

**MINUTES**  
**STATE BOND COMMITTEE**  
**November 18, 2011**

A meeting of the State Bond Committee was held at 10:33 a.m. on November 18, 2011 at the Department of Revenue, Commissioner's Conference Room, Juneau, Alaska.

State Bond Committee Members present in Juneau were:

Don Habeger, Director of Division of Corporations, Business and Professional  
Licensing, Department of Commerce, Community & Economic Development  
Angela Rodell, Deputy Commissioner, Department of Revenue  
Michael Barnhill, Deputy Commissioner, Department of Administration

Also present in Juneau were:

Deven Mitchell, Debt Manager, Department of Revenue  
Ryan Williams, Department of Revenue

Present telephonically were:

Kerry Salas, K & L Gates  
Cynthia Weed, K & L Gates  
Debbie Schnebel, Acacia Financial  
Cindy Cartledge, Wohlforth Brecht Cartledge & Brooking  
Laura Janke, RBC Capital Markets

**I. Call to Order**

Mr. Habeger called the meeting to order at 10:33 a.m. AST.

**II. Roll Call**

Mr. Mitchell took roll call. Ms. Rodell, Mr. Barnhill and Mr. Habeger were present.

**III. Public Meeting Notice**

A copy of the Advertising Order and Affidavit of Publication concerning the date, location, and purpose of the meeting were reviewed and made a part of the minutes of the meeting. Mr. Mitchell stated the meeting notice was advertised in the State's Online Public Notice.

**IV. Approval of Agenda**

Mr. Barnhill moved and Ms. Rodell seconded approval of the agenda. The motion was adopted without objection.

**V. Minutes of September 28, 2011**

Ms. Rodell moved and Mr. Barnhill seconded approval of the minutes. Mr. Habeger requested that a correction be made to the third page, second paragraph, sixth sentence to replace the first eight words of the sentence with "The Committee discussed". The amended minutes were approved without objection.

**VI. Public Comment**

Mr. Habeger asked for public participation and comment. There was none.

**VII. New Business**

***Resolution 2011-05***

Mr. Barnhill moved that Resolution 2011-05 be approved and Ms. Rodell seconded the motion. Mr. Mitchell explained that Resolution 2011-05 provides for the issuance of refunding bonds for the refinancing of the 2006 Sport Fish revenue bonds for economic advantage. The current market is anticipated to result in an issuance of \$29,225,000 of par amount, producing \$31,881,107.75 in proceeds and resulting in \$2,181,809.89 of present value savings. The resolution delegates authority to the debt manager to accept bids based on the defined parameters including a requirement that present value savings equal at least 4% of the outstanding principal on the refunded bonds. Ms. Weed explained additional legal aspects of Resolution 2011-05 and Ms. Schnebel discussed the refunding analysis. Following additional discussion State Bond Committee Resolution 2011-05 was approved unanimously.

***Resolution 2011-06***

Mr. Barnhill moved that Resolution 2011-06 be approved and Ms. Rodell seconded the motion. Mr. Mitchell explained that Resolution 2011-06 allocates the 2011 State of Alaska private activity bond volume limit and the qualified public education facilities private activity bond volume limit. In past years there has been fierce competition for private activity bond volume cap primarily between the Alaska Housing Finance Corporation (AHFC), the Alaska Industrial Development and Export Authority (AIDEA),

and the Alaska Student Loan Corporation (ASLC). In 2011 activity in each of these three areas has slowed considerably and there is basically no need for 2011 cap in 2011 from these three or any other known user in Alaska. The cap can be carried forward for three years, and as AHFC has historically been the largest user of the cap staff is recommending that the entire 2011 cap be allocated to AHFC. The qualified public education facilities private activity cap has never been used in Alaska, but has been historically allocated to AIDEA as it can also be carried forward for three years. This allows up to \$20 million to be available under this allocation. Resolution 2011-06 allocates the 2011 qualified public education facilities private activity cap to AIDEA. Following additional discussion State Bond Committee Resolution 2011-06 was approved without objection.

### **Debt Manager's Report**

#### *External contact –*

Mr. Mitchell reported that he has been contacted by a Mr. John Johns who is inquiring about the financing of the Goose Creek Correctional Facility.

#### *Alaska International Airports System -*

The letter of credit extension with State Street Bank was closed last week for the \$50 million variable rate series of the system.

#### *IRS Audit –*

The IRS has closed the audit of the 2003 A and B general obligation bonds of the State. There was no negative finding in the closure.

#### *Rating Agency Presentations –*

On December 13 and 14 the Department of Revenue Commissioner, Deputy Commissioner Angela Rodell, and myself will be meeting with the three rating agencies in New York City.

### **VIII. Committee Member Comments**

There were none.

### **IX. Schedule Next Meeting**

Mr. Mitchell indicated that the next meeting date is expected in January.

### **X. Adjournment**

The meeting was adjourned at 11:18 a.m.

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Susan Bell, Commissioner  
Department of Commerce and Economic Development  
Chairman

ATTEST:

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Bryan Butcher, Commissioner  
Department of Revenue  
Secretary