210.40
Net PV Savings	762,988.98

2003 SPH & School Refunding

## BOND DEBT SERVICE - (ALIGNED TO BOND MATURITY DATE)

Alaska Municipal Bond Bank Authority  
Kenai Peninsula Borough Refunding (2003D Refunding)  
2011 Series Three

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2012	165,000	2.000%	175,291.39	340,291.39	
09/01/2012			188,425.00	188,425.00	528,716.39
03/01/2013			188,425.00	188,425.00	
09/01/2013	655,000	4.000%	188,425.00	843,425.00	1,031,850.00
03/01/2014			175,325.00	175,325.00	
09/01/2014	705,000	5.000%	175,325.00	880,325.00	1,055,650.00
03/01/2015			157,700.00	157,700.00	
09/01/2015	730,000	4.000%	157,700.00	887,700.00	1,045,400.00
03/01/2016			143,100.00	143,100.00	
09/01/2016	755,000	5.000%	143,100.00	898,100.00	1,041,200.00
03/01/2017			124,225.00	124,225.00	
09/01/2017	790,000	5.000%	124,225.00	914,225.00	1,038,450.00
03/01/2018			104,475.00	104,475.00	
09/01/2018	820,000	5.000%	104,475.00	924,475.00	1,028,950.00
03/01/2019			83,975.00	83,975.00	
09/01/2019	855,000	4.000%	83,975.00	938,975.00	1,022,950.00
03/01/2020			66,875.00	66,875.00	
09/01/2020	855,000	5.000%	66,875.00	921,875.00	988,750.00
03/01/2021			45,500.00	45,500.00	
09/01/2021	890,000	5.000%	45,500.00	935,500.00	981,000.00
03/01/2022			23,250.00	23,250.00	
09/01/2022	930,000	5.000%	23,250.00	953,250.00	976,500.00
	8,150,000		2,589,416.39	10,739,416.39	10,739,416.39

2003 School Refunding

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 9, 2007

New Issue  
Book-Entry Only

Moody's Rating: Applied For  
Standard & Poor's Rating: Applied For  
(See "Ratings" herein.)

*In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank with its covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended, interest on the 2007 Series One Bonds is excluded from gross income of owners thereof for federal income tax purposes. Interest on the 2007 Series One Bonds is not treated as a preference item to be included in calculating the federal alternative minimum tax imposed under the Code on individuals and corporations; such interest, however, is included in calculating the "adjusted current earnings" for purposes of computing the federal alternative minimum tax on corporations. Interest on the 2007 Series One Bonds is exempt from taxation by the State of Alaska except for transfer, estate and inheritance taxes and except to the extent that inclusion of said interest in computing the federal corporate alternative minimum tax under Section 55 of the Code may affect the corresponding provisions of the State of Alaska corporate income tax. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2007 Series One Bonds. See "TAX EXEMPTION" herein.*

\$34,170,000\*

**ALASKA MUNICIPAL BOND BANK**  
General Obligation Bonds, 2007 Series One

Dated: Date of Delivery

Due: December 1, as shown on inside cover

The Alaska Municipal Bond Bank General Obligation Bonds, 2007 Series One (the "2007 Series One Bonds") initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as depository of the 2007 Series One Bonds. Individual purchases of the 2007 Series One Bonds will be made in principal amounts of \$5,000, or integral multiples thereof within a single maturity. Purchasers of the 2007 Series One Bonds will not receive certificates representing their beneficial ownership interests in the 2007 Series One Bonds. Interest on the 2007 Series One Bonds will accrue from the date of delivery of the 2007 Series One Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each June 1 and December 1, commencing June 1, 2007.

The Bank of New York Trust Company, N. A., of Seattle, Washington, as the Trustee and Paying Agent for the 2007 Series One Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC's Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2007 SERIES ONE BONDS" and "APPENDIX G - DTC AND BOOK-ENTRY SYSTEM."

The 2007 Series One Bonds are subject to optional and mandatory redemption. See "DESCRIPTION OF THE 2007 SERIES ONE BONDS - Optional Redemption" and "DESCRIPTION OF THE 2007 SERIES ONE BONDS - Mandatory Redemption."

The 2007 Series One Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2007 Series One Bonds. The 2007 Series One Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank hereafter issued under the 2005 General Bond Resolution. The 2007 Series One Bonds are the fourth series of Bonds issued under the 2005 General Obligation Bond Resolution.

The 2007 Series One Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2007 Series One Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2007 Series One Bonds. Neither the full faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2007 Series One Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2007 SERIES ONE BONDS."

The 2007 Series One Bonds are offered when, as and if issued subject to the approving legal opinion of Wohlforth, Johnson, Brecht, Carlledge & Brooking, P.C. of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by K&L Preston Gates Ellis LLP of Seattle, Washington. Certain legal matters will be passed upon for the Inter-Island Ferry Authority, the Kenai Peninsula Borough, the City of Nome, the Northwest Arctic Borough, the City of Petersburg, the City of Seward, the City and Borough of Sitka and the City of Wasilla. It is expected that the 2007 Series One Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York on or about January 31, 2007.

UBS Investment Bank

\* Preliminary; subject to change.

School 2007

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or such other solicitation of an offer to buy these securities nor shall there be any sale of these securities in violation of which

# 2007 School Bonds

APPROXIMATE PAYMENTS					
Date	Principal	Interest	Debt Service	Fiscal Year Debt Service	Calendar Year Debt Service
6/1/2007		37,585.63	37,585.63	37,585.63	
12/1/2007	205,000	55,912.50	260,912.50		298,498.13
6/1/2008		51,812.50	51,812.50	312,725.00	
12/1/2008	215,000	51,812.50	266,812.50		318,625.00
6/1/2009		47,512.50	47,512.50	314,325.00	
12/1/2009	225,000	47,512.50	272,512.50		320,025.00
6/1/2010		43,012.50	43,012.50	315,525.00	
12/1/2010	235,000	43,012.50	278,012.50		321,025.00
6/1/2011		38,312.50	38,312.50	316,325.00	
12/1/2011	245,000	38,312.50	283,312.50		321,625.00
6/1/2012		33,412.50	33,412.50	316,725.00	
12/1/2012	250,000	33,412.50	283,412.50		316,825.00
6/1/2013		28,412.50	28,412.50	311,825.00	
12/1/2013	265,000	28,412.50	293,412.50		321,825.00
6/1/2014		21,125.00	21,125.00	314,537.50	
12/1/2014	280,000	21,125.00	301,125.00		322,250.00
6/1/2015		15,600.00	15,600.00	316,725.00	
12/1/2015	290,000	15,600.00	305,600.00		321,200.00
6/1/2016		7,625.00	7,625.00	313,225.00	
12/1/2016	305,000	7,625.00	312,625.00		320,250.00
6/1/2017		0.00	0.00	312,625.00	
Total	2,515,000	667,148.13	3,182,148.13	3,182,148.13	3,182,148.13

School

OFFICIAL STATEMENT DATED NOVEMBER 22, 2010

New Issue  
Book-Entry Only

Moody's Rating: Aa2  
Fitch Rating: AA  
(See "Ratings" herein.)

*In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank with its covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2010A Series Four Tax-Exempt Bonds is excludable from gross income of owners thereof for federal income tax purposes under existing law. Interest on the 2010A Series Four Tax-Exempt Bonds is not treated as a tax preference item for purposes of either the individual or corporate alternative minimum tax. Interest on the 2010B Series Four Taxable Bonds is not excludable from gross income of the owners thereof for federal tax purposes. See "TAX MATTERS" herein.*

**\$78,665,000**

**ALASKA MUNICIPAL BOND BANK**

**\$26,725,000**

**General Obligation Bonds**

**2010A Series Four**

**(Tax-Exempt Bank Qualified)**

**\$51,940,000**

**General Obligation Bonds**

**2010B Series Four**

**(Taxable)**

**Dated: Date of Delivery**

**Due: August 1, as shown on inside cover**

The Alaska Municipal Bond Bank (the "Bond Bank") General Obligation Bonds, 2010A Series Four (Tax-Exempt Bank Qualified) ("2010A Tax-Exempt Bonds") and General Obligation Bonds, 2010B Series Four (Taxable) ("2010B Taxable Bonds") and together with the 2010A Tax-Exempt Bonds, the "2010 Series Four Bonds") initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository of the 2010 Series Four Bonds. Individual purchases of the 2010 Series Four Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single sub-series and maturity. Purchasers of the 2010 Series Four Bonds will not receive certificates representing their beneficial ownership interests in the 2010 Series Four Bonds. Interest on the 2010 Series Four Bonds will accrue from the date of delivery of the 2010 Series Four Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each February 1 and August 1, commencing August 1, 2011.

The Bank of New York Mellon Trust Company, N.A., of Seattle, Washington, as the Trustee and Paying Agent for the 2010 Series Four Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC's Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2010 SERIES FOUR BONDS" and "APPENDIX G - DTC AND BOOK-ENTRY SYSTEM."

The 2010 Series Four Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2010 SERIES FOUR BONDS - Optional Redemption, - Extraordinary Optional Redemption, - Mandatory Redemption."

The 2010 Series Four Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2010 Series Four Bonds. The 2010 Series Four Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2010 Series Four Bonds are the seventeenth series of Bonds issued under the 2005 General Obligation Bond Resolution.

The 2010 Series Four Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2010 Series Four Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2010 Series Four Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2010 Series Four Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2010 SERIES FOUR BONDS."

The 2010 Series Four Bonds are offered when, as and if issued, subject to the approving legal opinion of Wohlforth, Johnson, Brecht, Cartledge & Brooking of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriter by its counsel, Foster Pepper PLLC of Seattle, Washington. It is expected that the 2010 Series Four Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York on or about December 9, 2010.

**BofA Merrill Lynch**

*School 2010*

OFFICIAL STATEMENT DATED OCTOBER 31, 2013

New Issue  
Book-Entry Only

Fitch Rating: AA+  
Moody's Rating: Aa2  
(See "Ratings" herein.)

*In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank and the Governmental Units with covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2013 Series Three Bonds is excludable from gross income of owners thereof for federal income tax purposes. Interest on the 2013 Series Three Bonds is not treated as a tax preference item for purposes of either the individual or corporate alternative minimum tax. However, interest on the 2013 Series Three Bonds is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein.*

**\$72,045,000**

**ALASKA MUNICIPAL BOND BANK**  
**General Obligation Bonds, 2013 Series Three**

**Dated: Date of Delivery**

**Due: As shown on inside cover**

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$72,045,000 principal amount of General Obligation Bonds, 2013 Series Three (the "2013 Series Three Bonds"). The 2013 Series Three Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2013 Series Three Bonds. Individual purchases of the 2013 Series Three Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single maturity. Purchasers of the 2013 Series Three Bonds will not receive certificates representing their beneficial ownership interests in the 2013 Series Three Bonds. Interest on the 2013 Series Three Bonds will accrue from the date of delivery of the 2013 Series Three Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each February 1 and August 1, commencing August 1, 2014.

The Bank of New York Mellon Trust Company, N.A., of Seattle, Washington, as the Trustee and Paying Agent for the 2013 Series Three Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC's Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2013 SERIES THREE BONDS" and "APPENDIX G - DTC AND BOOK-ENTRY SYSTEM."

The 2013 Series Three Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2013 SERIES THREE BONDS - Optional Redemption, - Mandatory Redemption."

The 2013 Series Three Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2013 Series Three Bonds. The 2013 Series Three Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2013 Series Three Bonds are the twenty-seventh series of Bonds issued under the 2005 General Obligation Bond Resolution.

The 2013 Series Three Bonds do not constitute a debt or other liability of the State of Alaska, and the 2013 Series Three Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2013 Series Three Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2013 Series Three Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2013 SERIES THREE BONDS."

The 2013 Series Three Bonds are offered when, as and if issued, subject to the approving legal opinion of Wohlforth, Brecht, Cartledge & Brooking of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriters by their counsel, Foster Pepper PLLC of Seattle, Washington. It is expected that the 2013 Series Three Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about November 14, 2013.

*Schal Bonds 2013*  
**RBC Capital Markets**

**KeyBanc Capital Markets Inc.**



UNITED STATES OF AMERICA  
STATE OF ALASKA

KENAI PENINSULA BOROUGH  
(A Municipal Corporation of the State of Alaska)

NO. 1

\$28,955,000

KENAI PENINSULA BOROUGH, ALASKA  
CENTRAL KENAI PENINSULA HOSPITAL SERVICE AREA  
HOSPITAL REVENUE BOND, 2017  
(OBSTETRICS, CATHETERIZATION AND RELATED PROJECTS)

REGISTERED OWNER: Alaska Municipal Bond Bank      DATED: November 29, 2017

PRINCIPAL AMOUNT: Twenty-Eight Million Nine Hundred Fifty-Five Thousand and No/100 Dollars

FINAL MATURITY DATE: December 1, 2037

INTEREST RATES: See below.

The Kenai Peninsula Borough, Alaska (the "Borough"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns, from the sources stated herein, the Principal Amount indicated above in the following installments on the first day of December of each of the following years, and to pay, from the sources stated herein, interest on such installments from the date hereof, payable on June 1, 2018, and semiannually thereafter on the first days of each December and June of each year, at the rates per annum as follows:

<u>Principal Installment Payment Dates (December 1)</u>	<u>Principal Installment Amounts</u>	<u>Interest Rates</u>	<u>Principal Installment Payment Dates (December 1)</u>	<u>Principal Installment Amounts</u>	<u>Interest Rates</u>
2018	\$895,000	5.000%	2028	\$1,480,000	5.000%
2019	945,000	5.000	2029	1,555,000	5.000
2020	990,000	5.000	2030	1,625,000	4.000
2021	1,045,000	5.000	2031	1,685,000	3.000
2022	1,095,000	5.000	2032	1,735,000	3.000
2023	1,150,000	5.000	2033	1,790,000	3.000
2024	1,210,000	5.000	2034	1,845,000	3.000
2025	1,275,000	5.000	2035	1,900,000	3.125
2026	1,340,000	5.000	2036	1,960,000	3.250
2027	1,410,000	5.000	2037	2,025,000	3.250

For so long as this Bond is owned by the Alaska Municipal Bond Bank (the "Bond Bank"), payment of principal and interest shall be made as provided in the Loan Agreement between the Bond Bank and the Borough. In the event that this Bond is no

longer owned by the Bond Bank, payment of principal of and interest on this Bond will be made by check or draft mailed by first class mail to the registered owner at the address appearing on the Bond Register of the Borough, provided that the final installment of principal and interest on this Bond will be payable at the office of the Finance Director (the "Registrar") upon surrender of this Bond. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. Both principal of and interest on this Bond are payable in lawful money of the United States of America solely out of the special fund of the Borough known as the "Hospital Revenue Bond Account" created by Section 15 of Ordinance No. 2016-19-12 and referred to herein as the "Bond Account."

This Bond is a special and limited obligation of the Borough, is duly authorized and designated "Kenai Peninsula Borough, Alaska, Central Kenai Peninsula Hospital Service Area Hospital Revenue Bonds, 2017 (Obstetrics, Catheterization and Related Projects) (the "Bond"), and is issued pursuant to the Constitution and statutes of the State of Alaska and the duly adopted resolutions and ordinances of the Borough, including Ordinance No. 2016-19-12, as amended by Ordinance No. 2017-27, enacted October 25, 2016 and September 19, 2017, respectively (the "Bond Ordinance"). The definitions contained in the Bond Ordinance shall apply to capitalized terms contained herein and not defined. The Bond is being issued for the purpose of financing the design, engineering, construction, and equipping of improvements and betterments to the Borough's Central Peninsula Hospital, located in Central Kenai Peninsula Hospital Service Area.

Principal installments of the Bond maturing on or after December 1, 2028, may be prepaid on or after December 1, 2027 on any date, in whole or in part, at the option of the Borough at a price equal to 100% of the principal amount thereof to be prepaid plus accrued interest to the date of prepayment as described in the Loan Agreement.

The Borough does hereby pledge and bind itself to set aside out of Pledged Revenues of the Borough and to pay into the Bond Account the various amounts required by the Bond Ordinance to be paid into and maintained in the Bond Account all within the times provided in the Bond Ordinance.

The pledge of Pledged Revenues contained herein and in the Bond Ordinance may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Bond Ordinance.

The pledge of amounts to be paid into the Bond Account is hereby declared to be a lien and charge upon the Pledged Revenues superior to all other charges of any kind or nature and equal in rank to the lien and charge thereon for amounts pledged to the payment of any Future Parity Bonds hereafter issued.

This Bond is a special, limited obligation of the Borough giving rise to no charge against the Borough's general credit, and is payable solely from, and constitute claims of the owners thereof against, only the revenues, funds, and assets of the Borough pledged under the Bond Ordinance. This Bond shall never constitute a debt or indebtedness of the State of Alaska within the meaning of any provision or limitation of the Constitution or statutes of the State of Alaska or the Borough, or of any political subdivision thereof, and



shall never constitute nor give rise to a general pecuniary liability of the State or the Borough or a charge against their general credit or taxing powers.

This Bond is a special, limited obligation of the Borough, issued in order to provide funds to finance the acquisition, design, construction, and equipping of an obstetrics facility, cardiac catheterization laboratory and related projects at, or adjacent to, the Central Peninsula Hospital, located in the Central Kenai Peninsula Hospital Service Area.

No officer, agent, or employee of the Borough, and no officer, official, agent, or employee of the State of Alaska, nor any person executing this Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of this Bond.


It is hereby certified that all acts, conditions, and things required by the Constitution and statutes of the State of Alaska, and the ordinances and or resolutions of the Borough to be done precedent to and in the issuance of this Bond have happened, been done, and performed.

IN WITNESS WHEREOF, the Kenai Peninsula Borough, Alaska, has caused this bond to be signed in its name and on its behalf by its Mayor and its corporate seal to be hereunto impressed or otherwise reproduced and attested by its Clerk, all as of the 29<sup>th</sup> day of November, 2017.



Charlie Pierce  
Mayor

ATTEST:



John Blankenship, MMC  
Borough Clerk



## **Legal Information**

To be provided prior to the Bond Bank Meeting



**\$28,445,000 General Obligation Bonds, 2019 Series One**  
**\$3,070,000 General Obligation Taxable Bonds, 2019 Series Two**

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

May 17, 2019

Dear Deven:

With the sale of the Alaska Municipal Bond Bank's General Obligation Bonds, 2019 Series One and Two on April 16, 2019, I have prepared this sales results summary.

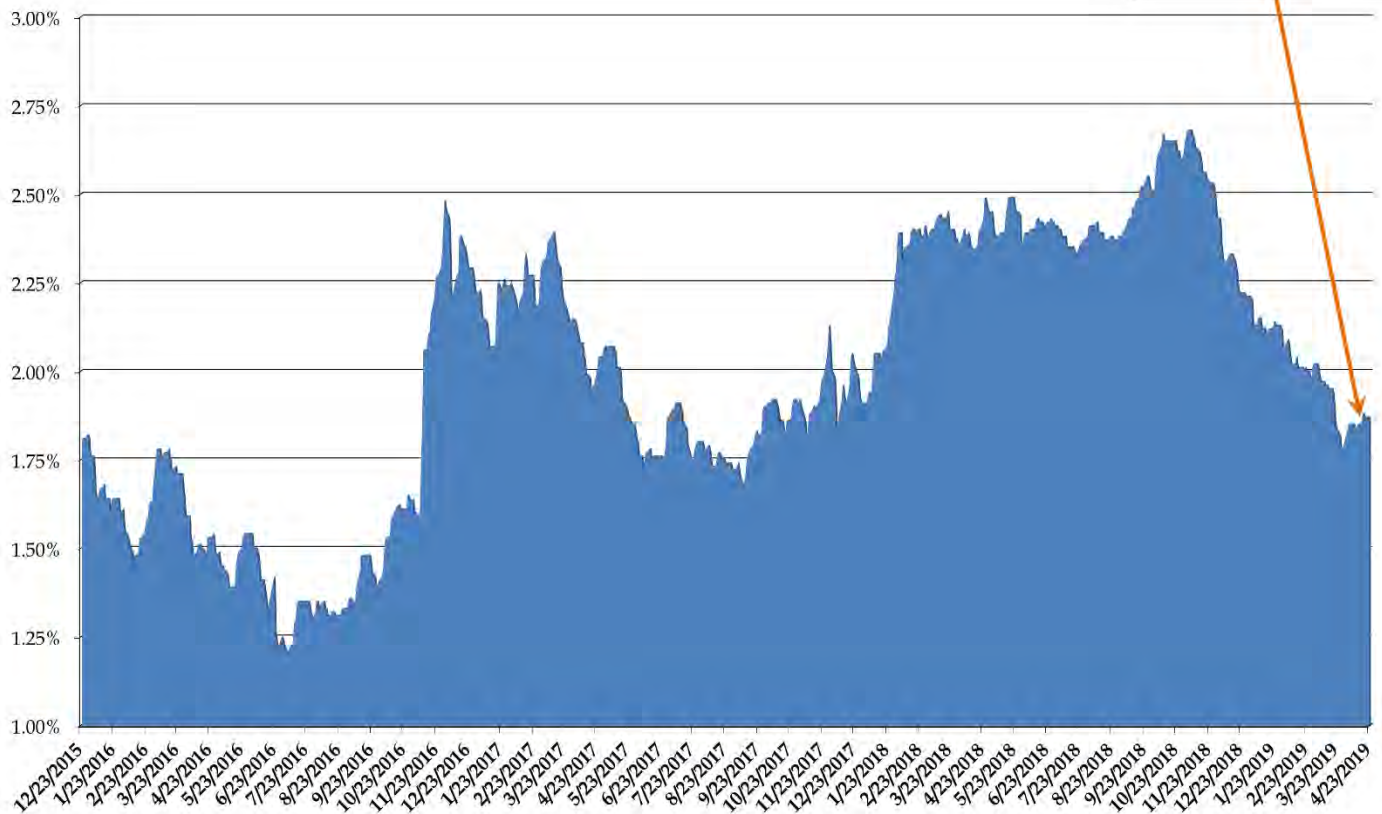
The 2019 One and Two bonds were sold by negotiated sale to Bank of America Merrill Lynch ("BAML"). The 2019 One and Two bonds carry a true interest cost of 3.2068% and 3.5638% respectively. BAML purchased the 2019 One and Two bonds with an underwriter cost of \$3.43/\$1,000 and \$3.79/\$1,000 respectively. For comparison, the table below summarizes the true interest costs, average life and underwriter costs of recent Bond Bank issues.

Issue	TIC	Average Life	Underwriter Cost (per \$1,000)	Method of Sale
2019 Two (Taxable)	3.5638%	5.662	\$3.79	Negotiated
2019 One	3.2068	11.044	3.43	Negotiated
2018 One (AMT)	4.1953	12.201	4.08	Negotiated
2017 Three	3.1005	11.912	13.69	Competitive
2017 One	2.8599	7.287	3.46	Negotiated
2016 Three	2.4400	6.589	2.93	Negotiated
2016 Two	2.6756	11.166	8.77	Competitive
2016 One	2.5574	10.493	5.16	Competitive
2015 Three	3.6984	18.153	3.56	Negotiated
2015 Two	3.6255	11.732	3.03	Negotiated
2015 One	2.7652	8.173	2.90	Negotiated
2014 Three	3.3368	13.214	3.09	Negotiated
2014 Two	3.7806	18.742	2.75	Competitive
2014A One	3.5484	12.374	2.94	Negotiated
2014B One	2.2643	4.318	2.52	Negotiated
2013 Three	4.1274	16.753	3.19	Negotiated
2013 Two	3.4048	11.843	3.20	Negotiated

The graph on the following page presents Municipal Market Data's AAA Index for a bond maturing in 9 years for the period leading up to and immediately following the Bond Bank's sale.

**Alaska Municipal Bond Bank Authority  
Municipal Market Data Rates (Year 9 Maturity)  
December 23, 2015 - April 23, 2019**

Date of Series  
2019 One Bonds



The past three and a half years have been characterized by wide swings in the yields of highly rated bonds. AAA MMD interest rates leading up to the sale had dropped more than 80 basis points from October of 2018 and over 30 basis points from the beginning of 2019.

The tone of the municipal bond market was strong in the weeks leading up to the 2019 One sale. On the day of sale, the 9-year AAA MMD rate was just a few basis points away from the lowest rate since September of 2017. Prior to the sale, Fitch and S&P Global Ratings both affirmed the Bond Bank's AA- rating, and maintained their stable outlook.

The following table presents the AMBB and MMD scales for sample maturities of the 2019 Series One Bonds compared to MMD yield spreads for the 2016 Series One through the 2018 Series One Bonds. The yields have been adjusted to reflect the "yield kick" associated with callable premium bonds. Callable premium bonds are priced to the earliest call date, so the yield kick refers to the difference between the yield to maturity and the yield to the call date. Because the yield to maturity is higher than the yield to the call date, investors receive a higher rate of return if the bonds are not called. Measuring the spread to MMD

based on the kicked yield is a more accurate measure of the true yield facing issuers, and allows an apple-to-apples comparison of discount, par and premium bonds.

	MMD AAA Index (4/16/19)	AMBB 2019 I Yields	Difference (2019 I Bonds)	Difference (2018 I Bonds- AMT)	Difference (2017 III Bonds)	Difference (2017 I Bonds)	Difference (2016 III Bonds)	Difference (2016 II Bonds)	Difference (2016 I Bonds)
Year 1	1.53	1.68	0.15	0.46	0.28	0.1	0.27	0.19	0.30
Year 3	1.58	1.78	0.20	0.55	0.23	0.3	0.47	0.28	0.24
Year 5	1.68	1.94	0.26	0.65	0.31	0.51	0.55	0.34	0.34
Year 8	1.80	2.19	0.39	0.80	0.41	0.64	0.72	0.36	0.39
Year 12	2.11	2.93	0.82	1.07	0.47	0.89	0.8	0.58	0.72
Year 14	2.21	3.26	1.05	1.31	0.82	0.99	1.15	1.05	0.81
Year 15	2.26	3.36	1.10	1.26	0.83	1.06	1.15	0.94	0.84

The 2019 One bonds priced 16-41 bps tighter to the MMD AAA index than the 2018 One bonds. Part of this tightening is attributed to the 2018 One bonds' AMT status. Compared to the 2017 Three bonds, the 2019 One bonds also priced very favorably. Prior to the call, the 2019 One bonds spread 2-13 basis points tighter to the MMD AAA. After the call date, the 2019 One bonds had wider spreads due to the 2017 Three bonds using below 5% coupons beyond the 12<sup>th</sup> year maturity, where the 2019 One bonds traded 7 basis points tighter to MMD. Beyond 12 years, the 2017 Three bonds were sold with lower coupons, which results in a lower yield kick. This makes a direct comparison between the 2019 Ones and 2017 Threes difficult beyond year 12.

On the morning of April 15th, the working group gathered by conference call to discuss pre-marketing scales that BAML would discuss with prospective investors in advance of the marketing of the 2019 One and Two bonds on April 16th. Prior to the call, BAML proposed spreads to PFM's Pricing Group. On the 2019 One bonds BAML initially proposed spreads to the MMD AAA that ranged from 25 basis points in 2020 to 60 basis points 2032 through 2039. On the 2019 Two bonds, BAML proposed spreads to the US Treasury that ranged from 38 basis points in 2020 to 125 basis points in 2029. PFM felt more aggressive scales were appropriate given the lack of supply in the market that week and recommended a reduction of 2 basis points on maturities 2032 – 2039 on the 2019 One bonds and 10-15 basis points across all of the maturities on the 2019 Two bonds. BAML agreed to PFM's adjustments to the pre-marketing scale and presented the mutually agreed upon scale to the working group.

Prior to the release of the wire on April 16th, BAML reported that there had not been much movement in the market, and did not make adjustments to the scales going into the order period.

Following the order period, BAML reported overwhelmingly strong order flow. The 2019 One Bonds received over 3x oversubscriptions on every single maturity, reaching as high as above 12x oversubscription on the 2022 – 2024 maturities. The 2019 Two bonds also received very strong investor demand with oversubscription levels ranging between 2x – 4x across all maturities.

Given the tremendous order flow, BAML re-priced very aggressively. On the 2019 One bonds, BAML proposed lowering yields 10 – 12 basis points on maturities 2020 – 2024, 5 – 7 basis points on maturities 2025 – 2030, 3-6 basis points on maturities 2031 – 2033 and 5 – 7 basis points maturities 2034 – 2039. On the 2019 Two bonds BAML proposed spreading 4-6 basis points tighter to US Treasuries across all maturities. The Bond Bank agreed to these changes and provided the verbal award to BAML.

The proceeds of the 2019 Series One and Two Bond sales were provided to the Fairbanks North Star Borough, City of Homer, Northwest Arctic Borough and City of Dillingham for capital improvement purposes and also the Southeast Alaska Power Authority to refund their outstanding 2009 Electric Revenue Refunding Bonds.

The bond sale closed on May 2<sup>nd</sup> 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,

A handwritten signature in black ink, appearing to read "Chip Pierce". The signature is stylized with a large, looped "C" and a long horizontal stroke at the end.

Chip Pierce



333 Willoughby Avenue, 11th floor  
P.O. Box 110405  
Juneau, Alaska 99811-0405

Tel (907) 465-2388  
FAX (907) 465-2902  
E-mail: [ambba@revenue.state.ak.us](mailto:ambba@revenue.state.ak.us)

**TO:** AMBBA Board Members **DATE:** June 19, 2019  
Luke Welles, Craig Chapman, John Springsteen,  
Lamar Cotten, Pam Leary

**FROM:** Ryan Williams, Finance Director **TELEPHONE:** 907-465-2893

### **Accounting and Audit Update for Fiscal Year 2019**

We have organized the fiscal year 2019 annual audit schedule of events, and are working with the Accounting and Compilation team (Elgee Rehfeld, LLC), and Independent Auditor (BDO) to meet the September 30, 2019 statutory deadline.

The contract for Accounting and Compilation is valid through fiscal year 2020, with one optional one-year extension (Elgee Rehfeld, LLC). We have optionally extended the Independent Audit contract for an additional year, through fiscal year 2020 (BDO).

### **Financial Advisory Services Agreement**

Through the proposal process, we have signed a new contract for Financial Advisory services with PFM Financial Advisors LLC (PFM), who was the most advantageous proposer. PFM was our prior financial advisor, and the new contract period extends through June 30, 2022, with two optional one-year extensions.

### **Most Recent Fund Performance and Portfolio Market Values**

On May 1<sup>st</sup>, through the proposal process, we signed a new contract for investment management services with Alaska Permanent Capital Management Company (APCM), who was the most advantageous proposer. APCM was our prior investment manager, and the new contract period extends through June 30, 2022, with two optional one-year extensions.



Below depicts the Bond Bank's fund performance and portfolio market values through May 31, 2019:

Alaska Permanent Capital Management Co.  
Cash Balance and Portfolio Market Value  
*May 31, 2019*

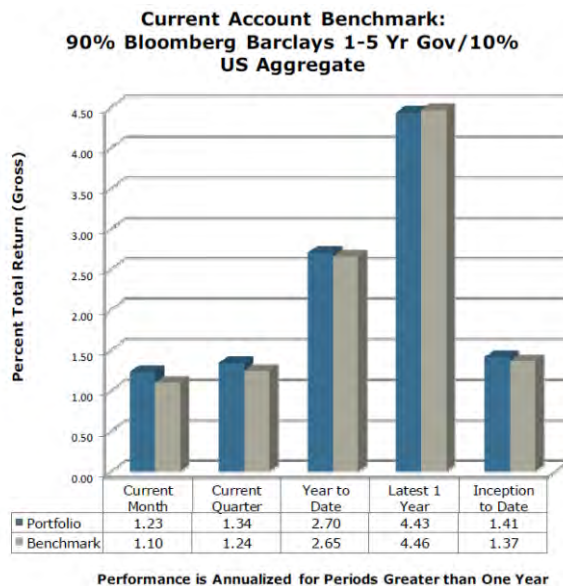
Name	Total Cash	Market Value
AMMBA Custody #180969	452,933	8,310,445
AMBBA GO 2010 RESERVE FUND-442473	14,568	411,298
AMBBA GO 2005 SERIES RESERVE FUND-764568	381,741	43,215,247
AMBBA GO 2016 RESERVE	268,218	7,283,118
	<b>1,117,459</b>	<b>59,220,107</b>

Surety Policy Coverage Stated Amount: \$18,030,207

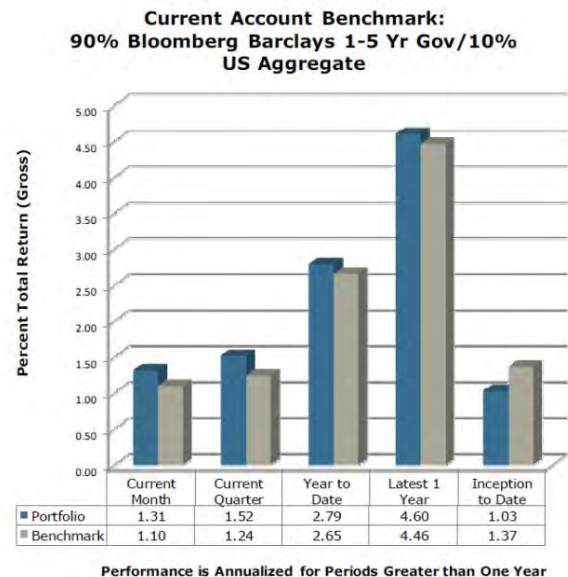
**Performance as of 5/31/2019**

2005, 2010, and 2016 Reserves, and Custodian Account:

**2005:**

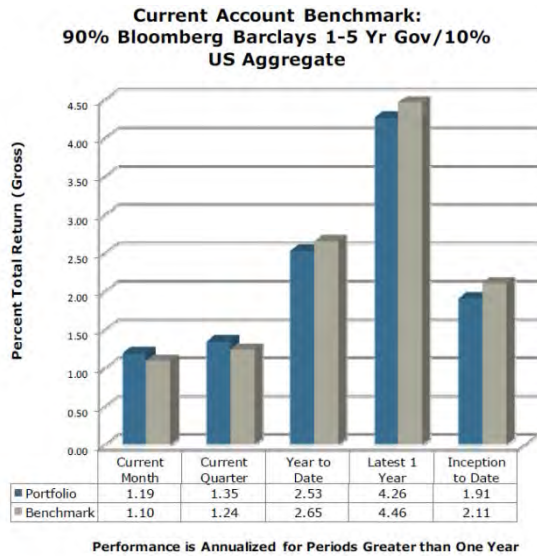


**2010:**

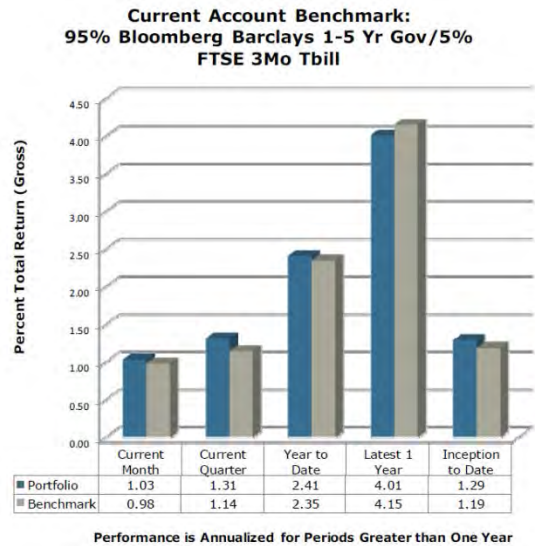




2016:



Custodian:



Please let me know if you have any questions or would like to discuss. Thank you,

Ryan Williams  
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