

**ALASKA MUNICIPAL BOND BANK
AUTHORITY**

BOARD OF DIRECTOR'S MEETING

TO BE HELD AT:

**Department of Revenue
333 Willoughby Ave., 11th Floor
Juneau, AK 99801**

**Telephonic Access: 1-907-202-7104
with Code 387 404 117#**

February 1, 2024

1:00 pm Alaska Time



STATUS: **Active**

NOTICE OF PUBLIC MEETING - AMBBA Board of Director's Meeting 2/1/2024

Meeting Place: Department of Revenue, Conf. Room, 333 Willoughby Ave., Floor 11, Juneau, Alaska 99801; For telephonic participation: (907) 202-7104, With pass code 387 404 117#; February 1, 2024, at 1:00 pm Alaska Time.

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:

- I. Call to Order
- II. Roll Call
- III. Public Meeting Notice
- IV. Approval of Agenda
- V. Minutes of the November 6, 2023, Meeting of the Board of Directors
- VI. General Business
 - A. Executive Session to discuss with legal counsel the AMBBA Series 2015-2B Bonds in accordance with AS 44.62.310(c)(1),(3)
- VII. Public Comments
- VIII. Board Comments
- IX. Adjournment

[Attachments, History, Details](#)

Attachments

[AMBBA Agenda 2-1-2024 Final.pdf](#)

Revision History

Created 1/26/2024 2:22:52 PM by rswilliams

Details

Department:	Revenue
Category:	Agency Meetings
Sub-Category:	
Location(s):	Statewide
Project/Regulation #:	
Publish Date:	1/26/2024
Archive Date:	2/2/2024
Events/Deadlines:	



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

Phone: (907) 465-2893
dor.trs.ambba@alaska.gov

AGENDA FOR BOARD OF DIRECTOR'S MEETING

Meeting Place:

Department of Revenue, Conf. Room,
333 Willoughby Ave., 11th Floor,
Juneau, AK 99801

Telephonic Access:

(907) 202-7104

With passcode 387 404 117#

February 1, 2024, at 1:00 pm Alaska Time

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Approval of Agenda**
- V. Minutes of the November 6, 2023, Meeting of the Board of Directors**
- VI. General Business**
 - A. Executive Session to discuss with legal counsel the AMBBA Series 2015-2B Bonds in accordance with AS 44.62.310(c)(1),(3)**
- VII. Public Comments**
- VIII. Board Comments**
- IX. Adjournment**



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

MINUTES of the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

November 6, 2023

I. CALL TO ORDER

Luke Welles called the meeting to order on November 6, 2023, at 9:32 a.m. Alaska Time. Members participated at the State of Alaska, Department of Revenue, Small Conference Room, 333 Willoughby Ave, Floor 11, Juneau, AK 99801, and telephonically at 1-907-202-7104, with passcode 507 624 615#.

II. ROLL CALL

Luke Welles
Bruce Tangeman
Fadil Limani
Micaela Fowler
Ken Koelsch – Absent*

**Ken Koelsch had a planned absence for this meeting, there was a quorum*

OTHERS IN ATTENDANCE:

- Ryan Williams, Executive Director, Alaska Municipal Bond Bank Authority
- Les Krusen, Bond Counsel to AMBBA, Orrick, Herrington & Sutcliffe LLP
- Fred Eoff, Financial Advisor to AMBBA, PFM
- Matt Schoenfeld, Financial Advisor to AMBBA, PFM
- Katie O'Toole, Financial Advisor to AMBBA, PFM
- Brad Ryan, Borough Manager – Muni of Skagway
- Heather Rodig, Borough Treasurer – Muni of Skagway
- Emily Deach, Deputy Borough Manager – Muni of Skagway
- Tom Yang, Managing Director, RBC Capital Markets

- Corey Marty, Vice President, RBC Capital Markets

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 October 27, 2023, on the Alaska Online Public Notice website for the November 6, 2023, meeting date.

IV. APPROVAL OF AGENDA

The agenda was reviewed by the board. Mr. Welles noted that between General Business items “A” and “B,” we would have a brief market update from the underwriting desk of RBC Capital Markets. Mr. Welles asked if there were any comments. There were no comments and no objections to the agenda as written was unanimously approved with a plan to have a brief market update between General Business items A/B.

V. Minutes of the August 16, 2023, Meeting of the Board of Directors

The August 16, 2023, minutes of the AMBBA Board of Director’s meeting were reviewed by the board. Mr. Limani moved approval of the August 16, 2023, Meeting Minutes and was seconded by Ms. Fowler. Mr. Welles asked if there were any comments. There were no comments and no objections. Mr. Williams conducted a roll call vote, and there were four ‘yes’ votes. The August 16, 2023, minutes were approved unanimously by present board members.

VI. GENERAL BUSINESS

AMBBA Review of Prior Authorization and Fiscal Updates for the Municipality of Skagway Borough (“Skagway”) – Port Revenue Discussion

Mr. Eoff introduced the discussion by stating that the Bond Bank Board had previously approved the Skagway Loan, with an authorization of not to exceed \$65 million in par for their port revenue bond for port redevelopment in Skagway. Skagway chose to issue the port related authorization in two parts, the first was a part of the 2023 Series One and Two issuance (2023 Series Two), with this second piece marking the completion of the remaining authorization, with approximately \$35,120,000 remaining. Mr. Eoff presented an update to activity since early 2023. Mr. Eoff reviewed the mixed-use port project consisting 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. Mr. Eoff mentioned the projected addition to the local level debt service reserve of approximately \$2.4 million depending on final pricing, and there is expectation that of this amount, a portion will be funded with bond proceeds, and a portion will be funded with cash from Skagway. Mr. Eoff mentioned a total of approximately \$6.4 million of interruptible revenue that is subject to appropriation from the State to Skagway, associated with that state intercept component.

Mr. Eoff reviewed projected revenues for fiscal year 2023 and 2024 of approximately \$7.7 million and \$14.5 million, respectively. It was noted that the 2023 value represents 2023 year to date data from 1/1/2023 through 10/26/2023, and 2024 includes a projection for full year port related revenue. The projected increase in 2024 is due to anticipated increases in cruise passenger traffic and the assembly has also increased the fees for public and private dockage. Mr. Eoff mentioned a projected coverage ratio of 2.34x for 2024 net own-source debt service coverage. Mr. Eoff noted that Skagway provided their revised projections attached as Exhibit B to the updated fiscal analysis. Mr. Eoff noted that PFM is comfortable with the issuance of the remaining authorization for Skagway. Mr. Limani made a statement regarding the positive transition from the operating lease to taking over the port. Mr. Welles asked for any additional questions or comments. Mr. Ryan, Borough Manager for Skagway, reiterated the increased activity this year at the port, and the increase to vessel impact fees providing for a portion of increases to revenue seen on the update in the current year and over the projection period. There was no additional discussion.

RBC Capital Markets – Market Update from Senior Underwriter, NYC Desk

Mr. Officer, Senior Underwriter (NYC Desk), gave a macro-overview on the muni and treasury markets. Mr. Officer mentioned that there has been no shortage of interest rate volatility due to general inflation expectations and approach by the Federal Reserve to keep inflation under control. Additionally, there has been increased volatility due to geopolitical concerns. There is some expectation from the prior Fed meeting that there may not be rate increases for the remainder of the year and potentially into first quarter 2024. Mr. Officer

reviewed municipal market supply, with year over year totals close to unchanged, with the 2024 supply slightly catching up over the last few months. Mr. Officer mentioned that in general, the spread from AMT paper to non-AMT paper is in and around 40 basis points in the 15–30-year part of the curve. The spread can be slightly wider 15 years and in.

AMBBA Resolution No. 2023-01 – Authorizing issuance of AMBBA GO Bonds, the 2023 Series Three

Mr. Welles asked for a motion to place Resolution 2023-01 on the floor for discussion. Mr. Tangeman moved AMBBA Resolution 2023-01 to the floor for discussion, and Mr. Limani seconded the motion. Mr. Williams conducted a roll call vote, and there were four ‘yes’ votes. Resolution 2023-01 of the Bond Bank was successfully placed on the floor for presentation and discussion. Mr. Krusen, Orrick, introduced Resolution 2023-01, a series resolution authorizing the issuance of general obligation bonds, the 2023 Series Three of the AMBBA. Resolution No. 2023-01 authorizes an aggregate principal amount of not to exceed \$35.12 million for the 2023 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 one series, subject to the Alternative Minimum Tax (“AMT”). Resolution 2023-01 authorizes the transaction to be sold through negotiated sale, and true interest cost shall not exceed 6.50%. The Resolution 2023-01 authorizes the loan of proceeds to the local governments listed in Section 301 (Skagway). The authority granted to the Chairman and Executive Director to sign a bond purchase agreement shall expire 120 days after adoption of this Resolution 2023-01 of the Bond Bank.

There was no additional discussion. Mr. Welles asked for a motion for adoption of Resolution 2023-01 by the Bond Bank Board. Mr. Limani moved to approve Resolution 2023-01 of the Bond Bank and approval was seconded by Mr. Tangeman. Mr. Williams took a roll call vote with board members, and there were four “yes” votes and no objections. AMBBA’s Resolution 2023-01 was approved unanimously by present board members.

Review of Fiscal Year 2023 Independently Audited Financial Statements of the Alaska Municipal Bond Bank Authority

Mr. Williams noted that the fiscal year 2023 audit was completed on time for the statutory deadline of September 30, 2023. Mr. Williams commented that due to the heightened level of general interest rates in the market, unrealized losses on securities held in the reserve and custodian account remain, and net position decreased by approximately \$475,000. The decrease in net position as of June 30, 2023, was lower than the decrease experienced over the 2021-2022 period. Mr. Williams reviewed other summaries contained in the MD&A, including credit ratings, including the engagement by Kroll subsequent to the end of the fiscal year, and other optional redemption activity. Mr. Welles reviewed page 34 of the audited financial statements for FY23, which contains a general summary of Borrower Concentration within the supplemental schedules, showing outstanding par by borrower, depicting a sense of current holdings and overall municipal support and diversity. There were no additional comments and no objections to the completed FY23 audited financial statements of the AMBBA.

Executive Director's Report

Mr. Williams provided the following updates on items not covered in the November 6, 2023, Agenda:

Mr. Williams mentioned that an application was received today for the City of Whittier, and he has forwarded along to PFM and Orrick for additional review. Mr. Williams has been in discussions with Kenai Peninsula Borough and the City of Soldotna regarding their remaining authorization for GO projects from the December 2022 meeting, where their application and authorization was originally approved.

The quarterly ethics report as of 9/30/23 was filed with the Department of Law without any findings.

The AMBBA FY23 Audited Financial Statements were filed through EMMA / MSRB, meeting the disclosure requirement. The required documentation to complete our annual report and reserve certifications as of 6/30/23 are due for disclosure postings by or on 1/26/24 (210 days after the last day of fiscal year).

The State of Alaska Budget is anticipated to be released on December 15, 2023. Mr. Williams will communicate any updates to the Board on Bond Bank program operations and annual appropriations at the next meeting.

The Trustee contract has been extended through the end of October 2024 per the original terms of the RFP. From a discussion with procurement, if extended at the same dollar amount, there is possibility of two additional one-year extensions to October 2025 and October 2026, respectively, in which time we would need to conduct an RFP for Trustee services, unless otherwise providing a reason for necessity of not providing an RFP and approval subsequently occurs. Mr. Welles asked Mr. Williams for an update on filling his prior position, and if there is room in the budget to incorporate assistance in case this process does come to fruition since there is potential for administrative costs for services resulting from a Trustee shift due and the potential RFP process. Mr. Williams noted that a new PCN number at the State Treasury level was created, and that he would have discussions internally on assistance, and the potential impact in Bond Bank operations.

Portfolio Market Values and Performance:

Mr. Williams reviewed a snapshot of the Bond Bank's performance and asset values as of September 30, 2023, for the 2005 and 2016 Reserves, as well as the Bond Bank's Custodian Account.

Mr. Williams reviewed the most recent Parity Reserve Fund Valuation on the 2005 Resolution Reserve (6/30/23): \$41.8 million. With \$18 million in surety coverage, total reserve fund valuation was \$59.8 million.

There was no additional discussion. Mr. Welles asked for a motion for adoption of the Executive Director's Report by the Bond Bank Board. Mr. Limani moved to approve the Executive Director's Report and approval was seconded by Mr. Tangeman. Mr. Williams took a roll call vote with board members, and there were four "yes" votes and no objections. The Executive Director's Report was approved unanimously by present board members.

VII. PUBLIC COMMENTS

There were none.

VIII. BOARD COMMENTS

There were none.

IX. ADJOURNMENT

Mr. Welles adjourned the meeting without objection at 10:14 a.m. Alaska Time.

Luke Welles, Chairperson