

**MINUTES**  
**STATE BOND COMMITTEE**  
**January 6, 2012**

A meeting of the State Bond Committee was held at 10:00 a.m. on January 6, 2012 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  
Dana Bunting, Goldman Sachs  
Paul Bloom, Goldman Sachs  
Brian Olin, Goldman Sachs

**I. Call to Order**

Mr. Habeger called the meeting to order at 10:06 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. Mitchell asked that the agenda be modified to add a new business item C. for consideration of a post issuance compliance policy. Ms. Rodell moved approval of the Agenda with the modification and Mr. Barnhill seconded. The motion was adopted without objection.

**V. Minutes of November 18, 2011**

Ms. Rodell moved and Mr. Barnhill seconded approval of the minutes. The minutes were approved without objection.

**VI. Public Comment**

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

**VII. New Business**

***Resolution 2012-01***

Mr. Mitchell described the documents contained in the committee members packets including Resolution 2012-01, a prospective numbers run with current market rates as of January 3, the first 10 pages of the Preliminary Official Statement, and the investor presentation that was provided to rating agency analysts in December. Mr. Mitchell noted that Standard & Poor's has upgraded the State of Alaska to AAA with this sale. He continued that the refunding is extremely viable with PV savings over 10% of refunded par and a proposed structure that back end loads savings at an estimated \$8.6 million per year from 2022 through 2024. Mr. Mitchell also provided the committee with a four page handout from Goldman Sachs. Mr. Mitchell asked Paul Bloom to provide the committee with an update on the market and then Cynthia Weed to explain the legal mechanics of the Resolution. Mr. Bloom explained the four pages of the handout from Goldman Sachs including that the market and economics of the transaction are strong at this time. He also noted that the tailoring of savings to the last three years of the loan is very conservative and will not go unnoticed by investors. Cynthia Weed then explained that Resolution 2012-01 establishes parameters and a delegation to the Debt Manager to provide for the refinancing of certain 2003A general obligation bonds of the State of Alaska. The aggregate principal amount is limited to \$205 million, which was discussed more thoroughly based on a question from Mr. Habeger, which means \$205 million in par amount of bonds being issued for purposes of accomplishing the refunding. Additional limitations are savings must be at least equal to 5% of the refunded bonds and the term of the bonds cannot be extended. Mr. Barnhill moved and Ms. Rodell seconded approval of Resolution 2012-01. The motion was carried without objection.

***Debt Manager's Report***

***Sportfish Revenue Bonds***

Mr. Mitchell provided the Board with a summary of the refinancing of the Sport Fish Revenue bonds sold on November 29, 2011. The refinancing achieved present value savings of \$2,747,819.27 or 8.54% of refunded bonds. The bonds were primarily sold by RBC Capital Markets with good participation from Guggenheim Securities followed by KeyBanc Capital Markets.

***Post Issuance Compliance Policy***

Mr. Mitchell explained that since it was discovered in November 2011 that the ongoing disclosure requirement of filing the State's Comprehensive Annual Financial Report within 210 days of the end of the fiscal year was not met for FY 2010 adoption of a post issuance compliance policy has been a goal. This week Cynthia Weed and Kerry Salas provided the draft policy that has been distributed to the Board. One of the questions that the IRS asks at the point of each bond issuance is if an issuer has approved a post issuance compliance policy and it is viewed as being favorable to have done so. The draft policy before the committee today is primarily actions that are already undertaken, but this formalization of those actions is needed. Mr. Mitchell stated that he anticipated the policy would be refined and back before the committee at a future meeting. Ms. Rodell moved approval of the Post Issuance Compliance Policy and Mr. Barnhill seconded. The motion was approved without objection.

**VIII. Committee Member Comments**

There were none.

**IX. Schedule Next Meeting**

Mr. Mitchell indicated that the next meeting date will be at the call of the Chair.

**X. Adjournment**

The meeting was adjourned at 10:54 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