

LEG. FINANCE - BILLS 1977-1978 963

SB 429 cont., CSSB 436

A Comparative Sample of Available Residential Loans  
And the Senate Proposed Alaska Loan Program  
In Rural Alaska

TERM: 30 year loan

SAMPLE: \$50,000 home

Lending Agency	Downpayment <sup>1</sup>	Interest	Monthly Pymts	Insurance <sup>2</sup>	Total Cost
Federal National Mortgage Association	\$ 5,000.	9.5%	\$ 378.39	\$ 30,000.00	\$ 171,220.40
State Veterans Loan Program	5,000	7.5%	314.65	30,000.00	148,274.00
Federal Housing Authority	1,500	8.5%	372.93	30,000.00	165,754.80
Alaska Housing Finance Corporation	5,000	7.75%	322.39	30,000.00	151,060.40
State Banks <sup>3</sup> (not available; pro forma only)	5,000	9.6%	381.69	30,000.00	172,408.40
Farmer's Home Administration	NONE	8.0%	366.89	30,000.00	162,080.40
Alaska Loan Program	2,500	7.0%	316.02	6,832.80	123,100.00
Veteran Incentive	2,500	6.0%	284.79	6,555.60	111,580.00

<sup>1</sup> All the programs have 10% down with the exception of Farmer's Home (none); FHA (3%); and the Alaska Loan Program (5% for most of rural Alaska).

<sup>2</sup> Insurance fees are computed at a 2% of value of the home over a 30 year period and is a low estimate. The Alaska Loan Program insurance fee is based on an optional .6% added to the 7% interest costs and covers the mortgage only.

<sup>3</sup> Interest quoted is taken from bank questionnaires received by the Senate Committee on the the Permanent Fund

A Comparative Sample of Available Home Improvement Loans  
And the Senate Proposed Alaska Loan Program

TERM: 15 years

SAMPLE: \$10,000 Home Improvement Loan

Lending Agency	Interest	Monthly Payments	Total Cost
Farmer's Home (Rural AK only)	8.0%	\$ 95.57	\$ 17,202.60
AK Housing Finance Corporation (Rural AK only)	9.5%	104.43	18,717.40
State Bank <sup>1</sup> (not readily available; pro forma only)	9.6%	105.04	18,907.20 (Rural)
	9.2%	102.63	18,473.40 (Urban)
Alaska Loan Program	7.0%	89.89	16,180.20
Veterans Incentive	6.0%	84.39	15,190.20

<sup>1</sup> Interest quoted is taken from bank questionnaire responses received by the Senate Committee on the Permanent Fund

A Comparative Sample of Available Business Loans  
And the Senate Proposed Alaska Loan Program

TERM: 15 years

SAMPLE: \$125,000 business loan  
(no equipment costs)

Lending Agency	Value Limitation	Interest	Monthly Payments	Total Cost	
Small Business Administration	90%	9.5%	\$ 1,305.30	\$ 234,954.00	
Bank (pro forma only)	75%	9.5%	1,305.30	234,954.00	URBAN
	75%	9.8%	1,306.50	235,170.00	RURAL
Small Business Loan Fund (State)	75%	8.0%	1,194.60	215,028.00	
State Veterans Loan Fund	75%	7.5%	1,158.80	208,584.00	
Alaska Loan Program	90%	7.0%	1,123.60	202,248.00	
Veterans Incentive	90%	6.0%	1,054.90	189,382.00	

The actual maximum loan amounts for each program listed as follows:

SBA guarantees	None given
Bank	Varies statewide
Small Business (state)	\$ 300,000
Alaska Loan Program	\$ 500,000 per individual \$ 5 million for group of 10 individuals per project

I L L U S T R A T I O N S

The following Illustrations have been prepared by the Senate Special Committee on the Permanent Fund and give examples of loans that could be made through the Alaska Loan Program and the Renewable Resources Division.

Loans Made in Conjunction with the Renewable Resources DivisionIllustration A

Bottom Fish Processing Plant

Illustration B

Fishing Boat

Attachment 1

Cumulative amounts in the Renewable Resources Development Fund

Commercial Loans Made through the Alaska Loan ProgramIllustration C

Retail Store and Housing Development Project

## RENEWABLE RESOURCES DIVISION

## Illustration A

*Home version?*

PROJECT: Bottom Fish Processing Plant

			<u>Alaska Loan Program</u>	<u>Equity</u>
Real Estate	\$ 3,000,000	90%	\$2,700,000	\$300,000
Equipment	2,000,000	80%	1,600,000	400,000
	<hr/>		<hr/>	<hr/>
	\$ 5,000,000		\$4,300,000	\$700,000

A 50% equity position by the Renewable Resources Development Fund = \$350,000

Interest Cost = 7% over the life of the loan.

Note: With section 284 of the Alaska Loan Program, included in the above cost are:

- 1) Interest during construction (12 - 18 months)
- 2) Interest, costs, and working capital for 30 months

Therefore, the project has not paid anything from earnings for 48 months.

## RENEWABLE RESOURCES DIVISION

## Illustration B

PROJECT: Fishing Boat

			Alaska Loan Program	Equity
Fishing vessel	\$ 150,000	90%	\$ 135,000	\$ 15,000
Equipment	30,000	80%	24,000	6,000
	<hr/>		<hr/>	<hr/>
	\$ 180,000		\$ 159,000	\$ 21,000

Division of Renewable Resources may:

- 1) supply an interest incentive
- 2) hold 50% equity position equal to \$ 10,500.

<u>YEAR END</u>	<u>YEARLY INCOME</u>	<u>CUMULATIVE AMOUNT RENEWABLE RESOURCES DEVELOPMENT FUND</u>	<u>PERMANENT FUND</u>	<u>COMBINED TOTAL</u>
1977	.7	.7	3.3	4.0
1978	10.3	11.0	54.8	65.8
1979	19.4	30.4	152.0	182.4
1980	29.5	59.9	299.6	359.5
1981	32.0	91.9	459.4	551.3
1982	34.5	126.4	632.1	758.5
1983	37.2	163.6	818.2	981.8
1984	48.9	212.5	1062.5	1275.0
1985	52.3	264.8	1323.8	1588.6
1986	55.8	320.6	1603.0	1923.6
1987	59.6	380.2	1901.2	2281.4
1988	56.3	436.5	2182.5	2619.0
1989	51.3	487.8	2438.7	2926.5
1990	52.9	540.7	2703.5	3244.2
1991	38.9	579.6	2898.0	3477.6
1992	29.9	609.5	3047.3	3656.8
1993	23.8	633.3	3166.5	3799.8
1994	22.9	656.2	3280.7	3936.9
1995	51.0	687.2	3436.2	4123.4
1996	32.3	719.5	3597.6	4317.1
1997	33.6	753.1	3765.6	4518.7
1998	24.4	777.5	3887.5	4665.0
1999	23.5	801.0	4004.8	4805.8
2000	22.1	832.1	4115.5	4938.6
2001	21.5	844.6	4222.7	5067.3
2002	22.1	866.7	4330.3	5197.0
2003	22.1	888.8	4444.2	5333.0
2004	23.8	912.6	4562.8	5475.4
2005	24.9	937.5	4687.2	5624.7

Prepared by the Senate Special Committee on the Permanent Fund  
Based on revenue projections from Milt Barker, Division of Legislative Finance

ALASKA LOAN PROGRAM  
COMMERCIAL LOANS

Illustration C

PROJECT: Retail Store

		<u>Alaska Loan Program</u>		<u>Equity</u>
Real Estate	\$ 400,000	90%	\$ 360,000	\$ 40,000
Equipment	100,000	80%	80,000	20,000
	<hr/>		<hr/>	<hr/>
	\$ 500,000		\$ 440,000	\$ 60,000

PROJECT: Housing Development \*

		<u>Alaska Loan Program</u>		<u>Equity</u>
Real Estate	\$5,000,000	90%	\$ 4,500,000	\$ 500,000

\* Project has participation of 10 individuals each assuming individual liability.

GRAPHS

The following Graphs A through D have been prepared by the Senate Special Committee on the Permanent Fund and are based on revenue projections prepared by Milt Barker, Division of Legislative Finance.

Graph A

Charts 30% Permanent Fund (includes the 5% for the renewable resources development fund) and the General Fund (minus the Native Claims).

Graph B

Same illustration as Graph A with a different set of assumptions.

Graph C

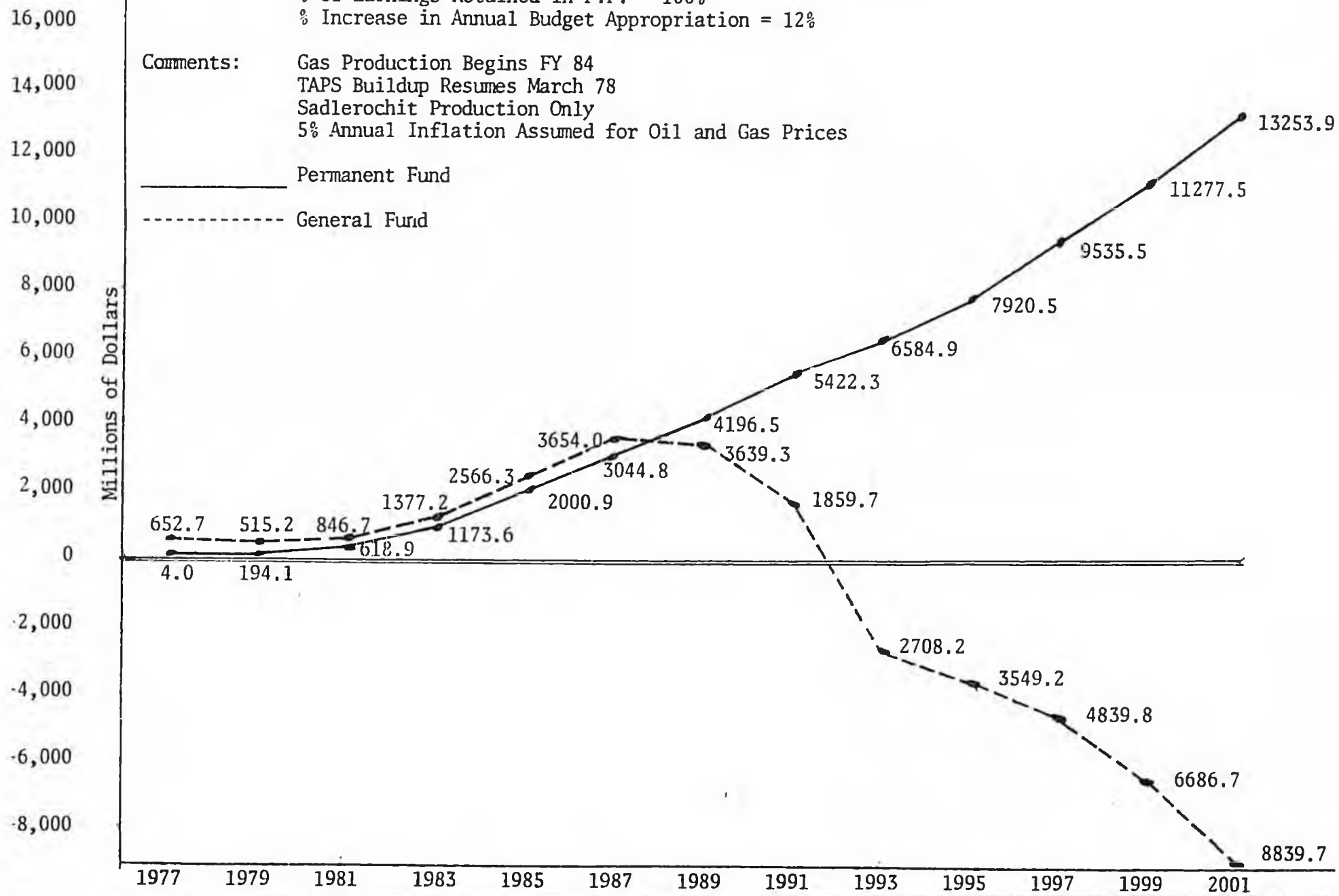
The Senate Permanent Fund legislation proposes that 30% of the oil and gas receipts will be set aside in a reserve for capital outlay within the General Fund and used to finance non-recurring expenditures. This graph illustrates projected growth of the capital outlay reserve and the General Fund (minus the Native Claims). Permanent Fund projections have not been included.

Graph D

Same illustration as Graph C with a different set of assumptions.

Assumptions: Annual Rate of Interest = 7%  
 % of Current Year Expend. in P.F. Cash Balance = 20%  
 % of Royalties, Leases, Bonuses Deposited in P.F. = 30%  
 % of Earnings Retained in P.F. = 100%  
 % Increase in Annual Budget Appropriation = 12%

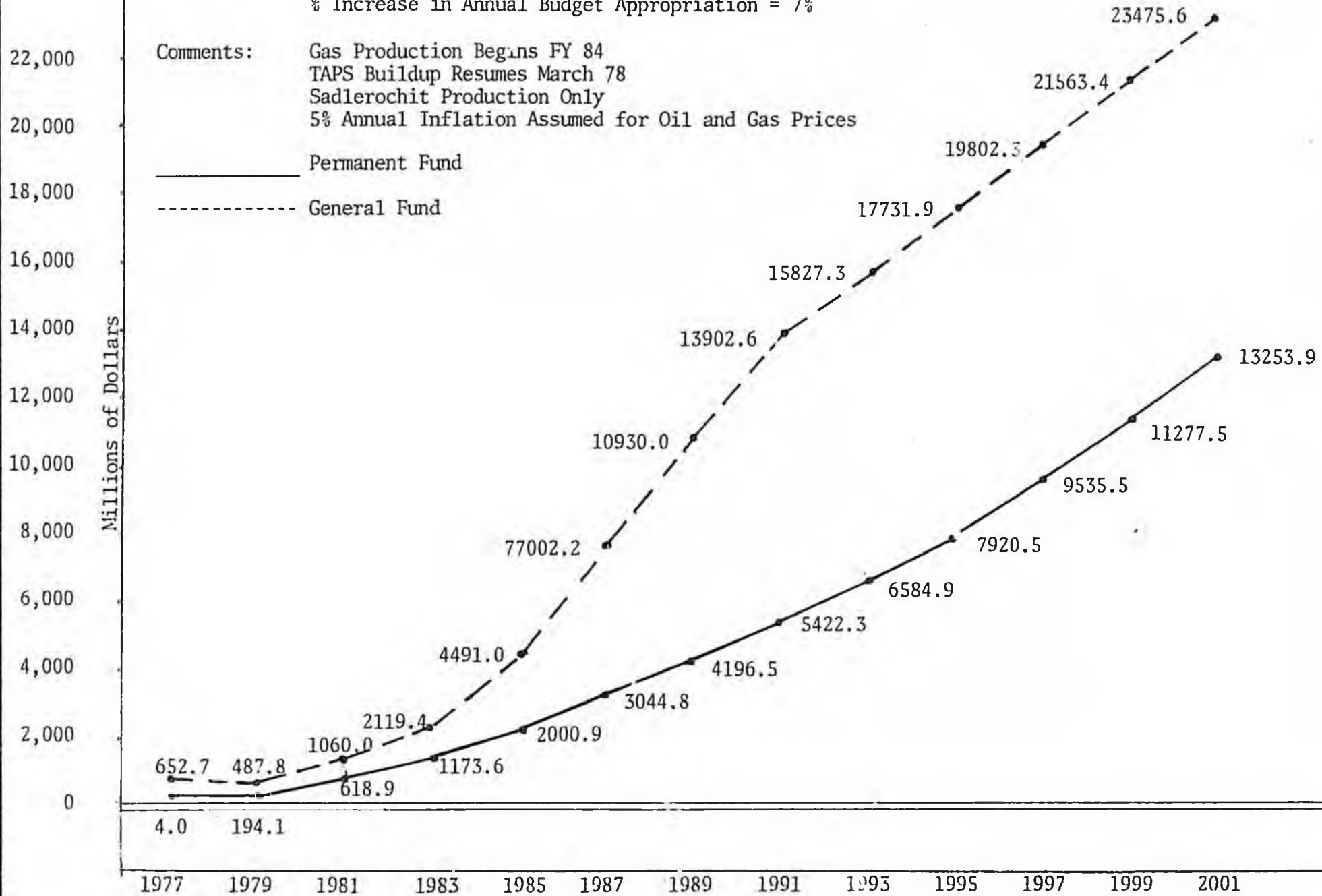
Comments: Gas Production Begins FY 84  
 TAPS Buildup Resumes March 78  
 Sadlerochit Production Only  
 5% Annual Inflation Assumed for Oil and Gas Prices



Assumptions: Annual Rate of Interest = 7%  
 % of Current Year Expend. in G.F. Cash Balance = 20%  
 % of Royalties, Leases, Bonuses Deposited in P.F. = 30%  
 % of Earnings Retained in P.F. = 100%  
 % Increase in Annual Budget Appropriation = 7%

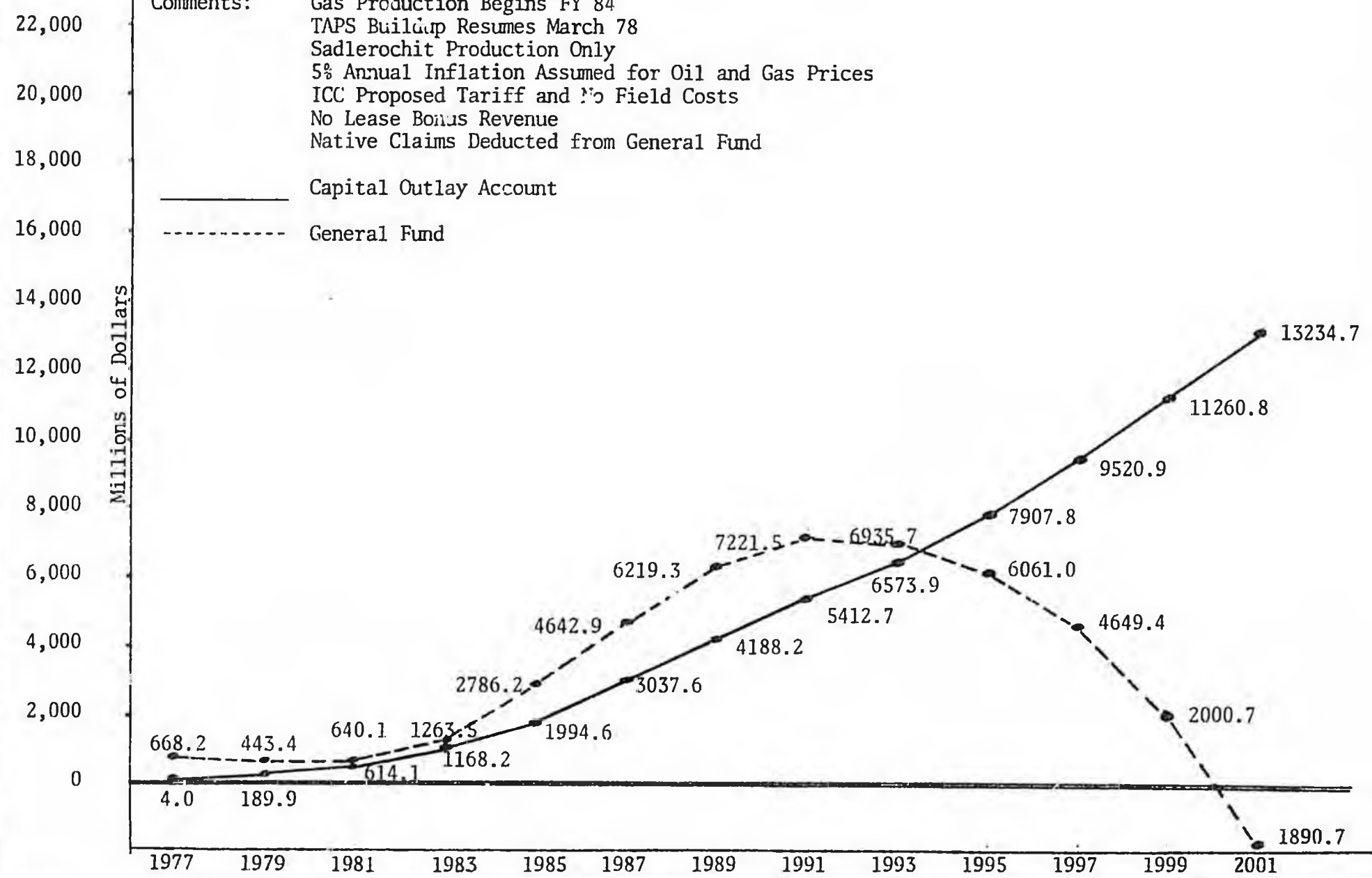
Comments: Gas Production Begins FY 84  
 TAPS Buildup Resumes March 78  
 Sadlerochit Production Only  
 5% Annual Inflation Assumed for Oil and Gas Prices

———— Permanent Fund  
 - - - - - General Fund



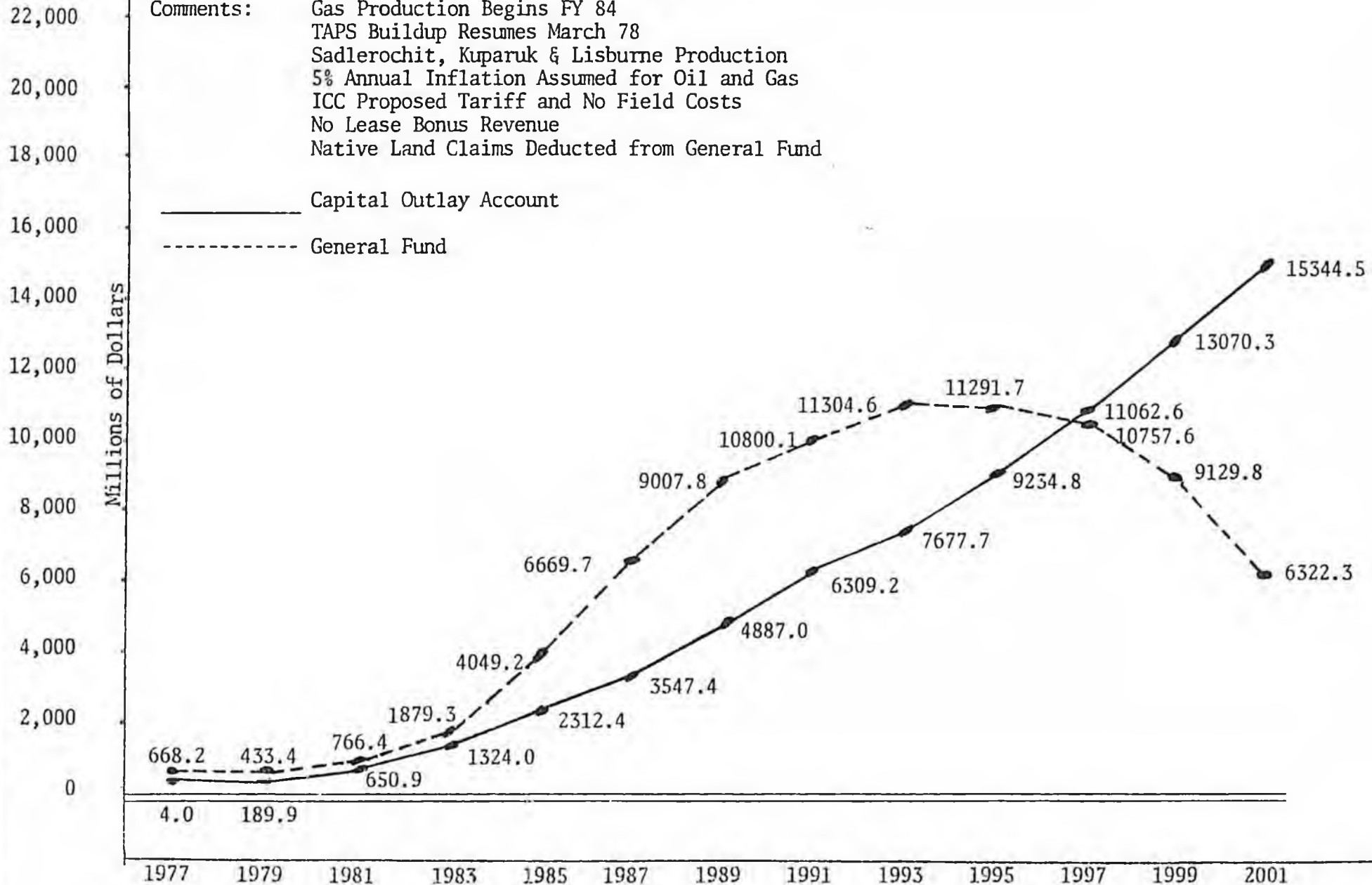
Assumptions: Annual Rate of Interest = 7%  
 % of Current Year Expend. in G.F. Cash Balance = 20%  
 % of Royalties Leases and Bonuses Deposited  
 in Capital Outlay Account = 30%  
 Annual % Increase in Budget Approp. = 7%

Comments: Gas Production Begins FY 84  
 TAPS Buildup Resumes March 78  
 Sadlerochit Production Only  
 5% Annual Inflation Assumed for Oil and Gas Prices  
 ICC Proposed Tariff and No Field Costs  
 No Lease Bonus Revenue  
 Native Claims Deducted from General Fund



Assumptions: Annual Rate of Interest = 7%  
 % of Current Year Expend. in G.F. Cash Bal = 20%  
 % of Royalties Leases and Bonuses Deposited  
 Capital Outlay Account = 30%  
 Annual % Increase in Budget Appropriation = 7%

Comments: Gas Production Begins FY 84  
 TAPS Buildup Resumes March 78  
 Sadlerochit, Kuparuk & Lisburne Production  
 5% Annual Inflation Assumed for Oil and Gas  
 ICC Proposed Tariff and No Field Costs  
 No Lease Bonus Revenue  
 Native Land Claims Deducted from General Fund



SADLERECHIT ONLY  
( \$ millions )

	<u>Cumulative Sub-Account Compounded @ 7% Per Annum</u>	<u>Surplus or Deficit</u>	<u>General Fund Balance</u>
1978	55.2		464.4
1979	144.8	-	289.1
1980	296.7	-	121.4
1981	470.9	224.0	171.2
1982	669.7	289.7	262.1
1983	922.4	336.6	346.0
1984	1377.8	706.5	597.1
1985	1892.5	820.4	902.8
1986	2471.7	892.8	1216.4
1987	3121.8	970.2	1536.5
1988	3790.6	870.2	1737.9
1989	4466.0	715.0	1777.5
1990	5202.3	710.0	1751.2
1991	5877.7	304.0	1379.8
1992	6528.2	-	717.5
1993	6987.4	-	-
1994	6583.3	-	-
1995	6153.1	-	-
1996	5563.7	-	-
1997	4747.4	-	-
1998	3583.1	-	-
1999	2131.7	-	-
2000	351.0	-	-

SADLEROCHIT, KUPARUK AND LISBURNE  
( \$ millions )

	<u>Cumulative Sub-Account Compounded @ 7% Per Annum</u>	<u>Surplus or Deficit</u>	<u>General Fund Balance</u>
1978	55.2		464.4
1979	144.8	- 85.7	289.1
1980	303.4	2.7	133.2
1981	499.3	331.8	269.1
1982	737.4	466.1	497.1
1983	1117.6	649.6	766.5
1984	1670.7	1011.4	1224.8
1985	2294.7	1162.8	1763.6
1986	2996.0	1275.7	2338.0
1987	3767.0	1351.1	2918.1
1988	4556.5	1251.6	3380.2
1989	5349.1	1095.3	3682.9
1990	6207.8	1101.5	3925.7
1991	7007.7	702.7	3828.5
1992	7785.5	394.9	3445.6
1993	8562.9	125.2	2793.4
1994	9383.0	4.1	1969.2
1995	10321.5	11.6	1042.3
1996	11242.5	- 121.3	-
1997	10855.7	- 386.8	-
1998	10186.5	- 669.2	-
1999	9260.8	- 925.7	-
2000	8038.1	- 1222.7	-

TWO MILLION BPD  
1987 - 2000  
 ( \$ millions )

	<u>Cumulative Sub-Account Compounded @ 7% Per Annum</u>	<u>Surplus or Deficit</u>	<u>General Fund Balance</u>
1978	55.2		464.4
1979	144.8	- 85.7	289.1
1980	303.4	2.7	133.2
1981	499.3	331.8	269.1
1982	737.4	466.1	497.1
1983	1117.6	649.6	766.5
1984	1684.7	1055.0	1254.4
1985	2339.1	1257.3	1857.3
1986	3089.8	1429.9	2536.5
1987	3948.0	623.0	3301.3
1988	4903.1	1768.0	4114.2
1989	5968.2	1937.3	4986.4
1990	7157.6	2133.2	5930.2
1991	8473.6	3064.5	7678.7
1992	9927.3	1758.6	7983.6
1993	11513.7	2658.6	9055.8
1994	13277.9	2927.9	10219.5
1995	15218.2	3159.4	11438.6
1996	17349.4	3404.4	12711.8
1997	19688.2	3655.9	14038.9
1998	22251.3	3940.9	15416.7
1999	25058.5	4234.7	16844.2
2000	28129.2	4543.1	18316.6

INTEREST EARNED ON BORROWED FUNDS FOR ALASKA LOAN PROGRAM  
( \$ millions)

	<u>Borrowed Funds for Alaska Loan Program</u>	<u>Net Interest Earned @ 1.15%</u>	<u>Cumulative Net Interest Earned Compounded @ 7% Per Annum</u>
1978	450.0	5.2	5.2
1979	900.0	10.4	16.0
1980	1350.0	15.5	32.7
1981	1800.0	20.7	55.7
1982	2250.0	25.9	85.5
1983	2700.0	31.1	122.6
1984	3150.0	36.2	167.4
1985	3600.0	41.4	220.6
1986	4050.0	46.6	282.7
1987	4500.0	51.8	354.3
1988	4950.0	51.9	436.0
1989	5400.0	62.1	528.7
1990	5850.0	7.3	633.0
1991	6300.0	72.5	749.9
1992	6750.0	77.6	880.0
1993	7200.0	82.8	1024.4
1994	7650.0	88.0	1184.1
1995	8100.0	93.2	1360.2
1996	8550.0	98.3	1553.8
1997	9000.0	103.5	1766.1
1998	9450.0	108.7	1998.5
1999	9900.0	113.9	2252.3
2000	10350.0	119.0	2529.0

SADLERCHIT ONLY  
( \$ millions )

	<u>Permancnt Fund Earnings Compounded @ 7%</u>	<u>Interest Earned On Borrowed Funds Compounded @ 7%</u>	<u>Sub-Account Compounded @ 7%</u>	<u>Total Available For Leveraging</u>	<u>Available to Alaska Loan Program Fund</u>
1978	2.2	5.2	55.2	62.6	626.0
1979	7.8	10.8	89.6	108.2	1082.0
1980	17.0	16.7	151.9	185.6	1856.0
1981	29.4	23.0	174.2	226.6	2266.0
1982	43.7	29.8	198.8	272.3	2723.0
1983	60.0	37.1	252.7	349.8	3498.0
1984	80.1	44.8	455.4	580.3	5803.0
1985	104.5	53.2	514.7	672.4	6724.0
1986	131.7	62.1	579.2	773.0	7730.0
1987	162.4	71.6	650.1	884.1	8841.0
1988	195.4	81.7	668.8	945.9	9459.0
1989	229.2	92.7	675.4	997.3	9973.0
1990	264.9	104.3	736.3	1105.5	11055.0
1991	300.9	116.9	675.4	1093.2	10932.0
1992	335.2	130.1	736.3	1201.6	12016.0
1993	369.4	144.4	675.4	1189.2	11892.0
1994	404.8	159.7	650.5	1215.0	12150.0
1995	443.9	176.1	459.9	1079.9	10799.0
1996	487.8	193.6	-	681.4	6814.0
1997	535.2	212.3	-	747.5	7475.0
1998	584.5	232.4	-	816.9	8169.0
1999	635.5	253.8	-	889.3	8893.0
2000	690.2	276.7	-	966.9	9669.0

SADLEROCHIT, KUPARUK AND LISBURNE  
( \$ millions )

	<u>Permanent Fund Earnings Compounded @ 7%</u>	<u>Interest Earned On Borrowed Funds Compounded @ 7%</u>	<u>Sub-Account Compounded @ 7%</u>	<u>Total Available For Leveraging</u>	<u>Available to Alaska Loan Programs Fund</u>
1978	2.2	5.2	55.2	62.6	626.0
1979	7.8	10.8	89.6	108.2	1082.0
1980	17.2	16.7	158.6	192.5	1925.0
1981	30.8	23.0	195.9	249.7	2497.0
1982	47.4	29.8	238.1	315.3	3153.0
1983	67.2	37.1	380.2	484.5	4845.0
1984	91.5	44.8	553.1	689.4	6894.0
1985	120.6	53.2	624.0	797.8	7978.0
1986	153.2	62.1	701.3	916.6	9166.0
1987	189.7	71.6	771.0	1032.3	10323.0
1988	228.1	81.7	789.5	1099.3	10993.0
1989	267.5	92.7	792.6	1152.8	11528.0
1990	308.9	104.3	858.7	1271.9	12719.0
1991	350.6	116.9	799.9	1267.4	12674.0
1992	391.1	130.1	777.8	1299.0	12990.0
1993	451.2	144.4	777.4	1353.0	13530.0
1994	472.8	159.7	820.1	1452.6	14526.0
1995	518.7	176.1	938.5	1633.3	16333.0
1996	569.3	193.6	921.0	1683.9	16839.0
1997	623.0	212.3	-	835.3	8353.0
1998	679.1	232.4	-	911.5	9115.0
1999	738.1	253.8	-	991.9	9919.0
2000	800.8	276.7	-	1077.5	10775.0

TWO MILLION BPD  
1987 - 2000  
( \$ millions )

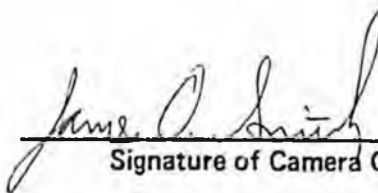
	<u>Permanent Fund Earnings Compounded @ 7%</u>	<u>Interest Earned On Borrowed Funds Compounded @ 7%</u>	<u>Sub-Account Compounded @ 7%</u>	<u>Total Available For Leveraging</u>	<u>Available to Alaska Loan Programs Fund</u>
1978	2.2	5.2	55.2	62.6	626.0
1979	7.8	10.8	89.6	108.2	1082.0
1980	17.2	16.7	158.6	192.5	1925.0
1981	30.8	23.0	195.9	249.7	2497.0
1982	47.4	29.8	238.1	315.3	3153.0
1983	67.2	37.1	380.2	484.5	4845.0
1984	91.8	44.8	567.1	703.7	7037.0
1985	122.0	53.2	654.4	829.6	8296.0
1986	156.4	62.1	750.7	969.2	9692.0
1987	195.9	71.6	858.2	1125.7	11257.0
1988	240.2	81.7	955.1	1277.0	12770.0
1989	289.7	92.7	1065.1	1447.5	14475.0
1990	344.8	104.3	1189.4	1638.5	16385.0
1991	406.1	116.9	1316.0	1839.0	18390.0
1992	473.8	130.1	1453.7	2057.6	20576.0
1993	548.2	144.4	1586.4	2279.0	22790.0
1994	630.3	159.7	1764.2	2554.2	25542.0
1995	720.9	176.1	1940.3	2837.3	28373.0
1996	820.7	193.6	2131.2	3145.5	31455.0
1997	930.3	212.3	2338.8	3481.4	34814.0
1998	1050.6	232.4	2563.1	3846.1	38461.0
1999	1182.3	253.8	2807.2	4243.3	42433.0
2000	1326.8	276.7	3070.7	4674.2	46742.0

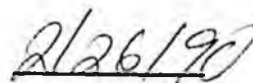


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Signature of Camera Operator

  
\_\_\_\_\_  
Date

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS CSSB 430 am H for an effective date.  
 Title An act extending the authority of the Alaska Municipal Bond Bank; and providing /  
 Requested by Community and Regional Affairs Committee Date 5/3/78

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Treasury Management

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No Fiscal Impact to the Department of Revenue

IV. DATE May 15, 1978 PREPARED BY Peter A. Bushre, Acting Deputy Commissioner  
 AGENCY Revenue  
 PHONE 465-2350  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

COMMITTEE REPORT

HOUSE

5/3/76

FURTHER: \_\_\_\_\_

Date: May 2 1976

Mr. Speaker:

The Committee on FINANCE has had CSSE 410

"An Act extending the authority of the Alaska Municipal Bond Bank, effective date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                       recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for CSSE 410

and pass  new title               same title

- AND attaches a Letter of Intent               New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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Chairman

TO: Lisa Rudd

FROM: Annette Smith

Summary of CSHE 430

CSSE 430, Extending the authority of the Alaska Municipal Bond Bank.

By expanding the definition of municipal bonds in Section 3, SB 430 extends the authority of the Municipal Bond Bank to include revenue bonds as well as general obligation bonds of municipalities. Revenue debt was not included in the original bond bank authority because it was felt the Bond Bank needed to establish a "track record" before it expanded into the area of revenue debt. The broadening of the definition of municipal bonds will permit the Bond Bank to assist smaller cities in financing projects such as utility and port development and will enable it to use CEIP Federal money to leverage debt rather than State funds.

Mr. Rose can elaborate on the proposal to use CEIP funds to back up municipal revenue bonds, but basically it consists of a method to use a portion of the \$69 million available to the state under CEIP which is designated for Credit Assistance, i.e., loans to municipalities for the construction of facilities in response to coastal energy impact. The loan money is now available at 8% from the Federal government. The Bond Bank proposes to borrow up to \$50 million of these funds from the Feds at 8%, reinvest the money at 8% and use that money to back up its municipal revenue bonds with a 100% guarantee, thereby securing a lower rate for the municipalities. This idea was conceived by the DC&RA and the Bond Bank and has been well received by all parties concerned. In order for the program to work effectively, however, the Bond Bank needs this extra authority in the field of revenue bonds.

Section 2 is part of the committee substitute. It establishes a ceiling (\$150 million) on the amount of revenue bonds outstanding at any one time. This is the same ceiling as for general obligation bonds. This ceiling on bonds is considered desirable for the first few years of operation of the program.

Section 1 inserts the distinction of the type of municipal bonds referred to in that section since there are now two types of municipal bonds in the Authority.

Section 4 is inserted at the request of the Bond Bank. The change will allow them to market general obligation debt without the stigma of the word "Authority" which frequently has the connotation of risk, and thus may result in higher interest rates.

The insertion of the words "to the extent permitted by law" (Sec. 3, p. 2, line 4) was at the request of Lee Sharp of Juneau and is designed to clear up a gray area created by the Kalamarides decision on municipal tax limitation. Apparently, in order for the Bond Bank to buy a city's bonds, the city has to promise to levy taxes without limitation as to rate or amount. The Kalamarides decision declares that a municipality may not make that promise. As a result, the bond bank cannot buy the city's bonds because it has no authority to. There is a Supreme Court ruling pending on this decision. The amendment language would allow the city to make whatever pledge the court finally determines the law to be. The new language also has the blessings of Eric Wolforth, bond counsel.

CHAIRMAN:  
NORMAN L. LEVINSOHN

BOARD MEMBERS:  
STERLING GALLAGHER  
LEO MCANERNEY  
LANCE ANDERSON  
JAMES R. FIDE



THE FINANCIAL PLAZA  
601 WEST FIFTH AVENUE  
SUITE 325  
ANCHORAGE, ALASKA 99501  
(907) 274-7355

EXECUTIVE DIRECTOR:  
DAVID A. ROSE

## ALASKA MUNICIPAL BOND BANK AUTHORITY

February 6, 1978

Senator Joe Orsini  
Chairman, Community and Regional Affairs Committee  
Pouch V, State Capitol  
Juneau, Alaska 99811

Dear Joe:

Thank you for your recent letter requesting my comments on SB 430 which will be reviewed by your committee.

The Board of Directors, by resolution, fully supports the Bill provided a new Section is added as follows:

\*\*Sec 2. AS 44.58.420 is amended to read:

Section 44.58.420. SHORT TITLE. This chapter may be cited as the Alaska Municipal Bond Bank Authority Act or the Alaska Municipal Bond Bank Act. The Alaska Municipal Bond Bank Authority created by this chapter may be referred to as the Alaska Municipal Bond Bank with the same legal effect as if the reference were to Alaska Municipal Bond Bank Authority.

The above change will allow us to market bonds without the word "Authority" appearing in our name. We are advised that the word "Authority" infers that the bond is more of a revenue issue rather than general obligation. Also, some leasing authorities and port authorities have recently fallen into market disfavor. If this amendment to title is passed, we plan to drop the word "Authority" on general obligation issues but would probably retain it for revenue issues. Dropping the word may provide market savings of as much as 20 basis points on G.O. issues.

Section 3 of SB 430 will enable us to meet the needs of smaller cities wishing to accomplish projects not properly classified as general obligation. These include utilities, docks, ports, etc. This change is extremely important if we are to be in a position to assist communities impacted by offshore energy exploration and development.

Hope you can schedule early action on the Bill. I'll be pleased to meet with the committee.

COPY

135

CHAIRMAN  
ROBERT L. LEVESQUE

BOARD MEMBERS:  
DORIS GALLAGHER  
JAMES MCANENNEY  
LANCE ANDERSON  
JAMES D. EIDE



THE FINANCIAL PLAZA  
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SUITE 325  
ANCHORAGE, ALASKA 99501  
(907) 274-7356

EXECUTIVE DIRECTOR:  
DAVID A. ROSE

### ALASKA MUNICIPAL BOND BANK AUTHORITY

March 10, 1978

Senator Joe Orsini, Chairman  
Community & Regional Affairs Committee  
Fouch V  
Juneau, AK 99811

Dear Senator Orsini:

Your scheduling of hearings concerning both confirmation of Mr. Lance Anderson as a board member re-appointee and Senate Bill 430 for Thursday, March 16, 1978 is sincerely appreciated.

Mr. Anderson has served as a director of the Bond Bank since its inception in 1975. During that period, his professional expertise in the areas of finance and accounting has been invaluable. His ability to demand factual presentation and his capacity to assimilate and analyze the information provided, has materially assisted other Board members in making correct decisions in both the loan making process and in marketing bonds. Mr. Anderson is a Certified Public Accountant formerly with HAMA Regional Native Corporation and with the firm of Peat, Marwick, Mitchell & Company. He is currently serving as building manager for the Pension Trust of Local 1547 of the International Brotherhood of Electrical Workers. The other board members and I strongly recommend confirmation of his reappointment.

Senate Bill 430 as proposed by Senator Croft is excellent as proposed. We do, however, need two additional sections and hope these additions can be made in Committee. The revised bill is attached as an enclosure.

Section 2 expands the authority of the Bank so that it will be able to purchase municipal revenue bonds as well as general obligation bonds. Now that the bond bank is established in bond markets and is relatively widely understood in the financial arena, it can safely begin to introduce revenue debt. Revenue debt was not included in the original bill because without a "track record" to rely on, such marketing would not have had market acceptance. The broadening of the definition of municipal bonds will permit us to assist smaller cities in utility and port development and will enable us to utilize CEIP Federal money to leverage debt rather than State funds. Section 2 on the enclosure is identical to Section 1 of SB 430.

Section 3 will allow us to market general obligation debt without the stigma of the word "Authority" which frequently has the connotation of risk. Use of the short title could possibly have a positive effect worth 20 to 25 basis points.

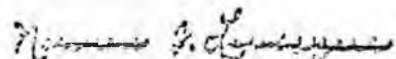
Section 1 retains the payover condition for general obligation bonds but removes it for revenue bonds. Since revenue bonds are more risk oriented than G.O., and garner higher interest rates, it is appropriate that payover not apply.

Section 4 calls for an immediate effective date so that we can assist cities during this construction season. Section 4 is identical to Section 2 of SS 430.

There is no State fiscal implication this year in these amendments. We expect that reserve funds for revenue debt will come primarily from the Federal CEIP rather than the State. Capital appropriations may be required in subsequent years dependent upon the level of demand and the State's ability to react to the demand.

We look forward to meeting with you and the Committee on March 16th.

Sincerely,



Norman J. Levesque  
Chairman of the Board

enclosure

WJL:pjd

501 WEST FIFTH AVENUE  
SUITE 325  
ANCHORAGE, ALASKA 99501  
(907) 274-2366

EXECUTIVE DIRECTOR:  
DAVID A. ROSE



ALASKA MUNICIPAL BOND BANK AUTHORITY

February 3, 1978

Mr. James Robey  
Coastal Energy Impact Program  
3300 Whitehaven Street  
Washington, D.C. 20035

Dear Mr. Robey:

The purpose of this letter is to support an application by the State of Alaska for Coastal Energy Impact Program loan funds. Additionally, it outlines concepts and procedures currently being considered which will establish mechanisms for the implementation of the program in Alaska.

Upon approval of the State application, it is contemplated that your organization will enter into a loan agreement with the Alaska Municipal Bond Bank Authority. Under the terms of this agreement, the Bond Bank will borrow funds from you and utilize them as a funded reserve, at the 100% level, to support the issuance of Bond Bank bonds. Upon the sale of Bond Bank bonds, proceeds will be used to purchase the bonds issued by coastal impact communities. In this manner, your loan to the Bond Bank will directly assist these communities. This approach and the loan agreement is designed to accomplish the following:

- 1.) Assist coastal cities by purchasing debt so that they may proceed with needed energy impact capital improvements;
- 2.) provide for the issuance of coastal cities debt at low interest rates (the funded reserve will permit the Bank to receive an extremely beneficial rate which will be passed through to the coastal cities);
- 3.) establish the reserve in such a manner as to make available for conversion to grant in the event a city project should fail and default occur or threaten;
- 4.) provide for investment of funds borrowed by the Bond Bank in such a manner that they earn the current Federal rate;
- 5.) safeguard said funds through proper placement with a trustee designated by the Bond Bank and acceptable to you;
- 6.) provide for periodic payment of interest due you from the proceeds of invested funds in accordance with instructions issued to the trustee;
- 7.) provide that before funds are committed for the purpose of funding a reserve, a tri-party agreement is executed between you, the Bank and the city involved which sets forth the terms and conditions under which the reserve is provided, the impact assumptions which are expected to obtain, and specific language which indicates the circumstances which must occur if the loan is to be converted to a grant.

February 1, 1973

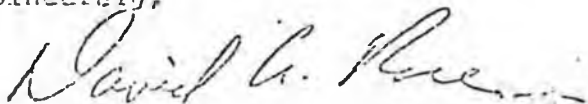
Other technical procedures and mechanisms will also be contained in the loan agreement between you and the Bond Bank.

It is anticipated that a draft loan agreement will be available for your review in Washington D.C. prior to February 23rd and 24th. On those dates the undersigned, the Bank bond counsel, and State lead agency representatives, will meet with you in Washington D.C. to discuss the proposed loan agreement and refine language in a manner which is mutually acceptable. Following agreement on language, the loan agreement will be presented to the Board of Directors of the Bond Bank for its approval by resolution.

In addition to discussion of the draft loan agreement, we will also provide a draft contract which the Bond Bank will enter into with a fund custodian-trustee. Since this contract will specify the manner in which funds borrowed from you will be invested and how interest due you will be paid, it is essential that there be mutual concurrence in this document as well.

If we can be of further assistance to you prior to our meeting on the 23rd and 24th of February, please do not hesitate to contact me or Mr. Wohlfoth.

Sincerely,



David A. Rose  
Executive Director

Original sponsor: Croft

Offered: 5/3/78  
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 430

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending the authority of the Alaska Municipal  
7 Bond Bank; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 44.58.170(b) is amended to read:

10 (b) Notwithstanding any provision of law, to the extent that any  
11 department or agency of the state is the custodian of money payable to a  
12 municipality, at any time after written notice to the department or  
13 agency head from the bond bank authority that the municipality is in  
14 default on the payment of principal or interest on municipal general  
15 obligation bonds of the municipality then held or owned by the bond bank  
16 authority, the department or agency shall withhold the payment of that  
17 money from that municipality and pay over the money to the bond bank  
18 authority for the purpose of paying principal of and interest on bonds  
19 of the bond bank authority.

20 \* Sec. 2. AS 44.58.410(3) is amended to read:

21 (3) "municipal bond" means a bond or note or evidence of debt  
22 which constitutes

23 (A) a general obligation bond which is a direct and  
24 general obligation of a political subdivision of the state, all the  
25 taxable property within which is subject to taxation to pay the  
26 bond, note or evidence of debt, and the interest without limita-  
27 tion, as to rate or amount generally to the extent permitted by law  
28 or to avoid a default as provided for second class cities under AS  
29 29.53.410; or

1                   (B) a revenue bond issued by a municipality which is a  
2                   pledge of the revenue of a revenue-producing capital improvement  
3                   payable solely from unpledged revenue of the public facility for  
4                   which the obligations are issued; or

5                   (C) a general obligation bond or revenue bond combined  
6                   or additionally secured;

7 \* Sec. 3. AS 44.58.420 is amended to read:

8                   Sec. 44.58.420. SHORT TITLE. This chapter may be cited as the  
9                   Alaska Municipal Bond Bank Authority Act or the Alaska Municipal Bond  
10                  Bank Act. In transactions involving general obligation bonds of munici-  
11                  palities, the Alaska Municipal Bond Bank Authority created by this  
12                  chapter may be referred to as the Alaska Municipal Bond Bank with the  
13                  same legal effect as if the reference were to Alaska Municipal Bond Bank  
14                  Authority.

15 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
16 070(c).

Original sponsor: Croft

Offered: 3/30/78  
Referred: Rules

1 IN THE SENATE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 430

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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14 default on the payment of principal or interest on municipal general  
15 obligation bonds of the municipality then held or owned by the bond bank  
16 authority, the department or agency shall withhold the payment of that  
17 money from that municipality and pay over the money to the bond bank  
18 authority for the purpose of paying principal of and interest on bonds  
19 of the bond bank authority.

20 \* Sec. 2. AS 44.58.180(c) is amended to read:

21 (c) Notwithstanding the provisions of (a) and (b) of this section,  
22 the total amount of bond bank authority bonds and notes outstanding at  
23 any one time, except bonds or notes issued to fund or refund bonds or  
24 notes, may not exceed \$150,000,000 for the purchase of general obligation  
25 bonds and \$150,000,000 for the purchase of revenue bonds.

26 \* Sec. 3. AS 44.58.410(3) is amended to read:

27 (3) "municipal bond" means a bond or note or evidence of debt  
28 which constitutes

29 (A) a general obligation bond which is a direct and

1 general obligation of a political subdivision of the state, all the  
2 taxable property within which is subject to taxation to pay the  
3 bond, note or evidence of debt, and the interest without limita-  
4 tion, as to rate or amount generally to the extent permitted by  
5 law or to avoid a default as provided for second class cities under  
6 AS 29.53.410; or

7 (B) a revenue bond issued by a municipality which is a  
8 pledge of the revenue of a revenue-producing capital improvement  
9 payable solely from unpledged revenue of the public facility for  
10 which the obligations are issued; or

11 (C) a general obligation bond or revenue bond combined  
12 or additionally secured;

13 \* Sec. 4. AS 44.58.420 is amended to read:

14 Sec. 44.58.420. SHORT TITLE. This chapter may be cited as the  
15 Alaska Municipal Bond Bank Authority Act or the Alaska Municipal Bond  
16 Bank Act. The Alaska Municipal Bond Bank Authority created by this  
17 chapter may be referred to as the Alaska Municipal Bond Bank with the  
18 same legal effect as if the reference were to Alaska Municipal Bond  
19 Bank Authority.

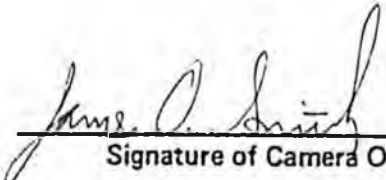
20 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
21 070(c).

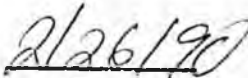


# RECORDS CERTIFICATION



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\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 431  
 Title Special Appropriation for Development Access Roads  
 Requested by Kerttula Date 3/3/78

II. FISCAL DETAIL

Agency Affected Department of Natural Resources  
 Program Category Affected NRMEC  
 Budget Request Unit(s) Affected Div. of Geological & Geophysical Surveys

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL			2.0	2.0	2.0	2.0
300 CONTRACTUAL			5.0			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			1,000.0			
<b>TOTAL</b>			<b>1,007.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

FUNDING (Thousands of Dollars)

GENERAL FUND			1,007.0	2.0	2.0	2.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The fiscal note assumes approximately 10 applications per year for assistance. The Division's role would be to inspect the prospect to ascertain whether funding is merited, requiring travel to and from the prospect. Existing geologists and mining engineer should be capable of handling the additional responsibilities. One-time contractual fees are necessary to formulate regulations.

IV. DATE 3/3/78 PREPARED BY Patrick W. Conheady  
 AGENCY Dept. of Natural Resources  
 PHONE 465-2400  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

**COMMITTEE REPORT**  
**SENATE**

FURTHER: \_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Mr. President:

The Committee on FINANCE has had 80 A.V.

under consideration and (a majority of the committee) (the committee reports it back as follows)

recommends it do pass                      ( ) recommends it do not pass

( ) recommends it do pass with attached amendment(s)

( ) recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_ ( ) new title              ( ) same title

( ) AND attaches a Letter of Intent              ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
Chairman

Introduced: 1/23/78  
Referred: Resources and  
Finance

1 IN THE SENATE

BY KERTTULA AND HUBER

2 SENATE BILL NO. 431

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Natural Resources for state participation with  
8 mineral resource developers in the construction of  
9 developmental access roads; and providing for an effec-  
10 tive date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 \* Section 1. The sum of \$1,000,000 is appropriated from the general fund  
13 to the Department of Natural Resources for the purpose of funding state  
14 participation in the construction of developmental access roads under AS 19.-  
15 30.020 - 19.30.051.

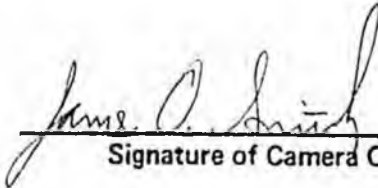
16 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

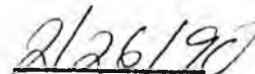


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\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

COMMITTEE REPORT  
HOUSE

3/7/78

FURTHER: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had SB 432 an  
"Act relating to powers of the Legislative Budget and Audit Committee."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                       recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_
- and \_\_\_\_\_  new title               same title
- AND attaches a Letter of Intent               New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
Chairman

Original sponsor: Rules Committee by request  
of the Legislative Budget and Audit Committee

IN THE SENATE

BY THE FINANCE COMMITTEE

HOUSE CS FOR SENATE BILL NO. 432 .

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to powers of the Legislative Budget  
and Audit Committee."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

\* Section 1. AS 24.20.201(a) is amended by adding a new paragraph to  
read:

(8) to sue in the name of the legislature if authorized by  
concurrent resolution or, if the legislature is not in session, if  
authorized by a vote of two thirds of the full membership of the  
committee.

# STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION  
POUCH W — ALASKA OFFICE BUILDING

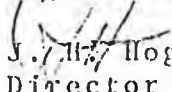
FINANCE DIVISION  
POUCH WF — STATE CAPITOL

JUNEAU 99801

January 25, 1978

## M E M O R A N D U M

TO: Senator George Hohman  
Chairman  
Legislative Budget & Audit Committee

FROM:  J. H. Hogan  
Director  
Legislative Finance

SUBJECT: Fiscal Note Senate Bill 432

Senate Bill 432 grants the Legislative Budget & Audit Committee power to sue in the name of the legislature. To date the committee has spent \$18,438.00 in legal fees connected with its current suit, Kelly v. Hammond. (The authority to pursue this matter was granted by Legislative Resolve No. 67, SLA 1977.)

The Budget and Audit Committee normally budgets approximately \$30,000.00 for miscellaneous contractual requirements that come up during the course of the budget year. Since there appears to be no way of projecting legal expenses, we could assume that the Committee would have sufficient budgeted funds to commence any legal action it might feel appropriate and then require a supplemental appropriation to complete the proceedings.

Introduced: 1/23/78  
Referred: Judiciary

BY THE RULES COMMITTEE BY REQUEST  
OF THE LEGISLATIVE BUDGET AND  
AUDIT COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 432 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to powers of the Legislative Budget  
7 and Audit Committee."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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10 read:

11 (8) to sue in the name of the legislature if authorized by  
12 concurrent resolution or, if the legislature is not in session, if  
13 authorized by a two-thirds ~~majority~~ vote of the full membership of the  
14 committee.  
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28  
29

Introduced: 1/23/78  
Referred: Judiciary

BY THE RULES COMMITTEE BY REQUEST  
OF THE LEGISLATIVE BUDGET AND  
AUDIT COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 432

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to powers of the Legislative Budget  
7 and Audit Committee."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 24.20.201(a) is amended by adding a new paragraph to  
10 read:

11 (8) to sue in the name of the legislature if authorized by  
12 concurrent resolution or, if the legislature is not in session, if  
13 authorized by majority vote of the full membership of the committee.  
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SB 434

# NOME JOINT UTILITY SYSTEMS

P.O. BOX 70 • NOME, ALASKA 99762  
TELEPHONE (907) 443-5242

NOME LIGHT & POWER  
BELMONT POINT GENERATOR  
JUNE 30, 1977

*Copy to  
Disaster funds  
2/19 Turner*

1. Total Cost of Generator & Building		\$938,980.40
Less - Payments Received		
1. State Disaster Office	\$380,000.00	
2. Northland Marine Lines	163,000.00	
3. Bethel Utilities	<u>55,000.00</u>	
	TOTAL CASH RECEIVED	(598,000.00)
Net Cost to Nome Light & Power		340,980.40
2. General Electric Remote Control Device to operate Belmont Emergency Generator from the Main Snake River Power Plant		87,920.00
3. General Electric Technician Services for work on Main Snake River Power Plant Engines, for remaining problems as a direct cause of the November 1974 Bering Sea Storm		
Payments to GE:	09-23-77	\$10,084.53
	12-20-77	<u>5,628.55</u>
		15,713.08
Total Costs of Disaster Items at Snake River Power Plant and Belmont Point Emergency Generator Power Plant, not reimbursable by Disaster Funds		444,613.48

COMMITTEE REPORT  
SENATE

FURTHER: \_\_\_\_\_

Date: \_\_\_\_\_

Mr. President:

The Committee on FINANCE has had 6/25/77

*Special Appropriation to City of New York to Reinforce Home Joint Utilities*

under consideration and (a majority of the committee) (the committee reports it back as follows)

recommends it do pass                       recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_  new title               same title

AND attaches a Letter of Intent               New Fiscal Note

reports it back without recommendation

and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*Sen. J. P. Jones*  
*Sen. J. P. Jones*  
\_\_\_\_\_  
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\_\_\_\_\_  
Chairman

A M E N D M E N T

Offered in the SENATE

By \_\_\_\_\_

To: \_\_\_\_\_ SENATE BILL NO. 376

\_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

AMENDMENT: Page 1 Line 1

Introduced : 1/25/78  
Referred: Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 434

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the City of  
7 Nome to reimburse Nome Joint Utilities for certain  
8 extraordinary expenses arising out of the natural  
9 disaster of November 14, 1974; and providing for an  
10 effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 \* Section 1. The sum of \$350,000 is appropriated from the general fund as  
13 a grant to the City of Nome to reimburse Nome Joint Utilities, a municipal  
14 utility system of the city, for extraordinary capital expenditures incurred  
15 by it in response to the natural disaster of November 14, 1974, and which  
16 have not been otherwise provided for from federal and state sources.

17 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
18 070(c).

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004757

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 434  
Title An Act Making a Special Appropriation to City of Nome to Reimburse Nome Joint Utilities  
Requested by Ferguson Date 1/25/78

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
Program Category Affected \_\_\_\_\_  
Budget Request Unit(s) Affected \_\_\_\_\_

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section II')

SEE ATTACHMENT

IV. DATE 2-22-78 PREPARED BY Shirley Meup  
AGENCY Dev. Emergency Services  
PHONE 272-0594  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

The following is a list of funds which have previously been disbursed to the City of Nome for expenses incurred during the Bering Sea Disaster of 1974:

1. \$1,392,239.00 - provided 100 percent Federal Disaster Assistance Administration for damages to public and nonprofit facilities.
2. \$330,000 - provided 100 percent by the State under CSSB265 for the replacement of a generator.
3. \$717,904.00 - provided 100 percent by the State under Chapters 157 and 158, Temporary and Special Acts, Alaska Statutes to meet extra-ordinary expenditures of public and nonprofit facilities not funded by the Federal Disaster Assistance Administration.



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James A. Smith  
Signature of Camera Operator

2/26/90  
Date



Introduced: 1/25/78  
Referred: Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 434 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the City of  
7 Nome to reimburse Nome Joint Utilities for certain  
8 extraordinary expenses arising out of the natural  
9 disaster of November 14, 1974; and providing for an  
10 effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 \* Section 1. The sum of <sup>356,693.00</sup> \$444,613.48 is appropriated from the general fund  
13 as a grant to the City of Nome to reimburse Nome Joint Utilities, a municipal  
14 utility system of the city, for extraordinary capital expenditures incurred  
15 by it in response to the natural disaster of November 14, 1974, and which  
16 have not been otherwise provided for from federal and state sources.

17 \* ~~Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-~~  
18 ~~070(c).~~

19 adding language from HB653  
20  
21  
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Introduced: 1/18/78  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY LOVSETH

2 HOUSE BILL NO. 653

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation with respect to  
7 a utilities transmission line at Mile 18.1 of the  
8 Seward Highway; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$192,743 is appropriated from the general fund to  
11 be apportioned as follows:

12 (1) \$52,743 to the City of Seward to reimburse the city for its  
13 expenditures to meet extraordinary expenses incurred as a result of damage to  
14 the city transmission line on May 18, 1977;

15 (2) \$140,000 to the Department of Transportation and Public Facil-  
16 ities to relocate the principal transmission line serving the City of Seward  
17 in conjunction with realignment of the roadway at Mile 18.1 of the Seward  
18 Highway.

19 \* Sec. 2. The unexpended and unobligated portion of the appropriation  
20 made in sec. 1(2) of this Act lapses into the general fund June 30, 1979.

21 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

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FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 434  
 Title An Act Making a Special Appropriation to City of Nome to Reimburse Home Joint Utilities  
 Requested by Ferguson Date 1/25/78

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 Budget Request Unit(s) Affected \_\_\_\_\_

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

SEE ATTACHMENT

IV. DATE 2-22-78

PREPARED BY Shirley Meudt  
 AGENCY West Emergency Services  
 PHONE 272-0554

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

The following is a list of funds which have previously been disbursed to the City of Nome for expenses incurred during the Bering Sea Disaster of 1974:

1. \$1,392,239.00 - provided 100 percent Federal Disaster Assistance Administration for damages to public and nonprofit facilities.
2. \$380,000 - provided 100 percent by the State under CSSB265 for the replacement of a generator.
3. \$717,904.00 - provided 100 percent by the State under Chapters 157 and 158, Temporary and Special Acts, Alaska Statutes to meet extra-ordinary expenditures of public and nonprofit facilities not funded by the Federal Disaster Assistance Administration.



SB 434

# NOME JOINT UTILITY SYSTEMS

P.O. BOX 70 • NOME, ALASKA 99762  
TELEPHONE (907) 443-5242

NOME LIGHT & POWER  
BELMONT POINT GENERATOR  
JUNE 30, 1977

*Copy to  
Disaster Fund  
2/9 Turner*

1. Total Cost of Generator & Building		\$938,980.40
Less - Payments Received		
1. State Disaster Office	\$380,000.00	
2. Northland Marine Lines	163,000.00	
3. Bethel Utilities	<u>55,000.00</u>	
	TOTAL CASH RECEIVED	(598,000.00)
Net Cost to Nome Light & Power		340,980.40

2. General Electric Remote Control Device to operate Belmont Emergency Generator from the Main Snake River Power Plant		87,920.00
3. General Electric Technician Services for work on Main Snake River Power Plant Engines, for remaining problems as a direct cause of the November 1974 Bering Sea Storm		
Payments to GE:		
09-23-77	\$10,084.53	
12-20-77	<u>5,628.55</u>	
		15,713.08

Total Costs of Disaster Items at Snake River Power Plant and Belmont Point Emergency Generator Power Plant, not reimbursable by Disaster Funds 444,613.48

SB 434



# NOME JOINT UTILITY SYSTEMS

P.O. BOX 70 • NOME, ALASKA 99762  
TELEPHONE (907) 443-5242

NOME LIGHT & POWER  
BELMONT POINT GENERATOR  
JUNE 30, 1977

*Copy to  
District Office  
2/7 Turner*

1. Total Cost of Generator & Building \$938,980.40

Less - Payments Received

- 1. State Disaster Office \$580,000.00
- 2. Northland Marine Lines 163,000.00
- 3. Bethel Utilities 55,000.00

TOTAL CASH RECEIVED (598,000.00)

Net Cost to Nome Light & Power 340,980.40

2. General Electric Remote Control Device to operate Belmont Emergency Generator from the Main Snake River Power Plant 87,920.00

3. General Electric Technician Services for work on Main Snake River Power Plant Engines, for remaining problems as a direct cause of the November 1974 Bering Sea Storm

Payments to GE:	09-23-77	\$10,084.53	
	12-20-77	<u>5,628.55</u>	
			15,713.08

Total Costs of Disaster Items at Snake River Power Plant and Belmont Point Emergency Generator Power Plant, not reimbursable by Disaster Funds 444,613.48

Introduced: 1/25/78  
Referred: Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 434 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the City of  
7 Nome to reimburse Nome Joint Utilities for certain  
8 extraordinary expenses arising out of the natural  
9 disaster of November 14, 1974; and providing for an  
10 effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 \* Section 1. The sum of \$444,613.48 is appropriated from the general fund  
13 as a grant to the City of Nome to reimburse Nome Joint Utilities, a municipal  
14 utility system of the city, for extraordinary capital expenditures incurred  
15 by it in response to the natural disaster of November 14, 1974, and which  
16 have not been otherwise provided for from federal and state sources.

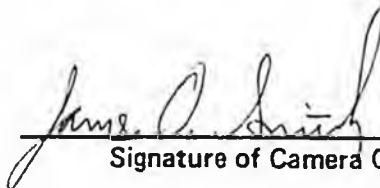
17 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
18 070(c).

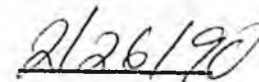


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\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

# COMMITTEE REPORT

## HOUSE

FURTHER: \_\_\_\_\_

2/21/78

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had CSSS 438  
"An Act making a supplemental appropriation to the Department  
of Administration for the Kotschue Senior Citizen Center;  
eff. date."

under consideration and (a majority of the committee) (the committee  
reports it back as follows)

- recommends it do pass                       recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_
- and \_\_\_\_\_  new title                       same title
- AND attaches a Letter of Intent                       New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
Chairman

Original sponsor: Rules Committee by  
request of the Governor

Offered: 1/30/78  
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 436

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Administration for the Kotzebue Senior  
8 Citizen Center; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$381,900 is appropriated from the general fund to  
11 the Department of Administration for completion of the Kotzebue Senior Citizen  
12 Center.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
14 070(c).

Original sponsor: Rules Committee by  
request of the Governor

Offered: 1/30/78  
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 436

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Administration for the Kotzebue Senior  
8 Citizen Center; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$381,900 is appropriated from the general fund to  
11 the Department of Administration for completion of the Kotzebue Senior Citizen  
12 Center.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
14 070(c).

426

January 25, 1978

The Honorable John L. Rader  
President of the Senate  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. President:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill making Fiscal Year 1978 appropriation adjustments for the Kotzebue Senior Citizens Center. This bill follows the approach taken by ch. 49 SLA 1977 (derived from HB 286, introduced by the Finance Committee).

This transfer of funds from the operating budget for the Kotzebue Pioneers' Home is necessary in order to complete construction of the Kotzebue Senior Citizens Center. The Department of Administration has advised that construction must begin by March 1 in order to retain the EDA grant for completion of the facility. The funds are available from the operating budget because the delayed completion of the center has reduced the amount needed for operation.

Back-up information is attached.

Sincerely,

S/SSH

Jay S. Hammond  
Governor

STATE  
of ALASKA

MEMORANDUM RECEIVED

JAN 18 1978

BUDGET &amp; MANAGEMENT

TO: [Ronald L. Lind, Director  
Division of Budget and Management  
Office of the Governor

DATE: January 16, 1978

FILE NO.

TELEPHONE NO.

FROM: Commissioner B. B. Allen  
Department of AdministrationSUBJECT: Completion of Kotzebue  
Senior Citizens Center

I respectfully request that a supplemental appropriation be approved by the legislature for \$381.9 to complete the Kotzebue Senior Citizens Center. This amount is based on the difference between the current low bid and the appropriations available. Since we plan to readvertise we anticipate our needs to be somewhat less. Consequently, we would unallocate the excess appropriation to insure it is not available for expenditure. In order to partially offset the amount requested I am requesting you may delete \$381.9 from the FY 78 Kotzebue operating budget. As supported in Attachment 1 we have determined that this amount is excess to the program since the senior citizens center will not be in operation this fiscal year.

I request immediate action be taken to bring this matter before the legislature since construction must begin by March 1 in order to retain the EDA grant. Consequently, this gives us little time to award the bid. Since the bids will only be firm until March 14 (30 days after the bid award) it is in our best interests and the people of Kotzebue's to have a decision on the supplemental at the earliest possible date.

The work to be completed is largely mechanical, electrical, and interior finishing along with some landscaping. The un-completed areas are more specifically described in the contract specifications attached. As you know, we received a \$600.0 grant from the Economic Development Administration (EDA) for completion of the facility. However, the bids on the project came in significantly more than the amount available for completion as noted in Attachment 2. Bonnar/Hedgal, JV was the previous contractor. The exact amount needed is further described in Attachment 3. Attachment 4 is the supplemental request analysis.

We considered three alternatives to the supplemental, however, none was considered acceptable. There may be some excess money available from other EDA grants in the State, however, we were advised that it would be unlikely that approval would be granted to transfer any excess grants to this project. In addition, the EDA advises approval could not be granted by March 1. However, I plan to request approval anyway. A second alternative was to pare down the scope of the work to stay within the \$600.0 limitation. This was ruled out since the reductions required would not permit the use of the facility as the legislature and the public intended. The third alternative was to renegotiate with the low bidder. We were advised this would be more costly than rebidding completion alternatives.

Ronald L. Lind, Director  
Division of Budget and Management  
Page 2

January 16, 1978

I have also asked the Department of Transportation to provide information on the full history of the funding for this project and to briefly explain how the scope of operation would change under the alternatives.

If you desire further information, please do not hesitate to contact myself, Kellus Sewell or the Department of Transportation. The contacts in the Department of Transportation on technical matters would be Project Manager Bob Venusti in Fairbanks at 452-6817 or George Porter in Juneau at 8117 or 8118.

BBA/mjc

CC: Commissioner Donald Harris  
George Porter  
Bob Venusti  
John Murphy, EDA  
Vernon L. Perry

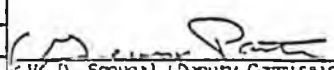
Attachments

## ATTACHMENT 1

EXPENDITURES FY 78

<u>Description</u>	<u>Actual</u> <u>7/1-12/31</u>	<u>Projected</u> <u>1/1-6/30</u>	<u>FY 78 Appropriation</u>
FY 78 F.C.C.			625.0
ASHA Bond Payment	152.4		
Fire Insurance		11.2	
Kotzebue Elec. Assn. operation of refrig. equip for foundation	4.3	9.9	
Donald L. Tucker mtnce contract	4.1	6.7	
City of Kotzebue sec. @300/mo.	1.0	2.4	
Misc. Travel, Cont. & Commodities	.2	4.8	
Contingency Fund	<u>        </u>	<u>45.9</u>	
TOTALS	162.2	80.9	<u>(243.1)</u>
Projected Excess			<u><u>381.9</u></u>

ATTACHMENT 2

<b>STATE OF ALASKA</b> Department of Transportation and Public Facilities  Compilation of Bids		Project Kotzebue Senior Citizen Center				Open at Anchorage, Alaska				Certified True and Correct   W. D. Scougal, Deputy Commissioner				Sheet of Sheets 1 of 1	
		Location Completion B-92601 Kotzebue, Alaska				By Jerome R. George									
		Type				Date December 14, 1977 at 2:00 P.M.									
		Dimension				Compiled by _____ Checked by _____									
		Name		Engineers		Donner & Magdal Construction, J.V. P.O. Box 3147 Fairbanks, AK 99701		Moneymaker Const. Inc. P.O. Box 2821 Fairbanks, AK 99707		Ghem Company, Inc. Box 787 Fairbanks, AK 99707		Contractor			
		Address		Estimate											
Item No.	ITEM	Approx. Quantity	UNIT	Unit Price	AMOUNT	Unit Price	AMOUNT	Unit Price	AMOUNT	Unit Price	AMOUNT	Total Bid _____			
	Basic Bid						718,600		880,600		865,000	Contractor			
	Alternate No. 1						147,000		149,200		149,000	Contractor			
	Total						865,600		1,029,800		1,033,000	Total Bid _____			
												Contractor			
												Total Bid _____			
												Contractor			
												Total Bid _____			
												Contractor			
												Total Bid _____			
												Contractor			
												Total Bid _____			
												Contractor			
												Total Bid _____			

ATTACHMENT 3

GEN CONST FBK

DEPT ADM JNU

12.29.77

09:37

TELEX NO. 2

TP:0: RUSS CLARK, DEPT. OF ADMIN.

FROM: ROBERT VENUSTI, REGIONAL DESIGN CHIEF, INTERIOR REGION

SUBJECT: KOTZEBUE SENIOR CITIZEN'S CENTER CONSTRUCTION DOLLARS

NEEDED:	BASE BID PLUS ALT. NO. 1	\$865,600
	7 PERCENT OF ABOVE (CONTINGENCY)	60,600
	GRAVEL	50,000

TOTAL	\$976,200
-------	-----------

HAVE:	EDA	\$524,300
	CHAPTER 279-76	70,000

TOTAL	\$594,300
-------	-----------

DIFFERENCE:	\$381,900
-------------	-----------

ABOVE IS FOR CONSTRUCTION MONEY ONLY, ALL OTHER BUDGET ITEMS REMAIN AS IS. NEED \$381,900 TO AWARD CONSTRUCTION CONTRACT.

ROBERT VENUSTI/REGIONAL DESIGN CHIEF/INTERIOR REGION

TELEX COPY: GEORGE PORTER/REGIONAL DESIGN & CONST CHIEF/SE REGION

#

PRIORITY PLEASE CONFIRM RECEIPT OF THIS TELEX

WE HAVE RECEIVED YOUR TELEX  
THANKS

DEPT ADM JNU

GEN CONST FBK

V

ATTACHMENT 4

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76	FY 77	FY 77	FY 78	FY 78	FY 78	EXPENDITURES + ENCUMBRANCES			OTHER OBLIGATIONS			PROJECTED EXPENDITURES + ENCUMBRANCES	FY 78	FY 7
	ACTUAL	FINAL AUTH.	ACTUAL	GOV. BUDGET	INITIAL AUTH.	CURRENT AUTH.	7/1	12/31	7/1	12/31	7/1	12/31	1/1 - 6/30	(DEFICIT) OR EXCESS	MAINTENANCE REQUEST
PERSONAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRAVEL	-	-	.6	-	-	-	-	-	-	-	-	1.4	-	(1.4)	.6
CONTRACTUAL SERVICES	78.0	52.0	29.4	26.4	-	-	-	-	-	-	-	33.0	-	(42.8)	500.3
COMMODITIES	-	-	-	21.8	-	-	-	-	-	-	-	.6	-	(.6)	-
EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LANDS, BLDGS. ...	-	152.4	153.3	152.4	152.4	152.4	152.4	-	-	-	-	-	-	-	151.8
GRANTS, CLAIMS, ...	-	-	-	350.0	472.6	472.6	-	-	-	-	-	45.9	-	426.7	-
MISCELLANEOUS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	78.0	204.4	183.3	550.6	625.0	625.0	162.2	-	-	-	-	80.9	-	381.9	652.
FEDERAL RECEIPTS															
REQUIRED GF MATCHING															
OTHER GENERAL FUND	78.0	204.4	183.3	550.6	625.0	625.0	162.2	-	-	-	-	80.9	-	381.9	652.7
INTER-AGENCY RECEIPTS															

AGENCY Administration

BRU Pioneers' Homes

COMPONENT Kotzebue Pioneers' Home UNCLASSIFIED

STATE  
of ALASKA

**MEMORANDUM**  
DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

TO:  Kellus Sewell  
Administrative Officer  
Department of Administration

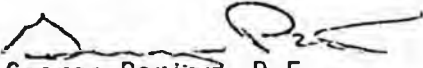
DATE: January 17, 1978

FILE NO

RECEIVED

TELEPHONE NO

JAN 19 1978

FROM:   
George Porter, P.E.  
Southeast Regional Chief  
Division of General Design  
& Construction

SUBJECT: Kotzebue Senior Center  
Project No. H92601  
BUSINESS MANAGEMENT

Attached are copies of the Specifications for the above referenced project. The bid documents will be modified to reflect the following:

- Basic Bid: Will include completing the heating and control work for entire building, completing the basic ventilation system and completion of rough in for all plumbing.
- Alternate 1: Completes sprinkler system.
- Alternate 2: Completes the mechanical rooms, entrance areas, public rest rooms and main living and lobby area.
- Alternate 3: Completes the sewing room, janitor and storage areas and one set showers.
- Alternate 4: Completes a living unit consisting of two guest rooms.
- Alternate 5: Completes second living unit consisting of two guest rooms.
- Alternate 6: Completes second set of showers, ivory carving room with storage.
- Alternate 7: Completes the laundry and baths.
- Alternate 8: Completes administrative offices and storage.
- Alternate 9: Completes workroom area.
- Alternate 10: Completes third set of guest rooms.
- Alternate 11: Completes fourth set of guest rooms.
- Alternate 12: Completes fifth set of guest rooms.

Kellus Sewell  
Memo

- 2 -

January 17, 1978

Alternate 13: Completes sixth set of guest rooms.

Alternate 14: Completes the kitchen.

Alternate 15: Completes all site and exterior work.

Attachments - 4 sets of specifications

cc: Mike Orelve w/one copy specifications

Original sponsor: Rules Committee by  
request of the Governor

Offered: 1/30/78  
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 436

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Administration for the Kotzebue Senior  
8 Citizen Center; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$381,900 is appropriated from the general fund to  
11 the Department of Administration for completion of the Kotzebue Senior Citizen  
12 Center.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
14 070(c).

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