

**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 158 436 213#**

February 27, 2024

10:00 am Alaska Time





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:

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

Telephonic Access:

(907) 202-7104

With passcode 158 436 213#

February 27, 2024, at 10:00 am Alaska Time

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Approval of Agenda**
- V. Minutes of the February 1, 2024, Meeting of the Board of Directors**
- VI. General Business**
 - A. Loan Application and Credit Review - City of Whittier Harbor Revenue Bonds**
 - B. Post-Sale Summary for the AMBBA 2023 Series Three**
 - C. Executive Session to discuss with legal counsel the AMBBA Series 2015-2B Bonds in accordance with AS 44.62.310(c)(1),(3)**
 - D. Executive Director's Report**
- VII. Public Comments**
- VIII. Board Comments**
- IX. Adjournment**

STATUS: Active

NOTICE OF PUBLIC MEETING - AMBBA Board of Director's Meeting 2/27/2024

Meeting Place: Telephonically, and Department of Revenue, Sm. Conf. Room, 333 Willoughby Ave., Floor 11, Juneau, Alaska 99801; For telephonic participation: (907) 202-7104, With pass code 158 436 213#; February 27, 2024, at 10:00 am 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:

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Attachments, History, Details

Attachments

[AMBBA Agenda 2-27-2024 Final.pdf](#)

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Events/Deadlines:



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MINUTES of the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

February 1, 2024

I. CALL TO ORDER

Luke Welles called the meeting to order on February 1, 2024, at 1:01 p.m. Alaska Time. Members participated at the State of Alaska, Department of Revenue, Large Conference Room, 333 Willoughby Ave, Floor 11, Juneau, AK 99801, and telephonically at 1-907-202-7104, with passcode 387 404 117#.

II. ROLL CALL

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

**Micaela Fowler 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
- John Stanley, Bond Counsel to AMBBA, Orrick, Herrington & Sutcliffe LLP
- Greg Blonde, Bond Counsel to AMBBA, Orrick, Herrington & Sutcliffe LLP
- William Milks, Chief AAG, Public Corps., Dept. of Law

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 January 26, 2024, on the Alaska Online Public Notice website to meet the requirements for the February 1, 2024, 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 to the agenda as written. The agenda was approved unanimously by board members.

V. Minutes of the November 6, 2023, Meeting of the Board of Directors

The November 6, 2023, minutes of the AMBBA Board of Director's meeting were reviewed by the board. Mr. Tangeman moved approval of the November 6, 2023, Meeting Minutes and Mr. Limani seconded. Mr. Welles asked if there were any comments. Mr. Koelsch noted that he was not in attendance at the prior meeting so would decline to participate in the roll call vote. There were no additional comments and no objections. Mr. Williams conducted a roll call vote, and there were three 'yes' votes, and the November 6, 2023, minutes were approved by the board.

VI. GENERAL BUSINESS

Executive Session to discuss with legal counsel the AMBBA Series 2015-2B Bonds in accordance with AS 44.62.310(c)(1), (3)

Mr. Welles stated: In accordance with the Open Meetings Act, I move that the Board of Directors of the Authority convene in executive session for the purpose of discussing the Series 2015-B Bonds and receiving legal advice from our counsel on the same issue. This motion is made pursuant to Alaska Statute 44.62.310(c)(1) and (3) as the matter to be discussed involves attorney-client privileged communications that are confidential by law and matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Authority. Mr. Koelsch moved approval of convening in executive session for the purposes Mr. Welles had stated, and Mr. Limani seconded. Mr. Williams conducted a roll call vote, and there were four 'yes'

votes, giving unanimous approval by present board members to convene in executive session.

The Bond Bank convened in executive session.

Upon coming out of executive session, Mr. Welles stated that during the executive session, the Board of Directors of the Authority only discussed the items identified in the Motion to move into executive session. The Authority did not take any action while in executive session other than to provide direction to our legal counsel.

VII. PUBLIC COMMENTS

There were none.

VIII. BOARD COMMENTS

Mr. Tangeman commended Mr. Welles for the op-ed piece he had submitted, and was published, a few weeks prior to the board meeting.

IX. ADJOURNMENT

Mr. Welles adjourned the meeting without objection at 2:21 p.m. Alaska Time.

Luke Welles, Chairperson

Alaska Municipal Bond Bank Application Credit Review Summary Page

Applicant:	City of Whittier ("Whittier" or "the City")
Loan Amount:	\$4,500,000
Project Type:	Small boat harbor improvements
Project Description:	Whittier will be completing Phase III of the Harbor Replacement Project, which will replace one-third of the entire Small Boat Harbor, including replacement of three of the eight floats as well as nearly all of the pilings. The previous phase was completed in 2017.
Term of Loan:	25 years
Revenues Pledged to Loan:	Harbor Enterprise Fund revenues & Commercial Passenger Vessel Excise Tax
Most recent FY (2023) Net Pledged Revenues (includes CPV):	\$799,908
FY 2024 Budgeted Net Pledged Revenues (includes CPV):	\$1,731,976
Estimated Maximum Annual Debt Service ("MADS") (2024 Series One Loan):	\$347,944
2024 Estimated Annual Debt Service (existing Harbor revenue debt and 2024 Series One Loan MADS estimate):	\$504,769
Projected FY 2024 Pledged Debt Service Coverage Ratio (includes CPV): ¹	3.43x
Total Revenue Subject to Intercept:	\$951,840
Estimated MADS (all prior Bond Bank loans plus proposed 2024 Series One loan):	\$504,769
Debt Service Coverage of AMBBA DS from Total Revenue Subject to Intercept:	1.86x
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	Yes

¹ Coverage calculation assumes 2024 Budgeted Pledged Revenue figure.

Loan Application Evaluation

City of Whittier

Introduction

The City of Whittier ("Whittier" or the "City") has applied to the Alaska Municipal Bond Bank Authority (the "Bond Bank") for a Harbor Revenue Bond Loan totaling \$4,500,000. Whittier will use its loan to finance improvements to the City's Small Boat Harbor facilities. We have completed our review of this application and following is our overview of this project and the security provisions associated with the loan. In 2017, Whittier received an authorization to borrow \$6,500,000 from the Bond Bank, for which they issued \$2,000,000 as part of the Bond Bank's 2017 Series Two. The \$4,500,000 current request is to complete the project based on the original authorization.

The Project

Proceeds of the requested loan will be applied to Phase III of its Small Boat Harbor Replacement Project. Phase III will replace one-third of the entire Small Boat Harbor in Whittier and is critical to the economic viability of Whittier. Phase I of the harbor replacement was completed in 2017, and Phase II was completed in 2017. The Small Boat Harbor houses the City's entire fishing fleet and most of the community's commercial tour boats and recreational boats which drive most economic activity in the community

Phase I and II

The Harbor was transferred by the State of Alaska to the City of Whittier on August 2, 2004, along with \$2.4 million to make necessary improvements. Since that time, harbor infrastructure upgrades have been atop the City's legislative priority list and significant investments and improvements exceeding \$12 million have been completed. Major harbor renovations began in 2008 with the removal of outdated launch ramps and construction of a new \$5 million three-lane launch ramp and mooring dock. In 2010 and 2011, sheet pile was installed over half the harbor front, including new docks along the length of the new sheet pile and relocation of the Harbormaster building at a total cost of \$4.6 million. The City conducted a \$2 million major replacement of a section of harbor floats. In 2017, the City was awarded a grant for \$500,000 and authorized bond financing up to \$6.5 million to fund replacement of harbor floats and pilings, with \$2.0 million in bonds issued to replace a number of floats in the harbor.

Phase III

Phase III intends to replace three of the eight floats in the Small Boat Harbor, as well as nearly all pilings in the harbor, representing the worst of the remaining float system infrastructure inherited from the transfer of the harbor from the State. Without this Harbor float and piling replacement project, Whittier will be forced to take nearly one-third of its floats out of service to ensure safety and accessibility. This would eliminate 132 out of 413 total slips ranging in size from 24' to 28' on two floats, and larger commercial fishing moorings on one float, and would have a

devastating impact on the largest driver in Whittier's economy. Except for rail-related transport, nearly all jobs in Whittier are tied to economic activity derived from commercial harbor and marine activities.

The City was not successful in requesting state matching grant funds for the Phase III float replacement project until the most recent FY2024 grant cycle. This third phase of the harbor float/piling renovation project which will replace Floats A, G and H and replace all creosote pilings in the harbor, has an estimated cost of \$9,000,000. The City intends to utilize a combination of harbor charter fishing and tour boat passenger fees, State grant revenues, net harbor revenues, and bond financing to finance its share of this project. The City also has more than \$2 million in available cash that could be made available for the project, should costs come in higher than estimated.

Please see Appendix A for additional information about the City and the project. Appendix B includes a description of the City's Harbor Capital Improvement Plan, including the projects expected to be financed by the Bond Bank.

Harbor Operations and Fund

Whittier operates the Harbor as an enterprise of the City. Audited 2022 financials showed \$1,706,244 in operating revenue (including interest earnings) in the Harbor Enterprise Fund (a/k/a Small Boat Harbor Fund), against \$1,430,033 in expenses (net of depreciation and debt service). Current revenue is generally derived from usage fees and leases.

In addition to the historical revenue sources, the City expects to pledge its Passenger Fee (formerly known as the Passenger Transportation Business Tax). Council is expected to approve an Ordinance to increase the current passenger fee from \$6 to \$12 per trip for water-borne transportation for passengers on tour boats, fishing charters, water taxis and the like. This revenue source currently generates over \$350,000 annually; doubling the rate is expected to provide an additional \$350,000 pay Harbor related debt service. These Funds are currently deposited into the General Fund, but the City is working to allocate the deposits to the Harbor Fund so they can be added as pledged Revenue. The 2024 budget includes revenues generated from the expected increase to the passenger fee.

The Harbor Enterprise Fund also has access to additional funds, if necessary, to complete the Harbor Phase III Project and/or pay debt service. In addition to its own fund balance, the Harbor Fund can access reserves in the Harbor Major Repair & Replacement ("HMRR") Fund and the Commercial Passenger Vessel ("CPV") Fund. As of 12/31/2023, the Cash and Investment Balance available to the Harbor totals \$1,092,793, along with \$1,240,437 in the HMRR Fund and \$1,310,538 in the CPV Fund; and \$1,200,685 in the Harbor Enterprise Fund. Whittier's Harbor holds the City's only external debt, with a revenue bond issued for Phase II of this related Harbor Replacement Project. The bond was issued through AMBBA's General Obligation 2017 Series Two. Outstanding principal balance as of 12/31/2023 is \$1,580,000. Annual debt service averages \$152,899 and has a final maturity of 5/1/2037.

The Harbor Enterprise Fund maintains monthly expenses/transfers-out of approximately \$179,908; this includes principal and interest on debt, transfers-out to the General Fund for

payments-in-lieu-of-taxes and/or administrative fees and excluding non-cash depreciation. With a budgeted cash balance at the end of fiscal year 2024 of \$1,149,880 in the Harbor Enterprise Fund alone, there is sufficient cash on hand to cover 6.4 months' of operations, and if including cash from the Harbor HMRR which is available to the Harbor, there is a sufficient cash/investment balance on hand to fund 13 months of total expenses and transfers-out, including for harbor debt, without including the Debt Service Reserve which is specifically set aside for the 2017 Harbor Revenue Bond.

In addition to net revenues of the Harbor Enterprise, the CPV tax is also pledged for repayment of the Loan. CPV revenues are deposited into the CPV fund and transferred to the Harbor Enterprise fund as-needed to pay debt service. The City is opening its second cruise ship dock in April 2024, which it anticipates will increase annual CPV revenues by a minimum of \$200,000 per year, which is reflected in the 2024 budget.

As shown in the following table, budgeted, 2024 own-source net revenue debt service coverage is projected to be 1.45x, while total pledged revenue debt service coverage is projected to be 3.43x.

	2020 ²	2021 ³	2022 ⁴	2023 Unaudited ⁵	2024 Budget ⁶
Operating Revenues ⁷	\$1,418,211	\$1,407,696	\$1,706,244	\$1,550,236	\$2,069,798
Operating Expenses ⁸	1,024,537	1,324,981	1,430,033	1,416,005	1,337,822
Operating Income (own-source)	\$ 393,674	\$ 82,715	\$ 276,211	\$ 134,231	\$ 731,976
Gross CPV Revenues	\$ 958,385	\$1,250,015	\$958,431	\$665,677	\$1,000,000
Total Pledged Net Revenue	\$1,352,059	\$1,332,730	\$1,234,642	\$799,908	\$1,731,976
Existing Harbor Debt Service	\$157,275	\$153,775	\$155,150	\$156,275	\$156,775
2024 Series One Loan Debt Service (est.) (assumes MADS)	-	-	-	-	\$347,944
Total Debt Service	\$157,275	\$153,775	\$155,150	\$156,275	\$504,769
Net Own-Source Debt Service Coverage	2.50x	0.54x	1.78x	0.86x	1.45x
Total Net Debt Service Coverage	8.60x	8.67x	7.96x	5.12x	3.43x

² Source: Fiscal Year 2020 Audited Financial Statements. Represents a year of activity, from 1/1/20 to 12/31/20.

³ Source: Fiscal Year 2021 Audited Financial Statements. Represents a year of activity, from 1/1/21 to 12/31/21.

⁴ Source: Fiscal Year 2022 Audited Financial Statements. Represents a year of activity, from 1/1/22 to 12/31/22.

⁵ Source: City of Whittier.

⁶ Source: City of Whittier.

⁷ Includes Interest and Investment Gain (Loss).

⁸ Excludes Depreciation.

Security Pledge

Whittier will pledge all future Small Boat Harbor Enterprise Fund net revenues, including the City's share of CPV, for repayment of the Bond Bank loan. The Harbor Enterprise Fund net revenues are not currently pledged to any outstanding debt other than the Bond Bank's 2017 Series Two bonds. Whittier's additional bonds test requires 1.25x coverage. To meet the 1.25x additional bonds test, in addition to Harbor generated revenues, Whittier transfers in CPV revenues in an amount sufficient to meet future coverage. The City will also fund a local debt service reserve equal to the lesser of 10% of par, 125% of average annual debt service, or maximum annual debt service. We project the reserve requirement for the 2024 Series One Bonds to be approximately \$347,944, which the City anticipates funding with current cash reserves.

State Aid

In addition to the pledge of all Harbor Enterprise Fund revenues and fees net of operating expenses, the Bond Bank has the ability to intercept state-shared revenues that would otherwise flow to the City. This is an additional source of security for this loan. The table below summarizes the revenues subject to intercept, along with the maximum annual debt service on the City's bonds, including this proposed loan.

Shared Taxes and Fees	\$824,689
Reimbursement and Other Education Funding	-
Education Support Funding	-
Active Matching Grants	-
Community Jails	-
PILT Transfers	\$48,882
Revenue Sharing	\$78,269
Total Revenue Subject to Intercept	\$951,840
Other Fiscal Year 2024 Debt Service	\$156,775
Maximum Annual Debt Service on Proposed Loans (est)	\$347,994
Total Estimated Debt Service	\$510,525
<i>Debt Service Intercept Coverage</i>	<i>1.86x</i>

Future Capital Plans

The City currently has no specific plans to pursue bonding other than Revenue Bonds for this Harbor Replacement Project. The City may consider a public-private partnership to upgrade the access road at the Head of the Bay to service the new cruise ship terminal and its pending 150K to 200K passengers, currently being constructed by Huna-Totem Corporation. In the event this road project proceeds, the City would identify new revenues directly related to the tourism industry (i.e. ground-based transportation fees) rather than tap existing revenue sources or place additional tax burden on local taxpayers.

Statement of No Litigation

Whittier has provided a letter of no litigation in connection with their initial application which states in part that: There is no litigation pending or threatened in any court in any way: (1) affecting the corporate existence of the City...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 an interest on the bonds or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the bonds or of the loan agreement between the applicant and the Bond Bank, or contesting the power of the City with respect to the bonds; (2) There is no litigation against the City or involving any of the property or assets under control of the City... which would result in any material change in the revenues properties or assets, or in the condition, financial or otherwise, of the City.

Summary

Based on our assessment, the security offered by Whittier, as set forth in the City's loan application and supplemental materials, and projected revenue generated by the Harbor upon project competition, provides sufficient security to justify approval of the application. The security for this loan, which is primarily provided by a pledge of Whittier's Harbor enterprise revenues, is enhanced by the deposit of a debt service reserve fund with the Bond Bank trustee. This security is augmented by the State's ability to intercept state revenues that would otherwise flow to the City.

We recommend approval of this loan application. If any of the Board members have questions regarding our analysis prior to the board meeting, please feel free to call me at (206) 858-5370 or Matt Schoenfeld at (206) 858-5365.

For PFM Financial Advisors LLC

A handwritten signature in blue ink, appearing to read "F. Eoff", is written over the printed name.

Fred Eoff, Director

Appendix A – City of Whittier Community Economic and Demographic Information⁹

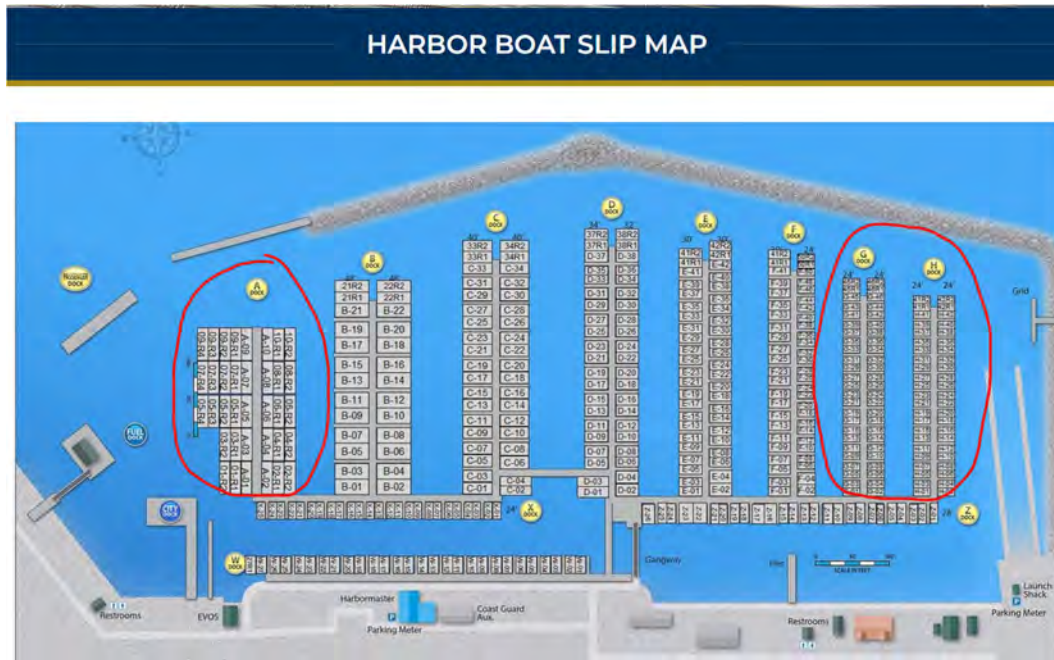
Whittier Weather Conditions and Safety

The Whittier harbor was first built in 1971 and renovated in the early 1980s, with a design/service life estimate of 25 years (i.e. until 2005). The harbor floats slated for replacement are now 17 years beyond their estimated service life. Most of the concrete floats are worn out, list unevenly, have little free board and have been damaged by winter ice from Passage Canal. Whittier has an average annual snowfall of 248 inches (20 ft) – the US average is 28 inches -- and annual rainfall of 154 inches (13 ft) – the US average is 38 inches. Indeed, the US military selected Whittier as a military port during World War II because of its extreme weather, including dense cloud and fog cover to protect the port from bombing. Winds are commonly 40-60 mph. These extreme weather conditions make for significant wear-and-tear on Whittier's harbor infrastructure but also create extremely dangerous winter conditions for harbor users, making it critically important that the City replace dangerous floats to improve safety and accessibility. Indeed, in the past two winters, the Whittier harbor saw two individuals and one dog blown off the floats during severe winter wind and ice events, literally making these upgrades critical to enhance life-safety. In addition, the City has experienced dangerous and costly electrical repairs resulting from wear-and-tear to wire utility sheathing, making improvements to electric system components critical to ensure compliance with electric codes and safety guidelines.

Floats to be Replaced

The project will remove A, G and H floats (shown in the Exhibit below) and will replace all the creosote pilings in the Small Boat Harbor with new steel pilings. Initial design concepts suggest that A Float will be replaced with a 10' x 228' concrete dock. F Float will be modified to remove twelve 24' finger floats and replace them with ten 28' finger floats. G Float will be removed and be replaced with a 272' concrete dock complete with nine 28' finger floats and eleven 24' finger floats. H Float will be replaced with a 258' concrete dock containing fifteen 24' finger floats. Galvanized iron cleats will be installed on float fingers, with treated bullrail on A Float. The project will result in the removal and disposal of 156 creosote and two steel pilings, to be replaced with 79 steel pilings. The removal of creosote pilings enhances environmental stewardship in the Harbor. Stainless steel utility pedestals with GFI protection will be installed on G Float (20 each; 30-amp service) and A Float (8 each, 30-50 amp), and light poles will be installed at the end of A, G and H Floats. Safety will be enhanced by the installation of six new fire hose cabinets, 18 fire extinguishers, and 22 fire extinguisher cabinets. A dry fire suppression system will be installed on A, G and H Floats to match fire systems previously installed in the previous two phases of harbor upgrades. Potable water spigots will be installed on A and G Floats, and water service could be installed if funding is sufficient.

⁹ Source: City of Whittier



Project Impact

Whittier's harbor is considered essential transportation infrastructure. It not only provides access to commercial fishing and recreational boats but provides Whittier and the nearby Prince William Sound communities of Tatitlek and Chenega, with access to basic goods and services, as well as to subsistence activities. Prior to 2000, access to Whittier was by boat or rail only since Whittier lacks an airport and did not have road access. Since the opening of the 2.5-mile Anton Anderson Tunnel, Whittier now offers road access and provides Alaska's largest population center, Anchorage, with the closest and most convenient access to thousands of miles of undeveloped shorelines and marine waters popular with recreational power boaters and sport anglers targeting salmon and halibut. Completion of the tunnel has resulted in a significant influx of visitors to Whittier, placing a strain on harbor and other infrastructure, necessitating upgrades to local infrastructure, and requiring a renewed focus on expanding economic opportunities for small businesses and local residents.

Whittier has 275 residents, with fewer than 175 living in town year-around. Whittier's harbor primarily serves businesses and individuals operating commercial activities out of Whittier but who are not residents of the community. More than half of the useable land in Whittier is owned by non-taxable entities such as the Alaska Railroad. Between its tiny population and significant un-taxed property, the community is challenged more than most small towns, to provide basic government services, and even more so, to invest in costly infrastructure primarily benefiting non-residents and non-taxable entities (ARRC, AMHS). Despite the fact that the bulk of harbor users (more than 95%) are non-residents, the Small Boat Harbor infrastructure is critical to the financial health of the community, and to tourism and fishing industries of southcentral Alaska.

Local Economy

The City has been focused on strengthening its financial capacity and is making excellent progress. In the past three years, new Major Repair and Replacement Funds have been established for each of the City's enterprise funds, for the first time ever. The most significant positive financial change has involved a focus on strengthening the financial health of the Harbor, where Council and management have been working to identify a specific revenue source that will allow for a long- sustainable source of funding necessary to ensure the timely replacement of Harbor-related major infrastructure and capital assets. The specific revenue source identified by the City to fund future Harbor Repair and Replacement costs is the Passenger Fee (formerly known as the Passenger Transportation Business Tax).

In addition to strengthening the financial health of the Harbor, the City's General Fund has experienced an increase in General Fund tax revenues of 58% since 2020 primarily related to new lease revenues from cruise operations, the increase in the Passenger Fee rate, and increased property tax revenues. The General Fund undesignated fund balance currently reflects approximately 8 months' of annual expenditures and transfers-out. As a general rule of thumb, cities typically consider themselves to be in good financial health when they maintain a fund balance equal to between 3 and 6 months of annual expenditures (excluding transfers-out). The City's General Fund is considered financially healthy.

The City is experiencing unprecedented economic expansion due to the construction of Huna-Totem Corporation's new cruise ship dock located on City leased lands. The dock will generate new revenues including, at a minimum, \$200,000 in annual lease revenues (increasing annually based on the CPI), \$500,000 in annual property taxes, and \$700,000 in additional Cruise Passenger Vessel Taxes from the cruise industry. This new lease is an 85-year lease, so provides significant future financial benefits to the City for decades to come. Given the City's General Fund budget totals approximately \$4.5 million, this single business operation -- not include any ancillary spin-off economic impacts to other local businesses -- will generate sufficient annual revenues to cover the equivalent of 33% of the City's General government operating costs.

In 2022, Holland America Princess (HAP) purchased the City's only existing cruise ship dock at the time, from Whittier Dock Enterprises. The City was able to negotiate a \$40,000 annual increase in lease revenues from this transaction, with lease revenues increasing every five years based on the CPI, capped at 2% increase per year, and with a term of 75 years. HAP is one of the strongest cruise industry anchor tenants, and their purchase of the cruise dock in Whittier demonstrates a long-term commitment that will strengthen the City's finances for many years. Whittier serves as the closest cruise port to the Ted Stevens International Airport for passengers embarking or disembarking to and from the airport, solidifying its future as a critical cruise industry partner. Because of the industry's cruise schedule, in order to travel between Vancouver and Whittier, there are only so many days allowed for stops, ensuring that Whittier will remain one of the five ports eligible for State cruise passenger vessel taxes. This particular dock currently generates more than \$950,000 in cruise ship tax revenues to the City annually. This source of funding is also legally authorized to be used for port and harbor infrastructure.

In addition to cruise ship activities, one of the community's main employers is Whittier Seafood, a seasonal fish processing plant. This employer has been in Whittier for approximately

seven years, having purchased the plant from the previous Great Pacific Seafood operator. Unfortunately, this employer began operating just before COVID and has been adversely impacted from banking sanctions involving the war in Ukraine. The owner is currently constructing a major value-add fish processing plant in Bellevue, Washington, their home base, where they intend to ship product from Whittier and turn it into packaged seafood. While the business model is encouraging, there are short-term political headwinds affecting the seafood industry in Alaska, and this employer may continue to be adversely affected.

In the next phase of Economic Development, Whittier will identify the highest and best use of approximately 58 acres of property the City recently purchased from the US Army at the Head of the Bay, in close proximity to the new cruise terminal. This property represents a prime opportunity to consider expansion options such as a new harbor, improved upland parking and boat launch facilities, and other related development options that could result in significant expansion of marine-related facilities. Whittier is unique in that 95% of its harbor users are not local residents, and being the closest harbor to Anchorage, with the most convenient access to the pristine Prince William Sound, there is high demand for increased and improved marine-related infrastructure and facilities in Whittier. The harbor waiting list demonstrates the significant demand for slips in the Whittier Harbor. As a result, and due to the recent increase in economic activity, Whittier is embarking on a Waterfront Development Plan to identify the highest and best use of this and other waterfront properties to promote and enhance Whittier's economy. As a related matter, the City has been awarded a Safe Transportation grant that will help develop a Transportation Safety Plan to assist Whittier in mitigating vehicle/pedestrian/rail transportation bottlenecks to improve public safety for travelers. The State of Alaska is also investing in a separate, but related, Transportation Study to assist Whittier in preparing for the significant increase in travelers to the community. Whittier is in the process of developing its first ever Tourism Best Management Practices program to address the pending impacts of explosive tourism growth to the community. These are exciting times for the community and the prospects for Whittier's financial future are strong. Indeed, the City's third-party property appraiser has identified that residential property values have risen three-fold in the past year alone, as a result of the increased demand related to tourism expansion.

Harbor Preliminary CY 2024 Budget

The City of Whittier operates on a Calendar Year basis. The City's 2024 Operating Budget was passed and approved on November 21, 2023 and the Capital Improvement Plan is expected to be passed by the end of March, 2024. The highlights of the 2024 Budget are as follows.

The City's budget includes both debt service principal and interest as line items in the operating budget. Principal includes \$80K in 2017 Harbor bond plus estimated \$90,217 in new bond. Debt Interest includes \$72,275 for 2017 Harbor bond plus estimated \$235,081 for new bond. While it is likely that the City will not incur a full years' debt service costs in 2024, the entire years' debt service costs have been budgeted.

Revenues plus Transfers-In (less amortization) total \$2,226,073. Expenses plus transfers-out (excluding depreciation) total \$2,158,895, and also excluding debt service costs, total \$1,337,822. The Harbor Fund shows two transfers-out: one to the General Fund reflecting administrative fees, and one to "Other Funds" which is entirely a transfer to the Harbor Major

Repair & Replacement Fund to accumulate funds for replacement of capital infrastructure and assets. Capital expenses (in excess of \$20,000) are budgeted in the Harbor Major Repair & Replacement (MRRF) Fund. In the original 2024 Operating Budget, the General Fund was to transfer all Passenger Fee revenues in excess of \$400K to the Harbor to pay the new 2024 Harbor debt service and remaining excess to the Harbor MRRF Fund. As a result of a budget adjustment expected to be approved by Council on February 20, 2024, the Passenger Fees will be directly apportioned to the Harbor and the Harbor MRRF Fund, bypassing the General Fund. This will clearly make those fees part of Harbor Gross Revenues pledged to repay bonded debt. The 2024 Budget results in debt service coverage of 1.86 times debt service.

Appendix B - Harbor Capital Improvement Plan¹⁰

CITY OF WHITTIER
HARBOR PROJECTS

1. Float (A/G/H), Piling Replacement	\$9.0 million	2024
2. HM Bldg Floor/Restroom Repairs	\$50,000	2024
3. Replace Walking Path Lighting	\$150,000	2025
4. Boardwalk lighting (front of HM bldg.)	\$150,000	2025
5. Kayak Launch Passenger Dock	\$50,000	2025
6. Grid Improvements	\$100,000	2025
7. Launch Ramp LED lighting	\$62,400	2025
8. Harbor Triangle Restroom Replace	\$416,000	2025
9. Smittys Cove Launch Ramp Repair	\$2 million	2025
10. Float Lighting Improvements	\$156,000	2025
11. Harbor Loop Restroom Replace	\$424,000	2026
12. Ocean Dock Modernize/Upgrade	\$600,000	2026
13. Improve Used Oil Collection	\$400,000	2026
14. HM Building Replacement	\$5,000,000	2027
15. Land Expansion pile/decking/utilities	\$8,000,000	2027
16. Mariners Memorial	\$100,000	2028
17. New Fish Cleaning Station	\$810,000	2030
Total:	<u>\$47,468,400</u>	

1: HARBOR – A/G/H Float and all Piling Replacement, plus on-dock storage building

The project will remove A, G and H floats and will replace all creosote pilings in the Small Boat Harbor with new steel pilings. Floats will be replaced and fingers on the floats will be reconfigured, if necessary. Project will also include stainless steel utility pedestals, fire hose cabinets, fire extinguishers and cabinets, a dry fire suppression system to match fire systems previously installed, plus potable water spigots. Includes disposal of floats from this project and from previous float replacement projects.

Without this Harbor float and piling replacement project, the City will consider whether it is necessary to invest in temporary but costly repairs necessary to ensure safety and accessibility, or to remove the floats from service (affects 132 out of a total 413 slips ranging in size from 24' to 28' on two floats, and larger commercial fishing vessels on another float).

Estimated Cost: ROM estimate is \$9 million

The City was awarded a State Municipal Harbor Matching Grant of \$4.5 million; City will match with \$4.5 million Harbor Revenue Bond backed by Gross Receipts, including new Passenger Fee increase of the former Passenger Transit Business Tax which will be split between General Fund and Harbor.

Status of the project: Request for Proposals are advertised with bids due February 22, 2024.



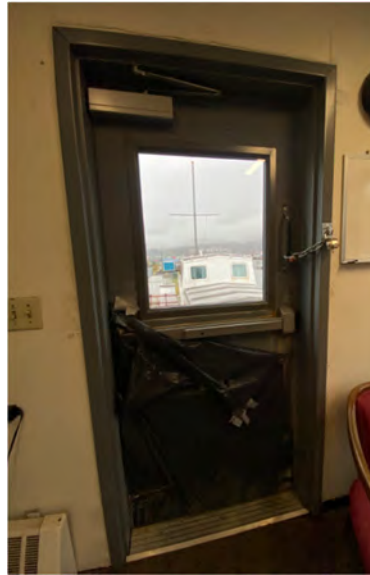
2: HARBOR – Harbormaster Building Floor and Restroom Repairs

Harbor office building doors were replaced in 2023; leaking doors caused some damage to restrooms located below the doors. Restrooms will be repaired and upgraded as needed as they are the only public restrooms available with showers and are highly utilized.

Estimated Cost: ROM estimate is \$50,000

Recommended Funding: Harbor/MRRF

Status of the project: Planning/Awaiting bid



3. HARBOR –Replace Wooden Harbor Walking Path and Associated Lighting

The current wooded boardwalk on the east harbor corridor is in poor condition due to rot. It does not meet current ADA requirements. This project would replace the current 250 ft wood boardwalk with a 4/5' wide asphalt walking path. The path would include expanded “bump-out” areas to facilitate picnic tables and or benches. Utilize current lighting infrastructure with new LED architectural light standards.

Estimated Cost: ROM estimate is \$150,000

Recommended Funding: CPV

Status of the project:

RFP Design/Build in development as a current project.



4. HARBOR – Boardwalk lighting upgrade; in front of Harbormaster office and to East

Estimated Cost: \$150,000 for the entire project (requires 20% VEEP Grant match requirement)

Recommended Funding: VEEP Grant (Village Energy Efficiency Program Grant)

Status of the project: Planning/Design (submitted but denied 2021) Will reapply in 2024

Boardwalk lighting is dated and utilizes sodium style lighting. This project would replace current sodium lighting with LED lighting. Annual energy cost savings estimated at \$15,000.



5: HARBOR – Kayak Launch at Passenger Dock

Investigate an appropriate floating kayak launch that can be located north of the Passenger Dock to avoid harbor vessel traffic. Ideally, kayakers will have multiple alternative locations in Whittier from which to launch kayaks; this would be only one possible location. Consider installing kayak storage racks if space is available in the Harbor, that will be available to rent, offering kayakers a convenience space to store kayaks since Whittier lacks available kayak storage options.

Estimated Cost: \$50,000

Recommended Funding: CPV

Status of the project: Planning phase. Request the Parks and Recreation Committee work to identify the preferred floating kayak launch configuration, including storage rack options, to allow project to move forward.



6: HARBOR – Grid Repairs

Grid is in good working order. This project would install electrical service, on-demand lighting, and water service.

Estimated Cost: ROM estimate is \$100,000

Recommended Funding: Harbor/MRRF

Status of the project: Planning



7. HARBOR –Launch Ramp LED Lighting Improvements

The City desires to balance the need for adequate lighting with a preference to minimize the impact of light pollution on nearby residences and improve energy efficiency. As lighting fixtures are identified for replacement, they will be replaced with low-impact LED lighting. Special attention will be given to ensure that lighting in the vicinity of the harbor launch ramp is adequate to ensure the ability of boaters to safely launch and retrieve boats in this especially dark area of the harbor. Some lighting was destroyed on the launch float in a vessel fire on that float in July 2022 and requires replacement.

Estimated Cost: ROM estimate is \$62,400

Recommended Funding: Harbor Fund

Status of the project: Planning



8: HARBOR – Harbor Triangle Restroom Replacement

Current Harbor corridor restrooms were constructed in the late 1990's and have reached their useful service life and no longer meet visitor capacity. This project would demolish and dispose of the current restroom, expand the footprint, and build a modern multi-stall restroom.

Estimated Cost: ROM estimate is \$416,000 Recommended Funding: Private/Public Partnership

Status of the project: Planning. The City has considered restroom facilities similar to those on the other side of the tunnel and at the Wildlife Conservation Center, as possible models for replacement.



9: HARBOR – Smitty's Cove Launch Ramp Replacement

The launch ramp was constructed in the late 1980's early 1990's. It is 250' in length and 26' wide. Primary use is for commercial landing craft servicing cargo, fuel, groceries, heating fuel, materials and supplies critical to reach the communities of Prince William Sound to include Tatitlek, Chenega and the various hatcheries located throughout the Sound. The ramp is also used by various crafts, kayakers and others recreating in Prince William Sound, as the Smitty's Cove parking lot is convenient to kayakers. The ramp has degraded to a dangerous point with large chunks of concrete missing and rebar exposed, making it hazardous to vehicles, vessels and individuals attempting to launch from this location. This ramp is in immediate need of replacement.

Estimated Cost: Awaiting bid for replacement. Short-term solution is to repair with concrete planks. Longer-term solution is complete replacement. Cost Estimate \$2.0 Million

Materials and supplies = \$1,000,000

Permits, demo, contractor installation = \$1,000,000

Recommended plan for funding: Grant

Status of the project: this project is in the planning stage.



10: HARBOR – Harbor Float Lighting Upgrades

The Whittier Harbor is located in an area that experiences high winds and severe winter weather, making adequate lighting a critical component of harbor safety. Extreme weather events and relatively narrow walkways make for dangerous walking conditions, especially in the winter. Existing light fixtures on some floats are seriously degraded and/or non-functional and require replacement as soon as possible. The City has committed to balancing the need for safe and appropriate lighting with goal to minimize light pollution on nearby residences, and to install energy efficient lighting solutions. The new Phase III float replacement project will involve installation of new lighting in approximately 1/3 of the harbor. The project identified in this particular CIP project, does not include the lighting fixtures which will be part of the A/G/H float replacement project.

Estimated Cost: ROM estimate is \$156,000

Recommended Funding: Harbor Fund

Status of the project: Planning

11: HARBOR – Harbor Loop (west end) Restroom Replacement

Current Harbor corridor restrooms were constructed in the late 1990's and have reached their useful service life and no longer meet visitor capacity. This project includes demolishing and disposing of the current restroom, expanding the footprint, and constructing a modern multi-stall restroom.

Estimated Cost: ROM estimate is \$424,000

Recommended Funding: Private/Public Partnership

Status of the project: Planning



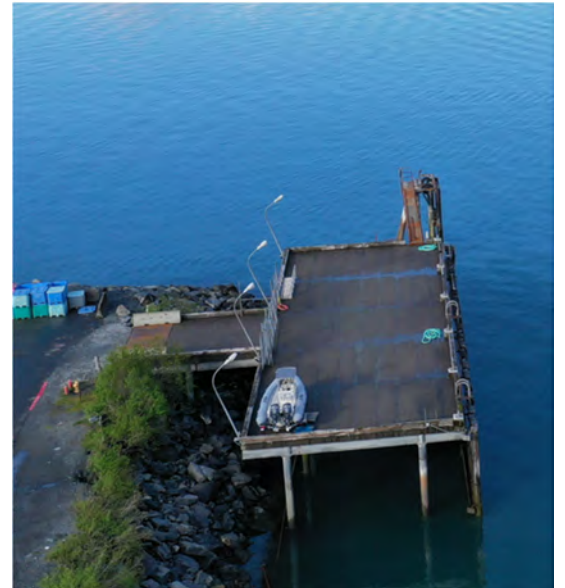
12: HARBOR – Ocean Dock Modernization, approach repair, addition of electric

Little is known about the Ocean Dock. We are awaiting an engineer report to evaluate load rating, produce “as-built” drawings, and a plan to fix the damaged concrete approach panel closest to the paved road. This project would repair the approach, install appropriate fresh water supply, install electricity, and repair lighting.

Estimated Cost: ROM estimate is \$600,000

Recommended Funding: Federal funding and Delong Dock MRRF

Status of the project: Planning and design.



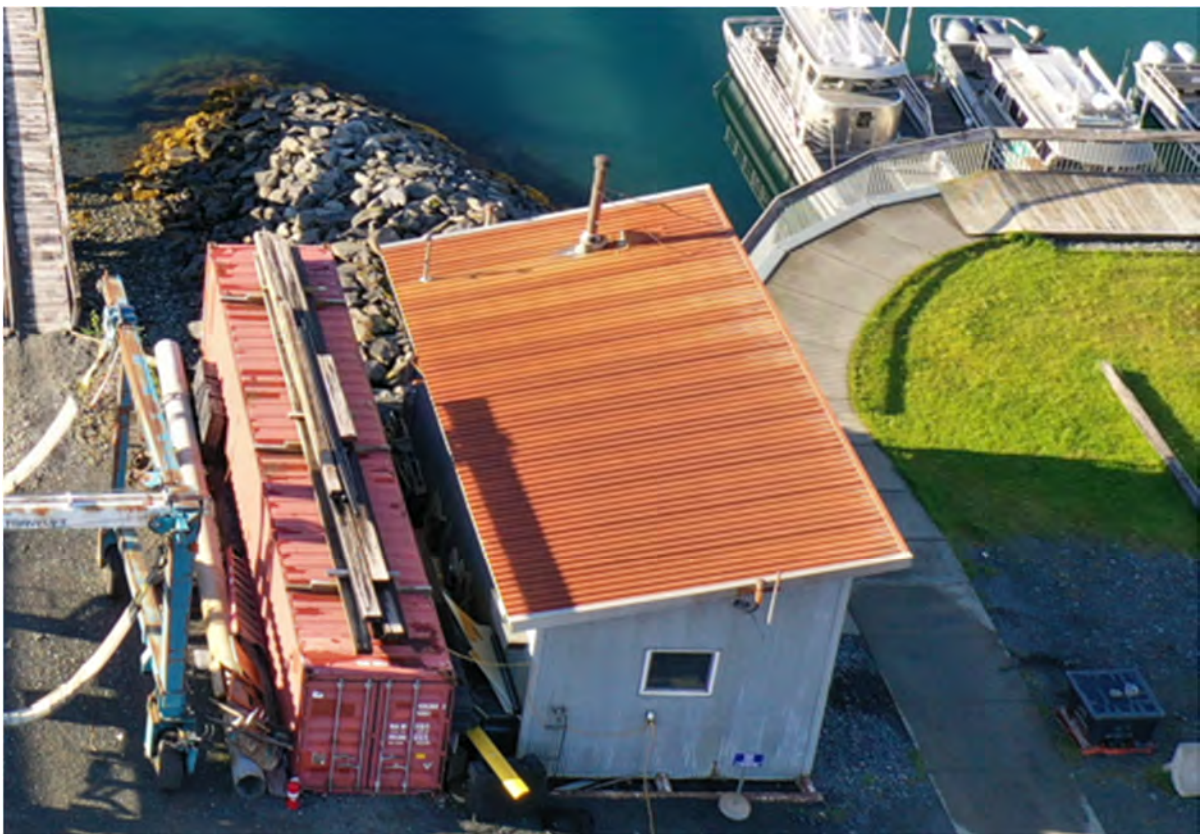
13: HARBOR – EVOS Used Oil Collection & Recycling Modernization

EVOS building was constructed in the early 1990's and many of the components need replacement. Waste oil burner is non-operational which requires contractor removing waste oil when we reach our current 1250-gallon storage capacity. Fire suppression system has not been maintained or tested since 2010. The doors to the building are in disrepair and will require a full replacement of the door frame/jam and doors or install a roll-up door. Replace incinerator. A more user-friendly oil collection system/tank needs to be designed to ensure proper collection, storage and filtration prior to waste oil burning.

Estimated Cost: ROM estimate is \$400,000

Recommended Funding: Grant/MRRF

Status of the project: Planning



14: HARBOR – Harbormaster Building Replacement

Age of current building is unknown. Siding was installed in 2016. The office building is not ADA compliant; the restrooms are. A significant amount of work needs to be completed to bring the building up to date and compliance. All exterior doors require replacement. The roof has several leaks during heavy rain events. The heating system is aged and requires upgrades to continue to operate properly. Workspace for operations is small with very limited storage and work surfaces. Restrooms require a full overhaul of to remain serviceable.

Estimated Cost: ROM estimate is \$5,000,000

Recommended Funding: State Grant

Status of the project: Planning



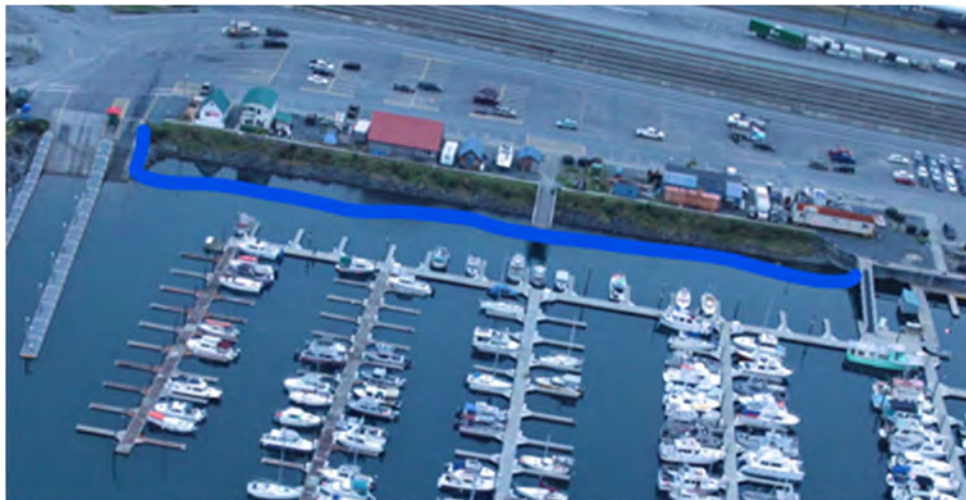
15: HARBOR – Extend Sea-walk/Boardwalk East to Launch Ramp, Create new Uplands with Pile/Decking

Given the lack of developable land in Whittier, and especially the disincentives for long-term development resulting from the Railroad Master Lease, consider expanding the amount of developable land in the harbor by utilizing the City's tidelands, create a buildable deck structure with pilings and decking, including installation of all necessary utilities. The area to be considered is represented by the blue line in the first photo below; the second photo reflects the continuation of the boardwalk that could result from construction of a new piling-supported dock structure on which businesses could be built and developed. Potential for up to ten new business opportunities in this area, and given ownership by the City, could allow for longer-term leases that could also support second story employee housing, helping to ease the seasonal housing burden in Whittier.

Estimated Cost: ROM estimate is \$8,000,000

Recommended Funding: CPV

Status of the project: Planning



16. HARBOR – Mariner's Memorial

The heart and soul of Whittier is found in the beauty and waters of Prince William Sound, home to seafarers and mariners, many of whom make their living and/or choose to spend their time recreating throughout the Sound. In recognition of the mariners who have lost their lives at sea, the community may consider constructing a mariner's memorial to honor those we have lost.

Estimated Cost: ROM estimate is \$100,000

Recommended Funding: Private fundraising

Status of the project: RFP Design/Build concept being developed.



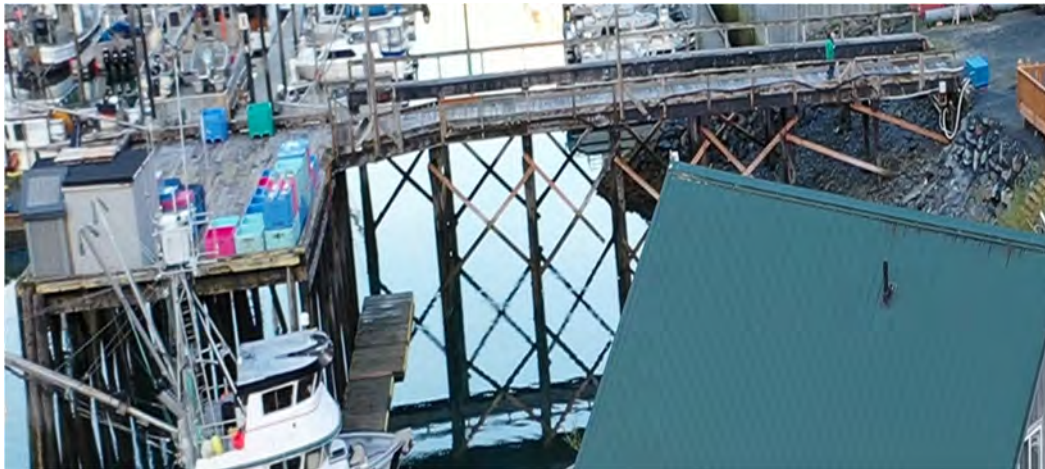
17: HARBOR – City Dock Replacement with drive-down dock

The City Dock is nearing the end of its useful life. This project is in the planning stage. Given the type of commercial use of this dock, consideration should be given to a drive-down dock with several cranes capable of facilitating loading and unloading of cargo and commercial gear. Such capacity would prove much more advantageous for Whittier's commercial fishing fleet, plus serve the tourism-related vessels that load kayaks, hunting and fishing gear, etc. Drive down floats are in use throughout Alaska. There are current engineering plans available thus reducing the overall engineering and design.

Estimated Cost: ROM estimate is \$20 million

Recommended Funding: Federal grant

Status of the project: Planning. City dock was evaluated in 2021 for its current capacity load bearing condition. The engineering report recommended not to exceed 16,000 lb load rating which disqualifies the use of the Travel-Lift. Replacement cost to meet the 30-ton load limit for travel lift operations would cost an estimated \$20,000,000.



18: HARBOR – New Fish Cleaning Station

The Whittier Harbor charter boat operators and area fishing enthusiasts would be better served by any enhancements, additions and upgrades that could be made to the Whittier's fish cleaning operations. As shown in the explanation below, Whittier's fish cleaning tables are more than 20 years old. The Harbor intends would be well served by providing upgraded fish cleaning stations to serve the is in need of a safe and efficient fish cleaning station to serve pleasure crafts and charter boat operators. A well designed and constructed fish cleaning station can ensure that fish carcasses are properly and safely disposed of, and in such a way as to minimize impacts to sea lions, shore birds, as well as to minimize pollution.

Estimated Cost: ROM estimate is \$810,000

Recommended Funding: ADF&G and/or CPV

Status of the project: Planning



Whittier's fish cleaning stations were installed in partnership with the Alaska Department of Fish & Game, Division of Sport Fish Access Program. Existing infrastructure is more than 21 years old and is inadequate to meet the growing needs of the Whittier boating community. The program was described when initially completed:

Description

In 1998, the Alaska Department of Fish and Game (ADF&G), Division of Sport Fish (DSF) Access Program provided the City of Whittier (City) with four fish cleaning tables that were installed on the mooring floats in the harbor. The tables were constructed to provide sport anglers facilities for cleaning their catch and to discourage the practice of cleaning fish directly on the harbor mooring floats. Unfortunately, the existing tables proved too small to accommodate halibut or other large species of fish and did not include carcass barges or other means for disposing of fish waste. Additionally, the tables were not plumbed resulting in messy tables that impeded those anglers wanting to use them. Sport anglers were seen cleaning fish on the harbor docks, loading ramps, banks and private vessels, resulting in a significant increase in the number of carcasses and fish waste deposited in and around the harbor area. Boat owners lodged complaints with the harbormaster concerning anglers cleaning fish on the docks alongside their vessels and on their vessels swim platforms. This project provided new fish cleaning and fish waste disposal facilities in Whittier Harbor in order to address current and growing angler needs.



Cleaning table & dock #1 - View 1



Cleaning table & dock #1 - View 2



Cleaning table & dock #2 - View 1



Cleaning table & dock #2 - View 1

Purpose

The objective of this project was to design, construct, and install three plumbed fish cleaning tables, two floating docks, and five carcass barges at key locations on the boat mooring docks in Whittier Harbor.

Outcome

The project was completed in May of 2002. Two of the tables were mounted on the new docks; the other one was mounted on an existing dock. The two additional barges were constructed to eliminate down time at the tables when the full barges were being emptied. The cleaning tables were used heavily during the first season of operation. The tables and barges not only provide sport anglers with the convenience of cleaning their catch in the harbor, but also have greatly improved fish waste disposal procedures resulting in a cleaner harbor. An additional benefit has been to streamline collection of data from groundfish carcasses by ADF&G technicians as needed for the ADF&G, DFS Halibut and Groundfish Harvest Assessment Program research project. This assessment program is a critical component in assessing and managing the fisheries in western Prince William Sound.



Application for Bonds

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

I. General Information			
A. Name of Governmental Unit (Applicant):			
City of Whittier			
B. Type of government (home rule, first class, authority, etc.):			
Second Class City			
C. Contact Person for the government:			
Name:		Title:	
Kristin Erchinger		Finance Director	
Address:		City:	State: Zip:
PO Box 660		Whittier	AK 99693
Phone:		Fax:	E-mail:
907.831.6683			finance@whittieralaska.gov
D. Applicant's Bond Counsel: Cynthia Cartledge, JDO Law			
Name:		Title:	
Cynthia Cartledge, JDO Law		Of Counsel	
Address:		City:	State: Zip:
111 West 16th Avenue, Suite 203		Anchorage	AK 99501
Phone:		Fax:	E-mail:
907.261.6676		907.563.7322	ccartledge@jdoalaw.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:

\$4,500,000

B. Total term of requested loan:

25 years

C. Preferred principal and interest payment months:

300 /interest

interest only

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

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

Yes:	No:	Percent of registered voters casting ballots:
		%

Does the municipality intend to pledge any specific assets or taxes in addition to property tax? Provide details of the additional security. Attached

CPV Revenues and Harbor Revenue Bonds - pledge Passenger Fee (formerly Passenger Transportation Business Tax)

E. Will you need interim financing?

NO

1. If applicable, provide interim financing information:

Amount:	Maturity:	Rate:	Lender:

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

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.

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:

6. What is the projected completion date?

Sep-25

G. Sources of uses of funds

Sources of Funds

Bonds (this application)	\$4,500,000
Federal Funds*	\$
State Funds*	\$4,500,000
Applicant's Funds	\$423,000
Other (specify)	\$
Total:	\$9,423,000

Uses of Funds

Construction	\$9,000,000
Engineering	\$
Contingency	\$
Cost of Issuance	\$100,000
Other - Bond reserve	\$323,000
Total:	\$9,423,000

*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 costs other than bond reserve, except \$4.5 million paid by State of Alaska grant.

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds.
☒ Attached (Harbor 2017 Bonds thru AMBBA)

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? ☐ Yes ☒ No
If yes, provide amount of financed, purpose and principal amount outstanding. \$

C. Are any of the above referenced issues supported by special assessments on benefited property, revenues, user fees or state reimbursement for school construction projects? ☐ Yes ☐ No N/A
If yes, please attach details. ☐ Attached

D. Has your government ever failed to meet its debt service coverage requirements or other covenants on general obligation, revenue, or special assessment bonds? ☐ Yes ☒ No
If yes, please attach an explanation. ☐ Attached

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

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

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

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

I. Are any of the community's major employers expected to make changes in work force or operations?
☒ Yes ☐ No
If yes, provide an explanations. ☐ Attached

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

Year	Population	Source

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

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

N. Provide your current year's budget. ☐ Attached

O. Provide your capital improvement plan. ☐ Attached

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

IV. Legal Information

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

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

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

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

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

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

Kristin Erchinger

Name (print)

Finance Director

Title



Signature

11/5/2023

Date of Application

Please return all applications to:

Ryan Williams

Alaska Municipal Bond Bank Authority

Department of Revenue

PO Box 110405

Juneau, AK 99811-0405

(907)465-2893 phone

ryan.williams@alaska.gov



\$35,120,000 General Obligation Bonds, 2023 Series Three (AMT)

February 10, 2024

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

Ryan:

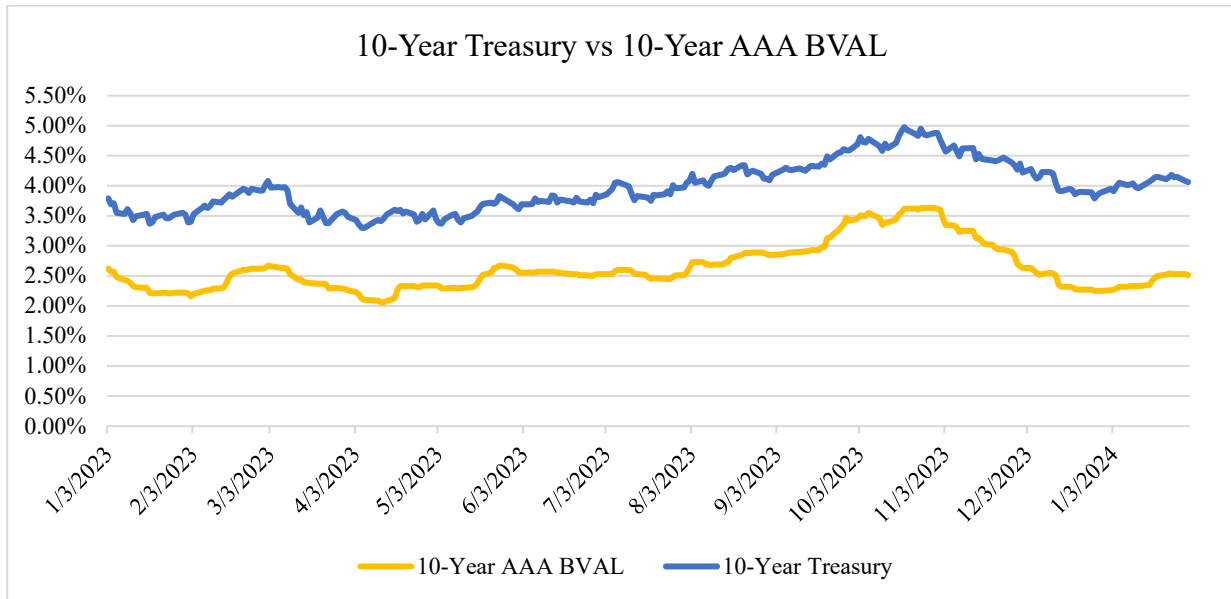
This memorandum is prepared in summary of the sale of the Alaska Municipal Bond Bank Authority's ("AMBBA") General Obligation Bonds, 2023 Series Three on November 30, 2023. Prior to the sale, Moody's Ratings and S&P Global Ratings affirmed their ratings at A1 (Stable) and A+ (Stable), respectively, and Kroll Bond Rating Agency assigned a new rating of AA- (Stable). The 2023 Series Three Bonds were sold by negotiated sale to RBC Capital Markets as Managing Underwriter (the "Underwriter").

The table below provides details of the TIC percentage and underwriter costs compared with prior AMBBA issues for historical comparison. The underwriter cost for this transaction is consistent with prior issues. The higher TIC reflects a slightly longer average life and a weaker market for AMT bonds in recent months. The increase in underwriting compensation reflects increased costs to the Underwriter's day-of-sale fees, as well as an increase to the proposed takedown to reflect the difficult market for AMT bonds.

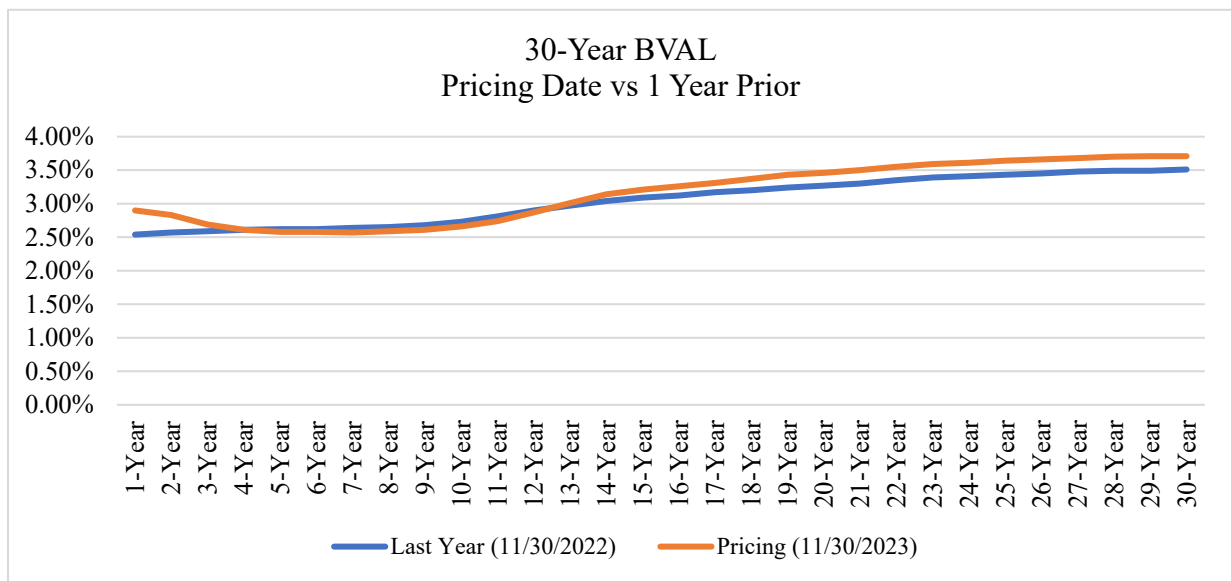
Issue	TIC	Average Life	Underwriter Cost (per \$1,000)
2023 Three (AMT)	4.780%	19.191	\$4.80
2023 Two (AMT)	4.563%	18.964	\$3.91
2023 One	3.681%	13.038	\$3.70
2022 Two	4.546%	17.296	\$6.04
2022 One	3.667%	14.210	\$4.49
2021 One	1.040%	4.306	\$3.30
2021 Two (Taxable)	2.516%	11.628	\$3.63
2021 Three (AMT)	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

AMBBA 2023 Series Three (AMT) General Obligation Bonds
Bond Pricing Memorandum

The graph immediately following highlights the interest rate trend for the calendar year leading up to and beyond the pricing on November 30, 2023, utilizing the 10-year U.S. Treasury security and the 10-year AAA BVAL yield for trend analysis.



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



AMBBA 2023 Series Three (AMT) General Obligation Bonds
Bond Pricing Memorandum

The tone of the municipal bond market was quiet in the week leading up to the November 30 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 Three Bonds are summarized in the following table.

Series Three Pricing Results – End of Order Period					
Maturity	Initial Yields	Final Yields	Par Amount	Total Orders	Unsold/(Oversold) Balances ¹
12/1/2024	3.91	3.91	505,000	\$505,000	0
12/1/2025	3.81	3.81	530,000	530,000	0
12/1/2026	3.71	3.71	560,000	560,000	0
12/1/2027	3.71	3.71	590,000	590,000	0
12/1/2028	3.70	3.70	620,000	620,000	0
12/1/2029	3.73	3.73	650,000	650,000	0
12/1/2030	3.76	3.76	685,000	685,000	0
12/1/2031	3.76				
12/1/2032	3.78				
12/1/2033	3.78	3.78T	2,270,000	0	2,270,000
12/1/2034	3.87				
12/1/2035	3.91	3.92T	1,715,000	0	1,715,000
12/1/2036	4.04	4.04	930,000	0	930,000
12/1/2037	4.13	4.16	975,000	0	975,000
12/1/2038	4.24	4.24	1,030,000	2,060,000	(1,030,000)
12/1/2039	4.29	4.29	1,085,000	2,170,000	(1,085,000)
12/1/2040	4.34	4.34	1,145,000	2,290,000	(1,145,000)
12/1/2041	4.40	4.40	1,205,000	2,410,000	(1,205,000)
12/1/2042	4.44	4.44	1,270,000	1,270,000	0
12/1/2043	4.49	4.49	1,340,000	1,340,000	0
12/1/2048	4.73T	4.73T	7,860,000	9,860,000	(2,000,000)
12/1/2053	4.92T	4.95T	10,155,000	5,000,000	5,155,000
			\$35,120,000	\$30,540,000	\$11,045,000

¹ Reflects unsold/(Oversold) balances at the end of the initial order period. Total of Unsold/(Oversold) Balances does not include negative balances reflecting over-subscriptions.

Series Three was modestly received by investors overall with a notable lack of interest in the serial maturities. This has been a perennial weak area for prior AMT issues as well since Alaska does not have a state income tax and individual investor interest in AMT bonds is limited, compounded by the odd-lot size of maturities.

There was one order for all bonds 2024 – 2030, but no orders 2031 – 2037. With larger amounts appealing more to institutional buyers, there was increased interest in the longer dated serial maturities. RBC suggested creating two mini-term bond maturities in 2033 and 2035 where they had institutional interest.

AMBBA 2023 Series Three (AMT) General Obligation Bonds
Bond Pricing Memorandum

Pricing was held constant on the 2033 term maturity and increased one bp on the 2035 term maturity. Pricing of all other maturities remained unchanged except for the 2053 term bond, which was undersubscribed, where the Underwriter suggested a 3 bp increase. RBC had additional investors lined-up for the unsold maturities given the structure changes and offered to underwrite the issue.

The following table summarizes the investor participation at the end of the order period for 2023 Series Three.

Account	% Of Total Orders
Mackay Shields Financial	48.89%
Nuveen Advisory Corp	14.62%
Bel Air Investment Advisory	13.57%
Manulife Financial	13.10%
Commerce Bank N.A.	6.55%
Edward D. Jones & Co.	3.27%

Overall, we believe the issue was a success given the AMT challenges mentioned above 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 excellent work.

The bond sale was closed on December 14, 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



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

TO: AMBBA Board Members

DATE: February 20, 2024

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 February 27, 2024, Agenda:

The quarterly ethics report as of 12/31/23 was filed with the Department of Law without any findings.

The AMBBA fiscal year 2023 Reserve Certifications to the Governor and Legislature, as well as the complete Annual Report, were filed through EMMA / MSRB on January 26, 2024, meeting the related disclosure requirements.

Portfolio Market Values and Performance:

Please find enclosed a summary snapshot of the Bond Bank's performance and asset values as of January 31, 2024, for the 2005 and 2016 Reserves, as well as the Bond Bank's Custodian Account. As of that date, the market values of the 2005 Reserve, 2016 Reserve, and Custodian, were approximately \$40.26 million, \$6.73 million, and \$13.57 million, respectively.

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.

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

Thank you,

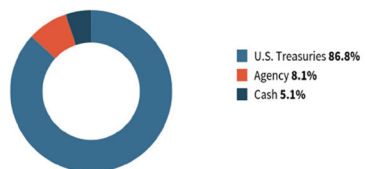
A handwritten signature in black ink, appearing to be "R. Williams".

Ryan Williams
Executive Director
Alaska Municipal Bond Bank Authority
Ryan.Williams@Alaska.gov
Phone: (907) 465-2893

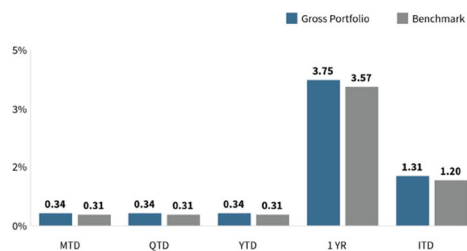
AMBBA GO 2005 SERIES RESERVE | JANUARY 2024

MARKET VALUE
\$40,262,797

Portfolio Composition



Investment Performance

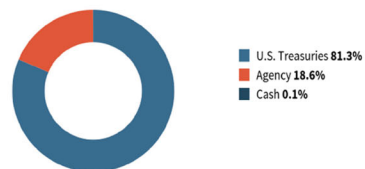


Performance is annualized for periods greater than one year. Inception to date performance begins June 01, 2011. Past performance is not indicative of future results.

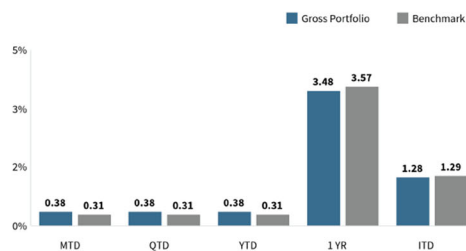
AMBBA GO 2016 RESERVE | JANUARY 2024

MARKET VALUE
\$6,729,576

Portfolio Composition



Investment Performance



Performance is annualized for periods greater than one year. Inception to date performance begins April 01, 2017. Past performance is not indicative of future results.

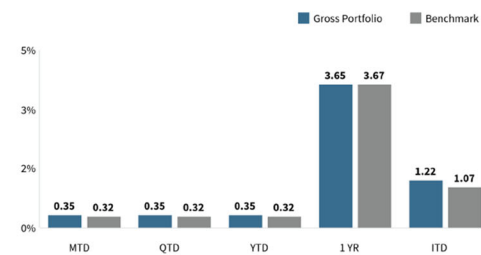
AMBBA CUSTODY | JANUARY 2024

MARKET VALUE
\$13,569,123

Portfolio Composition



Investment Performance



Performance is annualized for periods greater than one year. Inception to date performance begins June 01, 2011. Past performance is not indicative of future results.