

**ALASKA MUNICIPAL BOND BANK
AUTHORITY**

BOARD OF DIRECTOR'S MEETING

TO BE HELD AT:

**Meeting Room - KPB Architects
500 L Street, Suite 400
Anchorage, AK 99501**

**Telephonic Access: 1-907-202-7104
with Code 296 448 601#**

May 31, 2023

10:00 am Alaska Time





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AGENDA FOR BOARD OF DIRECTOR'S MEETING

Meeting Place:

Meeting Room – KPB Architects
500 L Street, Suite 400
Anchorage, AK 99501
Telephonic Access:
(907) 202-7104
With passcode 296 448 601#
May 31, 2023, at 10:00 a.m. AK

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Approval of Agenda**
- V. Minutes of the December 9, 2022, Meetings of the Board of Directors**
- VI. General Business**
 - A. Executive Session**
 - B. AMBBA Credit Rating and Rating Agencies - Discussion**
 - C. 2023 Series One & Two Post Sale Summary**
 - D. Executive Director's Report**
- VII. Public Comments**
- VIII. Board Comments**
- IX. Adjournment**

STATUS: **Active**

NOTICE OF PUBLIC MEETING - AMBBA Board of Directors 5/31/2023

NOTICE OF PUBLIC MEETING - AMBBA Board of Directors - May 31, 2023.

Meeting Place: KPB Architects - 500 L Street, Suite 400, Anchorage, AK 99501; For telephonic participation: (907) 202-7104, With pass code 296 448 601#; May 31, 2023, at 10:00 a.m. AK.

The public is invited to attend. Individuals who may need special modifications to participate should call (907) 465-2893 prior to the meeting.

AGENDA FOR BOARD OF DIRECTOR'S MEETING, AMBBA:

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Attachments, History, Details

Attachments

[AMBBA Agenda 5-31-2023 FINAL.pdf](#)

Revision History

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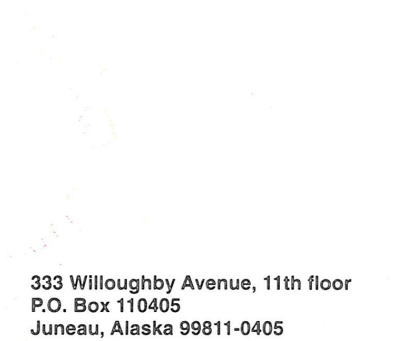
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Details

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

Publish Date: 5/22/2023
Archive Date: 6/1/2023

Events/Deadlines:



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MINUTES of the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

December 9, 2022

I. CALL TO ORDER

Luke Welles called the meeting to order on December 9, 2022, at 9:30 a.m. Alaska Time. Members participated at the KPB Architects Meeting Room, 500 L Street, Suite 400, Anchorage, AK 99501, and telephonically at 1-907-202-7104, with passcode 802 420 357#.

II. ROLL CALL

Luke Welles
Bruce Tangeman
Brian Fechter
Micaela Fowler
Ken Koelsch

OTHERS IN ATTENDANCE:

- Ryan Williams, Executive Director, Alaska Municipal Bond Bank Authority
- Les Krusen, Bond Counsel to AMBBA, Orrick, Herrington & Sutcliffe LLP
- Doug Goe, Bond Counsel to AMBBA, Orrick, Herrington & Sutcliffe LLP
- Fred Eoff, Financial Advisor to AMBBA, PFM
- Matt Schoenfeld, Financial Advisor to AMBBA, PFM
- Brandi Harbaugh, Finance Director, Kenai Peninsula Borough
- Brad Ryan, Skagway Manager, Municipality of Skagway
- Emily Deach, Deputy Borough Manager, Municipality of Skagway
- Cindy Cartledge, Jermain Dunnagan & Owens, P.C.
- Kerry Salas, K&L Gates

- Alan Jaffe, Jefferies
- Jack Kingston, Jefferies

III. PUBLIC MEETING NOTICE

Mr. Williams reviewed the 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 December 1, 2022, on the Alaska Online Public Notice website for the December 9, 2022, meeting date.

IV. APPROVAL OF AGENDA

The agenda was reviewed by the board. Mr. Welles asked if there were any comments. There were no comments and no objections. The agenda was approved unanimously and adopted by board members.

V. Minutes of the July 8, 2022, and September 19, 2022, Meetings of the Board of Directors

The July 8, 2022, and September 19, 2022, minutes of the AMBBA Board of Director's meeting were reviewed by the board. Mr. Koelsch made a motion to approve the July 8, 2022, and September 19, 2022, minutes as written, and Ms. Fowler seconded the motion. Mr. Welles asked if there were any comments. There were no comments and no objections. Both sets of minutes were approved unanimously by board members.

VI. GENERAL BUISNESS

Kenai Peninsula Borough – GO Loan Analysis, Credit Review and Discussion

Mr. Schoenfeld, PFM, presented the credit review for the Kenai Peninsula Borough's ("KPB") two distinct GO loan applications, 1) \$65,550,000, to be issued in a maximum of three phases, for school district upgrades and construction projects at various schools, with the full faith and credit of the KPB, and 2) \$16,500,000, for construction of a replacement fire station, with a full faith and credit pledge specific to the Central Emergency Service ("CES") area. The term of each loan is projected to be 20 years, and the no litigation letter has been received by KPB. Measures for both the School GO Bonds and CES bonds were on the ballot during the October 4, 2022, election, and passed with 58.8% and 66.7% "Yes" votes, respectively. The bonds will be issued in two or three phases, with

an estimated completion date of 2025. The projects are contingent upon receiving approval from the State of Alaska Department of Education and Early Development.

The CES area desires to upgrade to a new facility with an approximately 20,000 square foot building footprint to house the needed facilities for the station. In addition to this 20,000 square foot space would be a 10,000 square foot garage bay space. The preliminary schematic design has been completed and the land for the fire station has been acquired with local service area capital funds.

Mr. Schoenfeld reviewed KPB's financial position with the largest sources of revenue being property and sales taxes, and in fiscal 2021 these were approximately \$41.6 million and \$36.3 million, respectively. The KPB collections for property taxes, on behalf of the CES, were approximately \$8.7 million, and made-up 87 percent of all revenue in the CES. Mr. Schoenfeld stated that the general fund balance of KPB has remained relatively stable from 2016 through 2021, with sales taxes dedicated for school purposes, freeing up property taxes to be used for other purposes. The CES area fund balance has witnessed significant growth. FY 2021 ending balance increased 28.1% over FY 2020 and increased 150.0% over the last five years. Funds are restricted for only emergency services use.

Mr. Schoenfeld reviewed the COVID-19 impact to the KPB, with sales tax revenue increasing due to recovering tourism levels and local resident consumer spending. KPB will pledge its full faith and credit for repayment of the School District Bond Bank loan. KPB pledges the full faith and credit of the CES Area for repayment of the CES Bond Bank Loan. The taxable assessed value ("AV") of property within the Borough is \$8,468,109,000, while CES specific AV is \$3,062,068,000. KPB's mill rate for FY 2022 was 4.70 mills. The last mill rate adjustment took place for FY 2019, when it increased from 4.50 mills in the previous year. FY 2022 was the first year-over-year decrease (0.2%) in taxable AV since 2015, albeit marginal. The 10-year percentage increase of AV in the KPB is 26.1%. Mr. Schoenfeld also reviewed the most recent total state-aid available to KPB subject to incept of \$85 million, total estimated debt service, including the maximum annual debt service estimate on proposed loans, is anticipated to be \$20.5 million with a debt service intercept coverage of 4.14x. The Borough has obtained authorization to issue six-year General Obligation Bonds in the amount of \$5,195,000 for the Central Peninsula Landfill. The Bonds have not yet been issued but are expected to be issued in 2023 or 2024. The statement of no

litigation has been received from KPB. PFM recommended approval of the loan applications based on assessment and supplemental materials provided. Mr. Fechter moved approval of the application from KPB of not to exceed \$65.55 million for the School Projects GO Loan, and not to exceed \$16.5 million for the GO of the CES area, and Mr. Koelsch seconded the motion. There was no additional discussion. Mr. Williams conducted a roll call vote, and there were five 'yes' votes. The two distinct loans were approved unanimously by board members.

City and Borough of Wrangell ("Wrangell" or "CBW") – GO Loan Analysis, Credit Review and Discussion

Mr. Schoenfeld introduced the Wrangell GO Loan Analysis and Credit Review. The AMBBA received a loan application from Wrangell of not to exceed \$3.5 million for school improvements on behalf of the Wrangell public school district and intends to finance major renovations to the local elementary school, middle school, and high school and other related school improvements. The term of the proposed loan is 20 years with a full faith and credit pledge of Wrangell, the no litigation letter has been received, and the most recent fiscal year total state-aid subject to intercept was approximately \$10.4 million, and with estimated debt service on the proposed loan of \$281,000, the debt service intercept coverage is estimated to be 37.13x. There is no current outstanding debt through the AMBBA by the CBW.

Mr. Schoenfeld stated that the bond election in Wrangell passed by the voters on October 4, 2022, with 64.8% voting to approve the school capital projects. Mr. Schoenfeld introduced the financial position of Wrangell, with general fund sources from 2016 through 2021. The largest revenue sources come from sales and property taxes of most recent fiscal year 2021 values of \$2.2 million and \$1.9 million, respectively. There was an aggregate decrease since fiscal year 2020, but total general fund balances grew over the same period with a substantial decrease in operating expenditures, with ending general fund balance in fiscal year 2021 of approximately \$9.3 million. Wrangell intends to appropriate Secure Rural Schools ("SRS") funds to cover debt service on the requested loan and was established to provide for the receipt and subsequent use of National Forest Receipts monies for roads and education. The SRS funds provided by the USDA-Forest Service have served as the majority or all of CBW's local contribution to the Wrangell Public School District. Between FY's 2016 and 2020, deposits to the

SRS fund have ranged between -\$731 (FY 2017, due to investment losses and no deposits) and \$986,580 (FY2019). Mr. Schoenfeld depicted the CBW special revenue fund balances, which have had a downward trend over the 2016 through 2021 time period. Wrangell will pledge its full faith and credit for repayment of the Bond Bank loan. The taxable assessed value ("AV") of property within its service area for Fiscal Year 2022 is \$134,724,900, while outside the service area is \$15,586,100, for a total of \$150,311,000. Wrangell sets separate mill rates for property inside and outside its service area. For FY 2023, mill rates were set at 12.75 mills for property inside the service area and 4.00 mills for property outside the service area. The mill rate has not changed over the last five years; however, CBW has indicated that they intend to adjust the mill rate to cover debt service costs in the upcoming fiscal year. Taxable AV has remained relatively constant in recent years. AV peaked in 2020 with a \$158,912,300 valuation on taxable property. Fiscal Year 2022 AV (\$150,311,000) is 6% lower than the 2020 peak.

A ballot measure in 2022 to finance \$8,500,000 of upgrades to the Public Safety building did not pass. The Borough does intend to revisit this project but is looking for alternative methods of funding. CBW does not expect to seek other GO authorizations. PFM recommended approval of the loan applications based on assessment and supplemental materials provided. Mr. Fechter moved approval of the application from CBW of not to exceed \$3.5 million for the school improvement GO Loan, and Ms. Fowler seconded the motion. There was no additional discussion. Mr. Williams conducted a roll call vote, and there were five 'yes' votes. The CBW loan was approved unanimously by board members.

City and Soldotna ("Soldotna") – GO Loan Analysis, Credit Review and Discussion

Mr. Schoenfeld introduced the Soldotna GO Loan Analysis and Credit Review. The AMBBA received a GO loan application from Soldotna of not to exceed \$15 million for a recreational facility / field house. The term of the proposed loan is 30 years with a full faith and credit pledge of Soldotna, and the no litigation letter has been received. The most recent fiscal year total state-aid subject to intercept was approximately \$218,000, and with estimated debt service on total outstanding debt, including the proposed loan, of \$1.12 million, the debt service intercept coverage is estimated to be 0.20x.

The field house will be adjacent and connected to the Soldotna Regional Sports Complex. The final facility will include a removeable turf field and sport court,

three-lane elevated walking and jogging track, locker rooms, restrooms and an event space. The bond election was passed by the voters on October 4, 2022, with 67.1% voting to approve the financing. Mr. Schoenfeld provided Soldotna general fund sources from 2017 through 2021, with the largest revenue source coming from sales taxes, with sales tax revenues totaling \$8.59 million in fiscal 2021. Soldotna's General Fund balance has increased every year over the last five years. Additionally, the general fund balance totals from 2017 through 2021 were provided, with ending fiscal 2021 fund balance of \$19,214,657, which represents a 4.3% increase from FY 2020.

Soldotna will pledge its full faith and credit for repayment of the Bond Bank loan. The taxable assessed value ("AV") of property within the City is \$633,618,466. Soldotna establishes its mill rates annually by City resolution. The mill rate for FY 2021 was 0.5 mills. The mill rate has remained unchanged each of the last five fiscal years. Taxable AV has remained relatively constant in recent years. The AV of taxable property in the City for 2022 is \$633,618,466, which is a 5.3% increase from the previous year. Due to the relatively low mill rate, property taxes represent a modest source of revenue from the City. Unaudited 2022 expected property tax collections equaled \$322,178, a 2.61% increase from FY 2021. PFM recommended approval of the loan applications based on assessment and supplemental materials provided. The security for this loan, which is primarily provided by the pledge of full faith and credit of the City, is supplemented by other legally available general funds of the city, including fund balances in excess of the expected principal amounts for the loan. Mr. Fechter moved approval of the application from Soldotna of not to exceed \$15 million for the recreational facility GO Loan, and Ms. Fowler seconded the motion. There was no additional discussion. Mr. Williams conducted a roll call vote, and there were five 'yes' votes. The Soldotna loan was approved unanimously by board members.

Municipality of Skagway ("Skagway") – Port Revenue Loan Analysis, Credit Review and Discussion

Mr. Schoenfeld introduced the Skagway Port Revenue Loan Analysis and Credit Review. The AMBBA received a port revenue loan application from Skagway of not to exceed \$65 million for their Ore Peninsula dock redevelopment. The project consists of constructing a cruise terminal floating dock and roll-on roll-off industrial transfer bridge, relocating a marine fuel header and lines, and constructing associated upland improvements. The improvements would

accommodate larger cruise ships that are expected to port in Skagway, as well as meet anticipated demands for ore export. The term of the proposed loan is 30 years with a pledge of port enterprise fund revenues. The no litigation letter has been received. The most recent fiscal year total state-aid subject to intercept was approximately \$10.9 million, and with estimated debt service on total outstanding, including the proposed loan, of \$5.8 million, the debt service intercept coverage, with assumptions for the 2023 projected pledged revenue, is expected to be 1.87x.

The voters approved the issuance of the revenue bond in the October election, with 58.2% voting "Yes." The total project cost is estimated to be \$75,200,000, for which voters approved \$65,000,000 to be financed through the bond issuance. Mr. Schoenfeld stated the current income of the port is limited, with the facility currently leased to the White Pass and Yukon Railroad, and in March 2023, Skagway will take over the Port. Skagway provided projections for fiscal year 2023 and 2024 operating revenues, expenses, and income. Additionally, funds are transferred in from State shared Cruise Passenger Vessel ("CPV") revenues. These revenues are deposited into the Excise Tax Special Revenue Fund and can be transferred to the Port as needed. Skagway has agreed to provide revenue coverage from CPV, in an amount transferred into the port enterprise fund, to bring 1.25x coverage on the outstanding debt of the port enterprise fund. Upon expiration of the operating lease and renovation of the ore and cruise ship docks, the Port estimates \$11,599,628 of total revenue in FY 2023, including \$1,174,810 in cruise dockage fees, \$5,686,264 in cruise wharfage fees, and \$4,738,554 in State CPV revenue transfers.

The COVID-19 pandemic had an impact on Skagway, and in April of 2021, the Skagway reported a 99.68% reduction in visitor numbers between 2019 (1,551,668) and 2020 (4,984), resulting in a subsequent drastic decrease in revenue. In the aftermath of the coronavirus pandemic, the Municipality witnessed 69,390 cruise passengers in 2021 and 704,289 in 2022 and expects this upward trend in passenger numbers and resulting port revenues to continue. The Coronavirus global pandemic had a tremendous impact on the community's economy, but Skagway is optimistic that passenger numbers, industrial use of the port, and subsequent revenue will continue to recover from pre-pandemic levels.

PFM recommended approval of the loan applications based on assessment and supplemental materials provided. The security for this loan, which is primarily

provided by the port revenue enterprise fund, is supplemented by CPV transfers in an amount to bring revenue coverage to 1.25x. Mr. Schoenfeld mentioned that the CPV revenues are subject to appropriation from the State, and is included in the projected 1.87x debt service coverage ratio from the state-aid intercept component.

Mr. Welles asked if there were any remaining renewals on the lease option for the Skagway port operations, or if Skagway would move forward to take over operations of the port. Mr. Ryan, Skagway Manager, noted that the operations will revert to Skagway in March of 2023. Mr. Eoff noted that the Skagway officials were very transparent during the credit review process and thanked them for their diligent answers to all questions. Mr. Koelsch asked for a review of tourism projections reaching over 2 million visitors by the year 2039. Mr. Ryan stated that the independent assumptions take into consideration continued demand in the tourism industry as well as cruise sales maximizing space on available vessels, coupled with filling larger vessels that have been under operation by the major companies in recent years. Mr. Koelsch noted for the record that he has a daughter that manages a cruise company in Skagway. Mr. Welles noted that he does not see a conflict with this infrastructure project from his perspective, and there was no objection by Mr. Welles or other Board members on a vote by Mr. Koelsch.

Mr. Fechter moved approval of the application from Skagway of not to exceed \$65 million for the port revenue project, and Ms. Fowler seconded the motion. There was no additional discussion. Mr. Williams conducted a roll call vote, and there were five 'yes' votes. The Skagway port revenue loan was approved unanimously by board members.

AMBBA Resolution No. 2022-05 – Authorizing issuance of AMBBA GO Bonds, the 2023 Series One and 2023 Series Two

Mr. Krusen, Orrick, introduced Resolution 2022-05, a series resolution authorizing the issuance of general obligation bonds, the 2023 Series One and 2023 Series Two of the AMBBA. Resolution No. 2022-05 authorizes an aggregate principal amount of not to exceed \$65 million for the 2023 Series One bonds, and an aggregate principal amount of not to exceed \$65 million for the 2023 Series Two bonds. Mr. Krusen mentioned that the Chairman or the Executive Director, in consultation with the Bond Bank's Municipal Advisor, shall determine the number of series and the series names and designations for the 2023 Bonds and

expects there to be two series, one subject to the Alternative Minimum Tax ("AMT"), and one for tax-exempt governmental purpose bonds, provided that the aggregate principal amount of all 2023 bonds do not exceed \$130 million. Resolution 2022-05 authorizes the transaction to be sold through negotiated sale, true interest cost shall not exceed 5.00% on the 2023 Series One bonds, and true interest cost shall not exceed 5.50% on the 2023 Series Two bonds. The Resolution authorizes the loan of proceeds to the local governments listed in Section 301. The authority granted to the Chairman and Executive Director to sign a bond purchase agreement shall expire 120 days after adoption of this Resolution 2022-05 of the Bond Bank. Mr. Welles asked for clarification on the bonds subject to AMT. Mr. Krusen responded that the entire loan to Skagway for the port improvement project is anticipated to be subject to the AMT. Mr. Fechter asked Mr. Williams if he has corresponded with the Office of Management and Budget regarding any operating items that could result from the Bond Bank's subsequent pricing and closing of the Bonds authorized in the Series Resolution 2022-05. Mr. Williams responded that the expenses associated with the anticipated issuance would be a part of the Bond Bank's fiscal year 2023 operating budget, and there is current flexibility in the authorized budget for expenses directly associated with this issuance. The debt service would be paid by underlying communities and is not factored into the current or proposed budget authority since borne by underlying authorized borrowers.

There was no additional discussion. Mr. Fechter moved to approve Resolution 2022-05 and approval was seconded by Ms. Fowler. Mr. Williams took a roll call vote with board members, and there were five "yes" votes and no objections. AMBBA's Resolution 2022-05 was approved unanimously by board members.

Updated and Revised Administrative Policy Statement on Regional Health Organizations

Mr. Welles reviewed the recent passage of HB 127, mentioning that he attended the bill signing ceremony on July 3rd. HB 127 grants broader authority to the Bond Bank with amendments to the Act. A portion of the additional authority includes granting the Bond Bank approval to finance 100% of the costs for related projects of Regional Health Organizations, where prior authority limited the Bond Bank's participation to 49%. Mr. Welles expects refunding activity requests from the City of Yakutat, and other interest from Cordova and Native Village of Eyak. Mr. Williams noted that HB 127 also granted broader authority to lend to the University of Alaska and was no longer subject to only "heat and power

projects.” Mr. Welles stated that the updates to the administrative policy are before the board as a written approach to related financings and that we do not need board action at this time. Mr. Welles noted recent activity related to the federal 105(l) facility lease program. Tribal health organizations receive revenues associated with the lease program based on space available for services that are federally contracted, and for which, the federal government is responsible to make payment.

AMBBA Resolution No. 2022-06 – Resolution nominating the Executive Director and Treasurer of the Bond Bank

Mr. Welles introduced Resolution No. 2022-06. Mr. Welles noted that Mr. Mitchell has joined the Alaska Permanent Fund Corporation, and the resolution before the board would remove the “acting” qualifier from Mr. Williams’ title, officially appointing him as the Executive Director and Treasurer of the Bond Bank. There were no questions or objections. Mr. Fechter moved to approve Resolution 2022-06 and approval was seconded by Mr. Koelsch. Mr. Williams took a roll call vote with board members, and there were five “yes” votes and no objections. AMBBA’s Resolution 2022-06 was approved unanimously by board members.

AMBBA – 2022 Series Two – Post-Sale Summary

Mr. Eoff discussed a summary of the pricing for the Bond Bank’s 2022 Series Two Bonds. These bonds were sold by negotiated sale on September 12, 2022, to Jefferies as sole managing underwriter. Mr. Eoff presented charts indicating the interest rate trend for the prior 13 months for both 10-year AAA MMD, as well as US Treasuries. For the Bond Bank transaction, the 2047 and 2052 term bond maturities were well supported but the 2037 and 2042 term maturities found no buyers during the order period. Jefferies proposed repricing these two maturities to attract some of the excess order flow of the 2047 and 2052 maturities as part of its offer to purchase the full issue with no other changes. Based on repricing effects the final issue size was adjusted to \$10,990,000. Mr. Eoff noted the pricing went well given the market environment that we encountered. Mr. Eoff presented the borrowers and use of loan proceeds with City of Cordova receiving loan amount of \$5 million for harbor improvements, and SE Alaska Power Agency receiving \$5.99 million for an administrative and operating facility. The bonds closed on September 29, 2022, and carried a true interest cost of 4.546 percent. Mr. Fechter moved to approve the 2022 Series Two Post-Sale

Summary and approval was seconded by Ms. Fowler. Mr. Williams took a roll call vote with board members, and there were five “yes” votes and no objections. AMBBA’s 2022 Series Two Post-Sale Summary was approved unanimously by board members.

Review and Approval of Audited Financial Statements of the Bond Bank for Fiscal Year 2022.

Before the discussion was turned over to Mr. Williams, Mr. Welles read a financial highlight on page 5 of the audit: “In comparison, during fiscal year 2021, the Bond Bank entered into 57 loan agreements to fund approximately \$353.5 million in loans. Bond Bank loans funded 6 construction projects for communities and refinanced 51 loans of 18 communities for savings. The Bond Bank issued approximately \$329.1 million in bonds to generate approximately \$353.5 million in funding. Bond Bank activity resulted in approximately \$24.4 million in loans to authorized borrowers for new capital projects and \$304.7 million to refinance loans for savings. Bond Bank activity produced estimated gross savings of approximately \$51.7 million to all borrowers.” Mr. Williams noted that the fiscal year 2022 audit was completed in time for the statutory deadline of September 30, 2022. Mr. Williams commented that due to the overall increase of interest rates since the prior fiscal year 2021 audit, there are unrealized losses in securities held in the reserve and custodian account, and net position decreased by approximately \$3 million. Mr. Williams noted that we reviewed this factor extensively during the presentation by the Bond Bank’s financial advisor, APCM, at the July 8, 2022, meeting. Mr. Fechter moved to accept the fiscal year 2022 financial statement audit and final financial statements, and acceptance was seconded by Mr. Koelsch. Mr. Williams took a roll call vote with board members, and there were five “yes” votes and no objections. AMBBA’s audited fiscal year 2022 financial statements were accepted unanimously by board members.

Executive Director’s Report

Mr. Williams provided the following updates on items not covered in the December 9, 2022, Agenda:

The Bond Bank has secured, through an IRFP process, Independent Audit Services for Fiscal Year 2023, with a multi-year contract with BDO, conducted within the confines of the procurement requirements.

Mr. Williams attended the Alaska Government Finance Officers Association conference 12/7 through 12/9 in Anchorage and met with several representatives from underlying communities.

Mr. Williams mentioned that energy generation and energy choice trends, recent infrastructure development initiatives, port development, education, healthcare, and other capital project and maintenance requirements will most likely result in significant development that the Bond Bank should remain poised to review and help facilitate.

The quarterly ethics reports were filed with the Department of Law without any findings.

The AMBBA FY22 Audited Financial Statements were filed through EMMA / MSRB, and Mr. Williams is working through the required documentation to complete our annual report and reserve certifications as of 6/30/22 for those disclosure postings (prior to 1/31/23).

Mr. Williams noted that as of September 1, 2022, there are no outstanding reserve obligation bonds originally issued to satisfy reserve requirements of the Bond Bank.

The State of Alaska Budget is due to be released on December 15, 2022, and Mr. Williams will communicate any updates to the Board on Bond Bank program operations and annual appropriations.

Mr. Williams reviewed the underlying reserve and custodian account asset values and returns, with assets across those funds of approximately \$59 million. Mr. Williams reviewed the surety policy coverage stated amount of \$18 million.

Mr. Fechter moved to adopt the Executive Director's report and was seconded by Ms. Fowler. Mr. Williams took a roll call vote with board members, and there were five "yes" votes and no objections. The Executive Director's report was adopted unanimously by board members.

VII. PUBLIC COMMENTS

There were none.

VIII. BOARD COMMENTS

There were none.

IX. ADJOURNMENT

Mr. Welles adjourned the meeting without objection at 10:34 a.m. Alaska Time.

Luke Welles, Chairperson



\$56,640,000 General Obligation Bonds, 2023 Series One (Tax-Exempt)
\$29,880,000 General Obligation Bonds, 2023 Series Two (AMT)

Ryan S. Williams, Executive Director
Alaska Municipal Bond Bank
P.O. Box 110405
Juneau, AK 99811

April 3, 2023

Ryan:

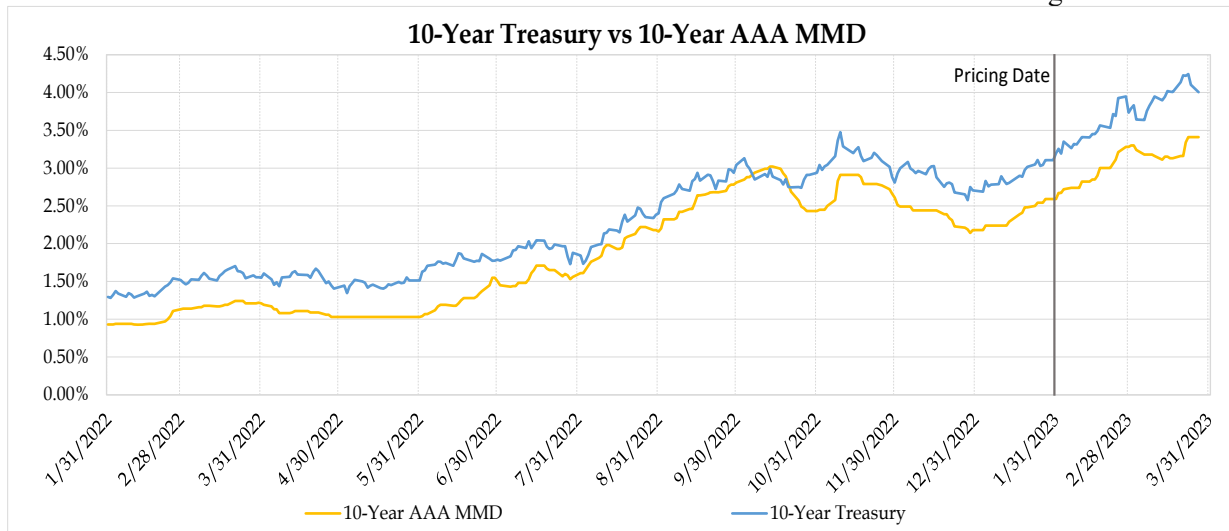
This memorandum is prepared in summary of the sale of the Alaska Municipal Bond Bank's ("AMBBA") General Obligation Bonds, 2023 Series One and Two on January 31, 2023. Prior to the sale, Moody's Ratings and S&P Global Ratings affirmed their ratings at A1 (Stable) and A+ (Positive), respectively.

The 2023 Series One and Two bonds were sold by negotiated sale to an underwriting syndicate led by Jefferies, LLC as Managing Underwriter and Wells Fargo as Co-Managing Underwriter (collectively, "the Underwriters"). The table below provides details of the TIC% and underwriter costs compared with prior AMBBA issues provided for historical comparison.

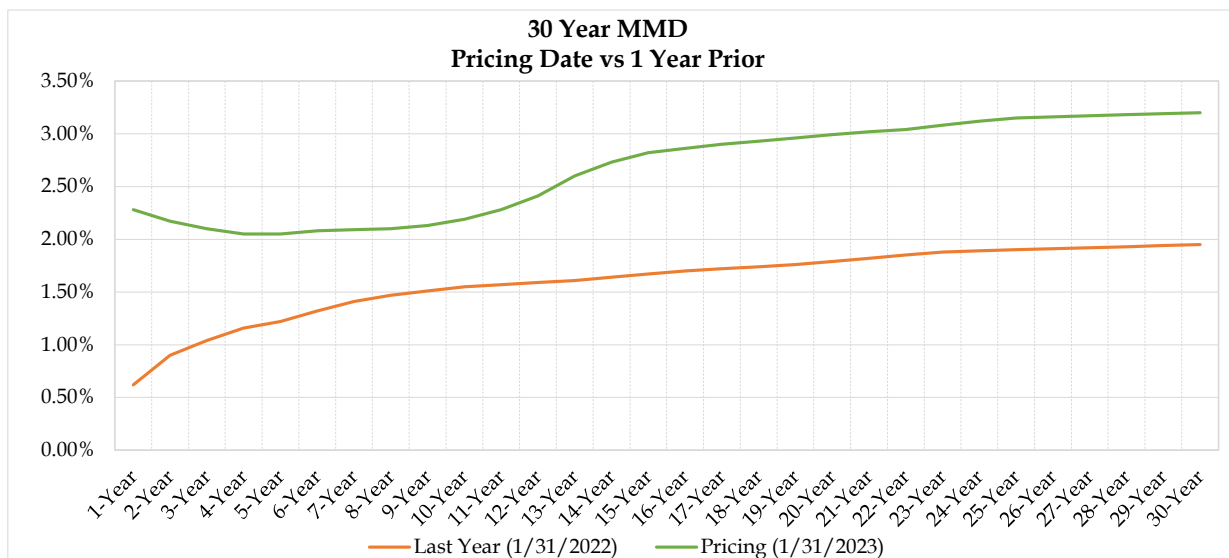
Issue	TIC	Average Life	Underwriter Cost (per \$1,000)
2023 Two (AMT)	4.563%	18.964	\$3.91
2023 One	3.681%	13.038	\$3.70
2022 Two	4.546%	17.296	\$6.04
2022 One	3.667%	14.210	\$4.49
2021 One	1.040%	4.306	\$3.30
2021 Two (Taxable)	2.516%	11.628	\$3.63
2021 Three (AMT)	2.178%	10.981	\$3.50
2020 One	1.641%	5.951	\$3.34
2019 Two (Taxable)	3.564%	5.662	\$3.79
2019 One	3.207%	11.044	\$3.79
2018 One (AMT)	4.195%	12.201	\$4.08

The graph immediately following highlights the interest rate trend for 14 months leading up to and beyond the pricing on January 31, 2023, utilizing the 10-year U.S. Treasury security and the 10-year AAA MMD yield for trend analysis.

AMBBA 2023 Series One and Two General Obligation Bonds Bond Pricing Memorandum



The following graph displays the full 30-year yield curve of the AAA rated MMD index on the day of pricing (1/31/2023) and one year prior for market trend comparison.



The tone of the municipal bond market was generally quiet in the week leading up to the January 31 pricing. Municipal benchmark yields held mostly steady throughout the week, amid continued inflows into municipal bond funds and light supply. The initial and final pricing levels for the Series One and Two Bonds are summarized in the following tables.

AMBBA 2023 Series One and Two General Obligation Bonds
Bond Pricing Memorandum

Series One Pricing

Maturity	Initial Yields	Final Yields	Par Amount	Total Orders	Unsold/(Oversold) Balances
12/1/2023	2.70	2.66	\$1,560,000	\$6,240,000	(\$4,680,000)
12/1/2024	2.50	2.47	1,630,000	4,935,000	(3,290,000)
12/1/2025	2.44	2.42	1,715,000	3,460,000	(1,730,000)
12/1/2026	2.40	2.35	1,805,000	7,355,000	(5,540,000)
12/1/2027	2.40	2.35	1,900,000	11,515,000	(9,600,000)
12/1/2028	2.46	2.41	1,995,000	10,025,000	(8,020,000)
12/1/2029	2.54	2.49	2,100,000	10,905,000	(8,795,000)
12/1/2030	2.57	2.52	2,205,000	11,100,000	(8,880,000)
12/1/2031	2.63	2.58	2,320,000	13,980,000	(11,650,000)
12/1/2032	2.67	2.62	2,440,000	9,800,000	(7,350,000)
12/1/2033	2.78	2.73	2,565,000	12,940,000	(10,365,000)
12/1/2034	2.91	2.86	2,690,000	13,525,000	(10,820,000)
12/1/2035	3.08	3.03	2,830,000	13,930,000	(11,085,000)
12/1/2036	3.28	3.23	2,975,000	8,985,000	(5,990,000)
12/1/2037	3.37	3.32	3,130,000	15,100,000	(11,950,000)
12/1/2038	3.47	3.42	3,285,000	16,550,000	(13,240,000)
12/1/2039	3.51	3.46	3,455,000	13,920,000	(10,440,000)
12/1/2040	3.55	3.53	3,635,000	7,320,000	(3,660,000)
12/1/2041	3.58			4,840,000	(1,000,000)
12/1/2042	3.61	3.58 T	7,840,000	10,080,000	(6,040,000)
12/1/2047	3.80 T	3.77 T	2,000,000	6,575,000	(4,550,000)
12/1/2052	3.89 T	3.89 T	2,565,000	500,000	2,095,000
			\$56,640,000	\$213,580,000	\$2,095,000

T: Term Bond

Series One was very well received by investors. Overall the issue was approximately 3.75x oversubscribed, with oversubscription spread across nearly all maturities. Jefferies suggested downward yield revisions across all maturities with the exception of the 2041 maturity, which was held at its initial offering yield and termed with 2042, and the 2052 term bond maturity, which was undersubscribed. The 2026 maturity through the 2039 maturity were all repriced 5 bp lower. The 2042 and 2047 maturities were repriced 3 bp lower.

AMBBA 2023 Series One and Two General Obligation Bonds
Bond Pricing Memorandum

Series Two Pricing

Maturity	Initial Yields	Final Yields	Par Amount	Total Orders	Unsold/(Oversold) Balances
12/1/2023	3.00	3.00	\$435,000	\$880,000	(\$440,000)
12/1/2024	2.95	2.95	460,000	465,000	0
12/1/2025	2.99	2.99	485,000	485,000	0
12/1/2026	3.00	3.00	510,000	510,000	0
12/1/2027	3.00	3.00	535,000	540,000	0
12/1/2028	3.06	3.06	560,000	565,000	0
12/1/2029	3.14	3.14	590,000	595,000	0
12/1/2030	3.19	3.19	620,000	0	625,000
12/1/2031	3.27	3.27	650,000	0	655,000
12/1/2032	3.32	3.32	685,000	0	690,000
12/1/2037	3.98 T	3.95 T	3,990,000	13,075,000	(9,050,000)
12/1/2042	4.21 T	4.18 T	5,125,000	15,510,000	(10,340,000)
12/1/2047	4.37 T	4.32 T	6,620,000	33,200,000	(26,560,000)
12/1/2052	4.44 T	4.41 T	8,615,000	26,090,000	(17,560,000)
			\$29,880,000	\$91,915,000	\$1,970,000

T: Term Bond

Series Two is subject to the alternative minimum tax (AMT) owing to the commercial element of the port in Skagway. AMT issues are often difficult to place but Series Two was generally well received by investors. The issue was approximately 3x oversubscribed. Jefferies was able to find orders to clean up the serial bond maturities from 2023 to 2029 as well as all of the term bond maturities. As a result, Jefferies suggested downward revisions to the term bond maturities ranging from 3 bp to 5 bp. However, the serial bond maturities from 2030 – 2032 found no buyers during the order period and those yields were unchanged in the final underwriting proposal.

The following tables summarize the borrowers and use of loan proceeds.

2023 Series One:

Borrower	Purpose	Loan Amount
Kenai Peninsula Borough	School District Capital Upgrades	\$14,520,000
Kenai Peninsula Borough	Fire Station Construction	\$30,000,000
City of Soldotna	Field House Construction	\$9,020,000
City and Borough of Wrangell	School Improvements	\$3,100,000
Total		\$56,640,000

2023 Series Two:

Borrower	Purpose	Loan Amount
Municipality of Skagway Borough	Port Improvements	\$29,880,000

AMBBA 2023 Series One and Two General Obligation Bonds
Bond Pricing Memorandum

Overall, we believe the issue was a success and priced well considering overall market conditions and issue structure. We would like to extend our appreciation to the other members of the finance team for their collective good work.

The bond sale was closed on February 15, 2023. As always, it was a pleasure to serve the Bond Bank on this transaction. If you have any questions, we will be happy to discuss them with you.

Sincerely,



Fred Eoff
Director



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E-mail: ambba@revenue.state.ak.us

TO: AMBBA Board Members

DATE: May 24, 2023

Luke Welles, Bruce Tangeman, Fadil Limani, Micaela Fowler, Ken Koelsch

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

The following are updates on items not covered in the May 31, 2023, Agenda:

The 12/31/2022 and 3/31/2023 quarterly ethics reports were filed with the Department of Law without any findings.

The annual report and reserve certifications (as of 6/30/22) were disclosed through the EMMA-MSRB marketplace prior to the deadline of 1/31/23.

The State of Alaska is updating all rating agencies the first full week of June. The presentations will cover any FY2024 budget enactments (pending), the Spring 2023 Revenue Forecast, and other current events. As the Bond Bank is one notch off the State's General Obligation credit rating this will directly tie into the Bond Bank's final rating profile. I would propose an update to rating agencies in Fall 2023 with Bond Bank specific program information.

I have met with the Kenai Peninsula Borough, the Ketchikan Gateway Borough, and other communities to discuss very preliminary bonding estimates / projections. I anticipate several ballot measures across State communities in October and will have a better sense of activity (or applications) in the Fall of 2023.

As of this writing, the Federal debt ceiling debate is still ongoing. After further review of projected impacts to the Bond Bank, there is one maturity in refunding escrow with a maturity date of 6/1/2023. This was related to the 2021 Series One/Two/Three refunding portion of the issuance and is in the amount of approximately \$14.1 million. This escrow was already structured to be sufficient to meet bond redemption requirements. I am monitoring the ongoing debt ceiling discussions and potential US Treasury payment deficiencies.

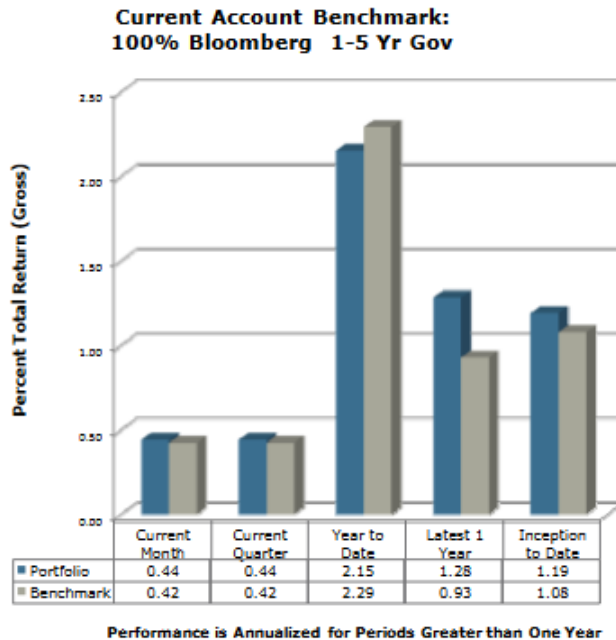
Portfolio Market Values:

Below depicts the Bond Bank's performance as of April 30, 2023, for the 2005 and 2016 Reserves, as well as the Bond Bank's Custodian Account.

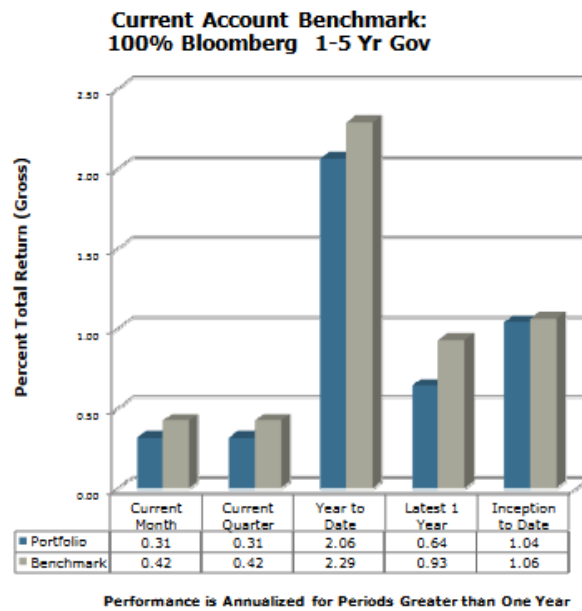
Alaska Permanent Capital Management Co.
Cash Balance and Portfolio Market Value
April 30, 2023

Name	Total Cash	Market Value
AMMBA Custody #180969	377,004	13,491,007
AMBBA GO 2005 SERIES RESERVE FUND-764568	55,514	40,323,675
AMBBA GO 2016 RESERVE	708,129	7,411,301
	1,140,647	61,225,983

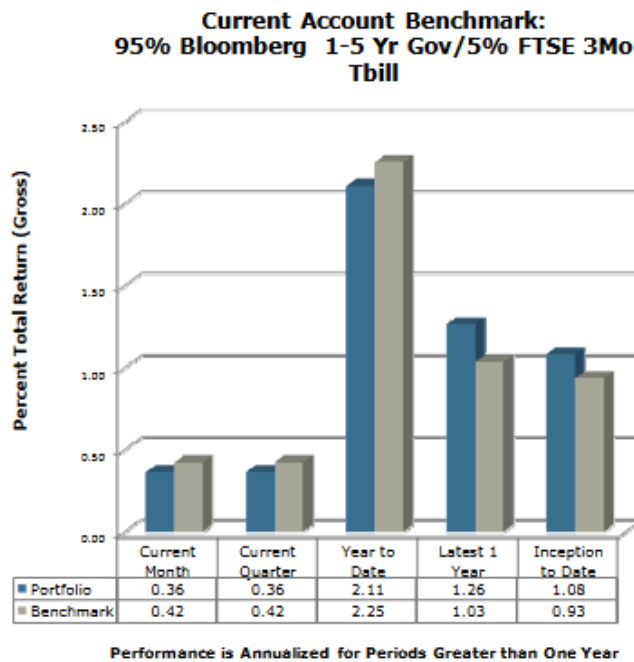
AMBBA GO 2005 Resolution Reserve Fund:



AMBBA GO 2016 Resolution Reserve Fund:



Custodian:



Surety Analysis:

Surety Policy Issues	Incremental Surety Coverage Provided at Issuance	Notes and Expiration
2016 Three & Four	7,500,000	2016 Three expires December 1, 2037; 2016 Four - December 1, 2035
2016 Two	3,383,328	Term Expires December 1, 2035
Stand Alone \$1.23mm	1,230,000	Term Expires March 1, 2046
2016 One	718,412	Term Expires August 1, 2040
2015 Three	5,198,466	Term Expires October 1, 2044

Coverage stated amount: ~\$18.0 million

Most recent available Parity Reserve Fund Valuation on the 2005 Resolution Reserve (12/31/22): ~\$42.0 million

Please reach out to discuss any items contained in the report.

Best Regards,
Ryan

Ryan Williams
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