

Bonds and the Municipal Budget

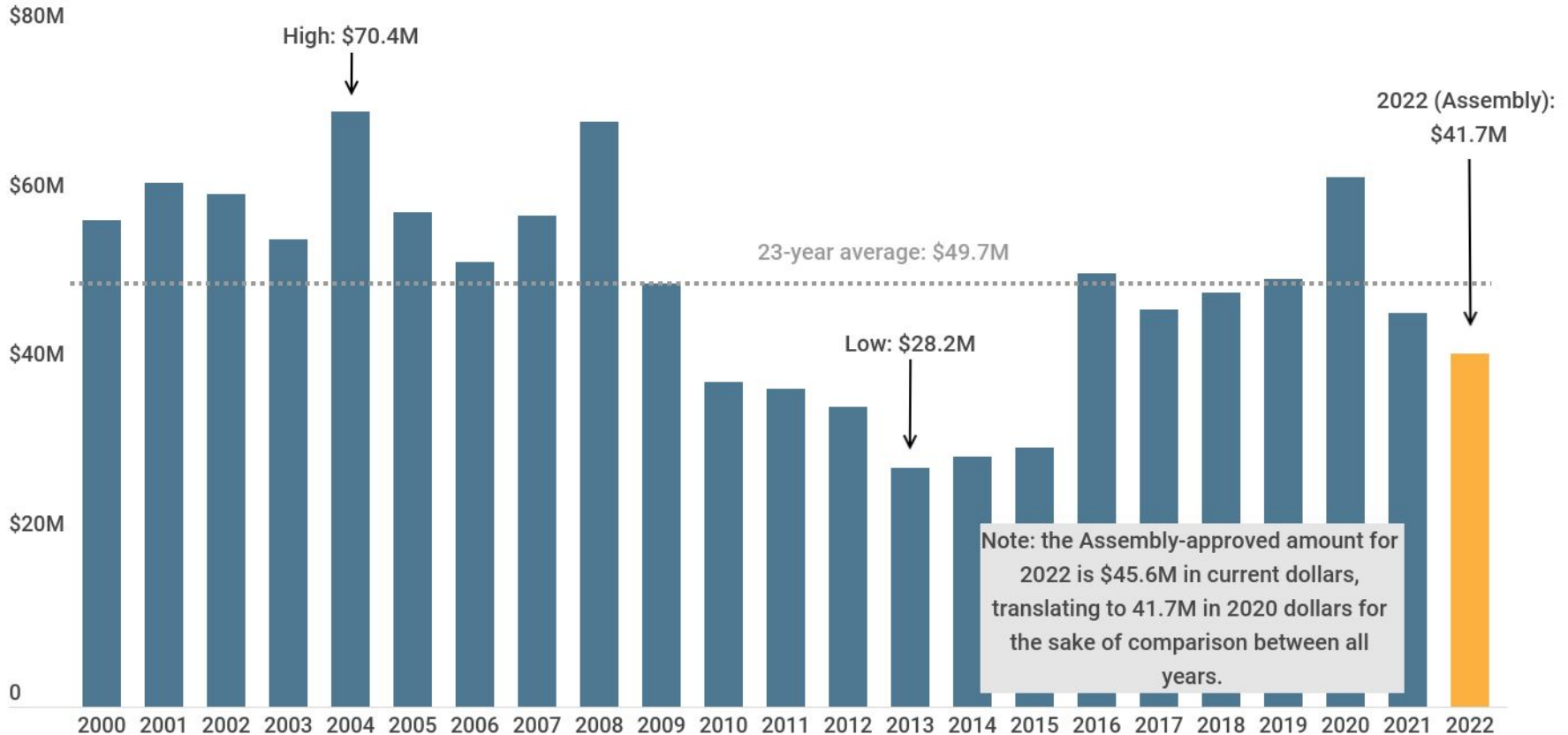
Nolan Klouda

January 20, 2022 (rev. January 21)



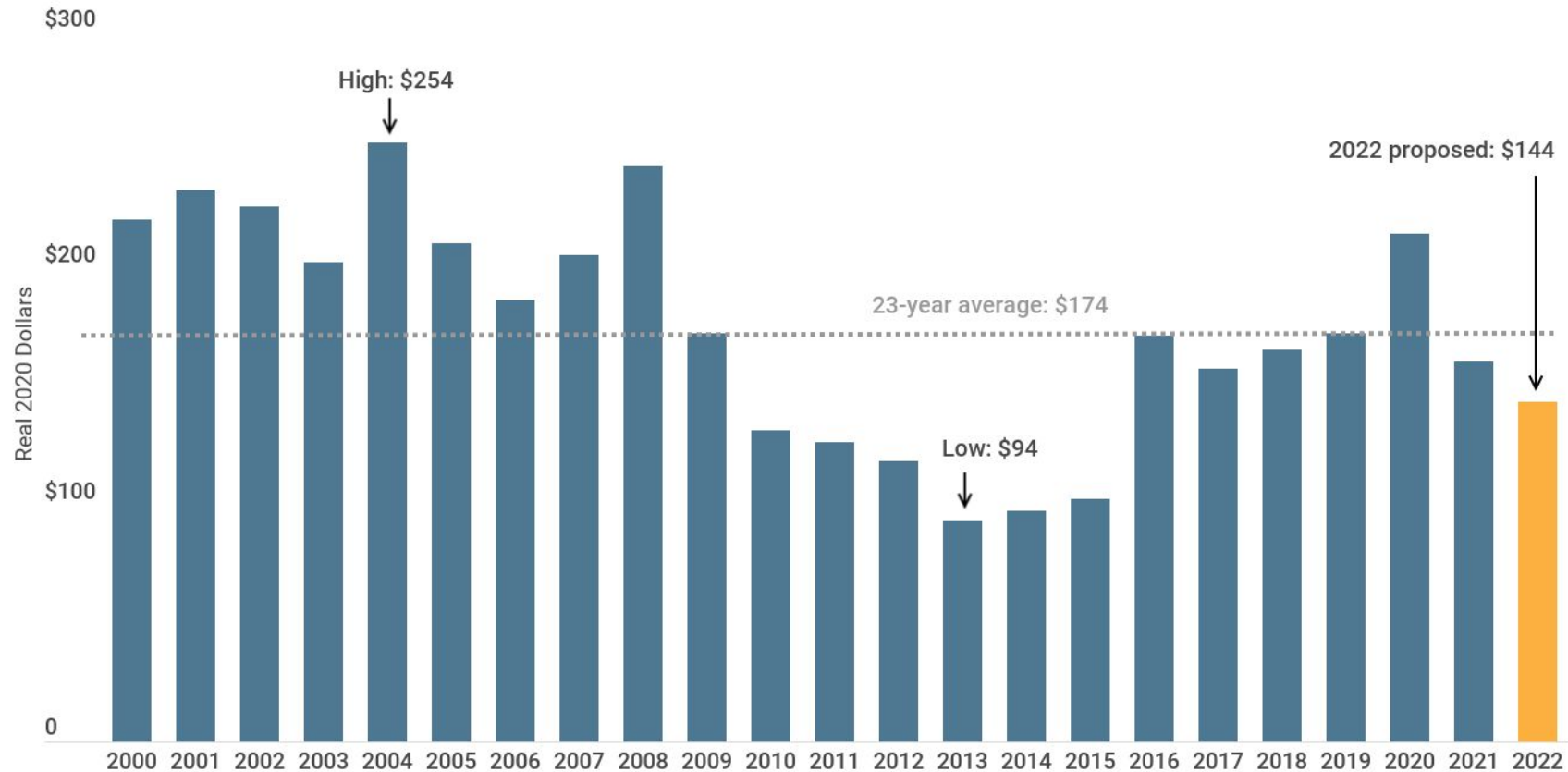
Real bond amounts by year

Voter-approved bond amount, adjusted for inflation (2020 dollars).



Each Muni resident's share of the approved bond amounts

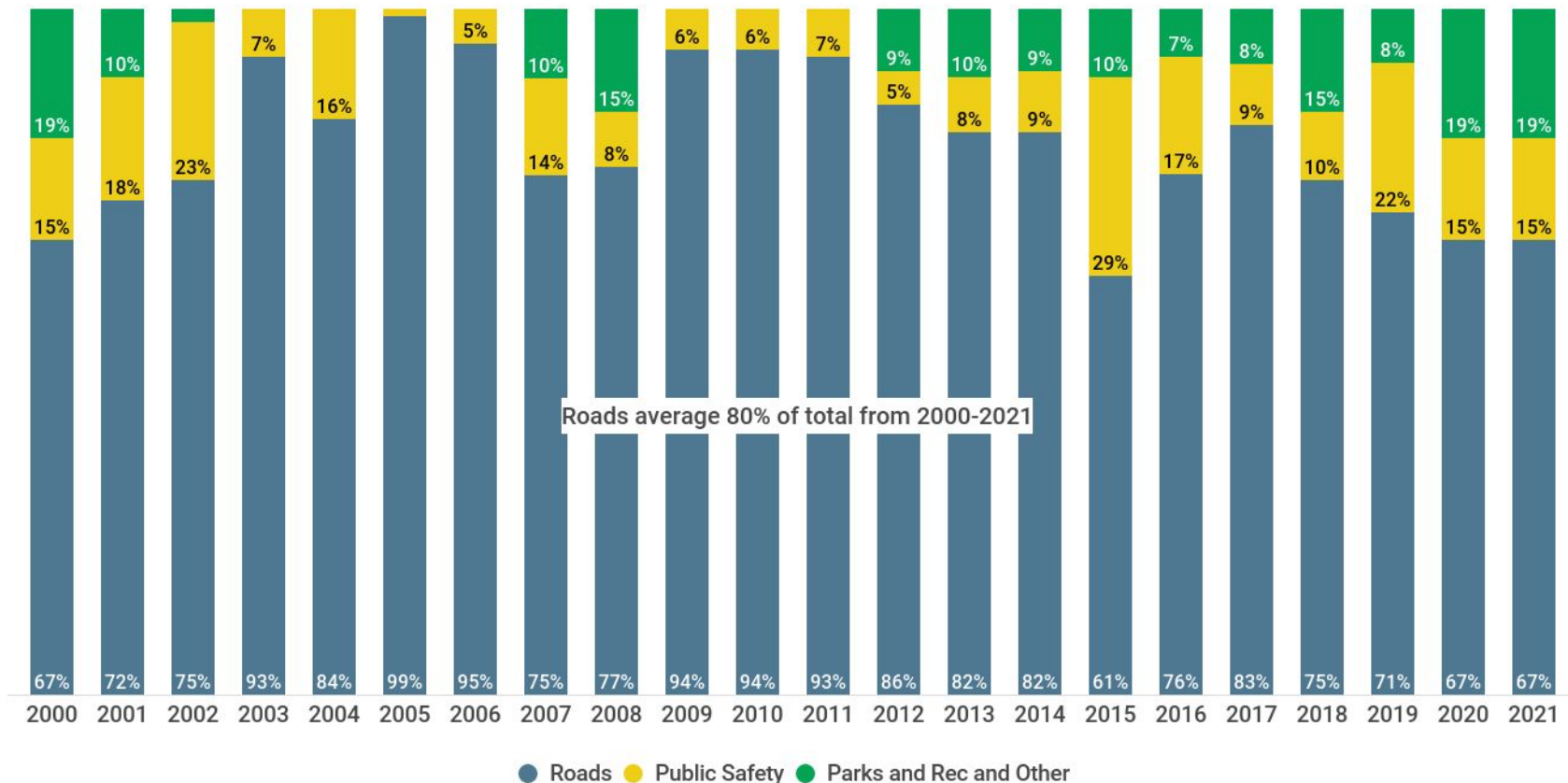
Per capita voter-approved bond amount, adjusted for inflation (2020 dollars).



Sources: Municipality of Anchorage OMB, Alaska DOL&WD population figures, Bureau of Labor Statistics CPI.

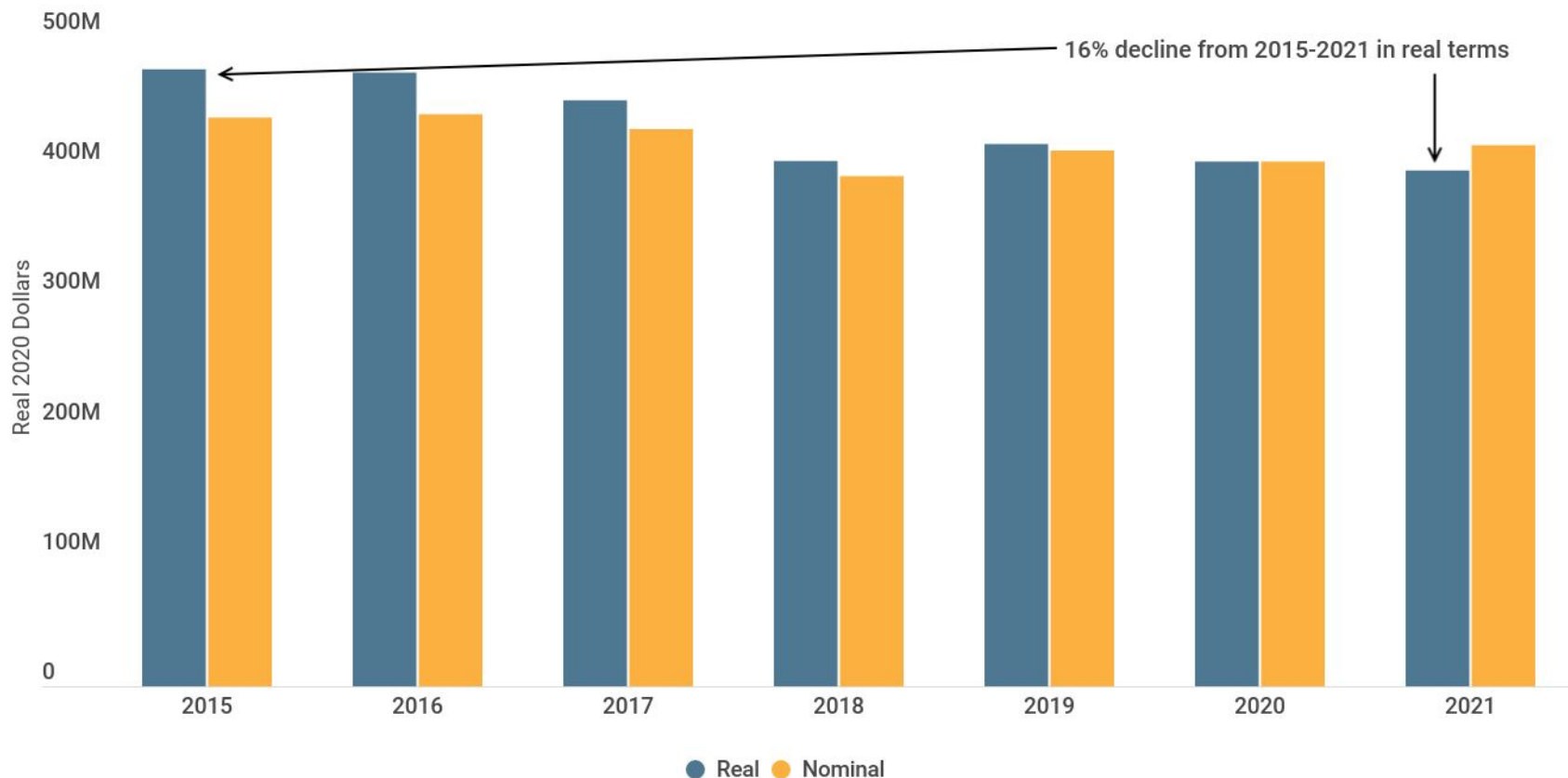
Roads dominate bond-financed projects

Approved bonds by spending category.



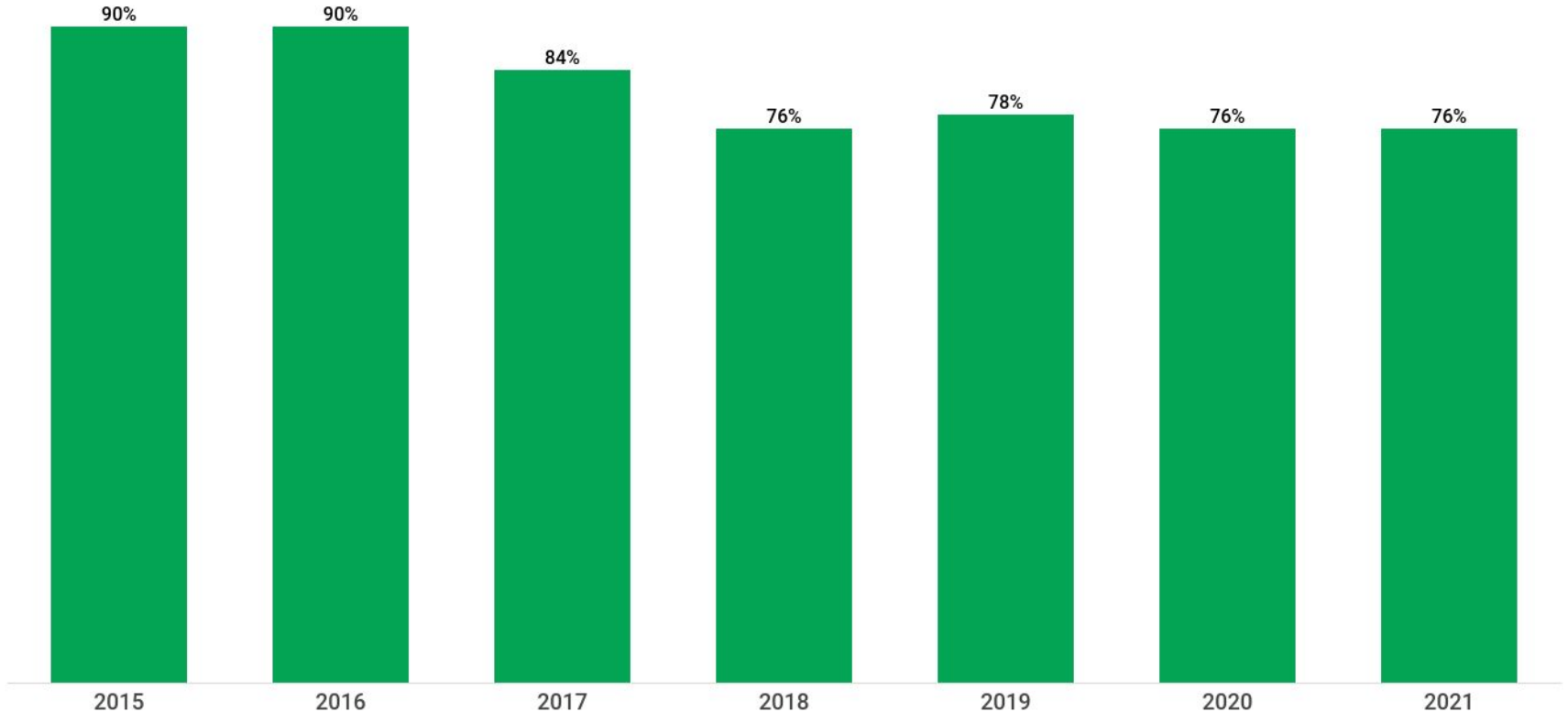
Real debt balance has declined

Current GO debt balance on January 1st of each year, real (inflation-adjusted) and nominal.



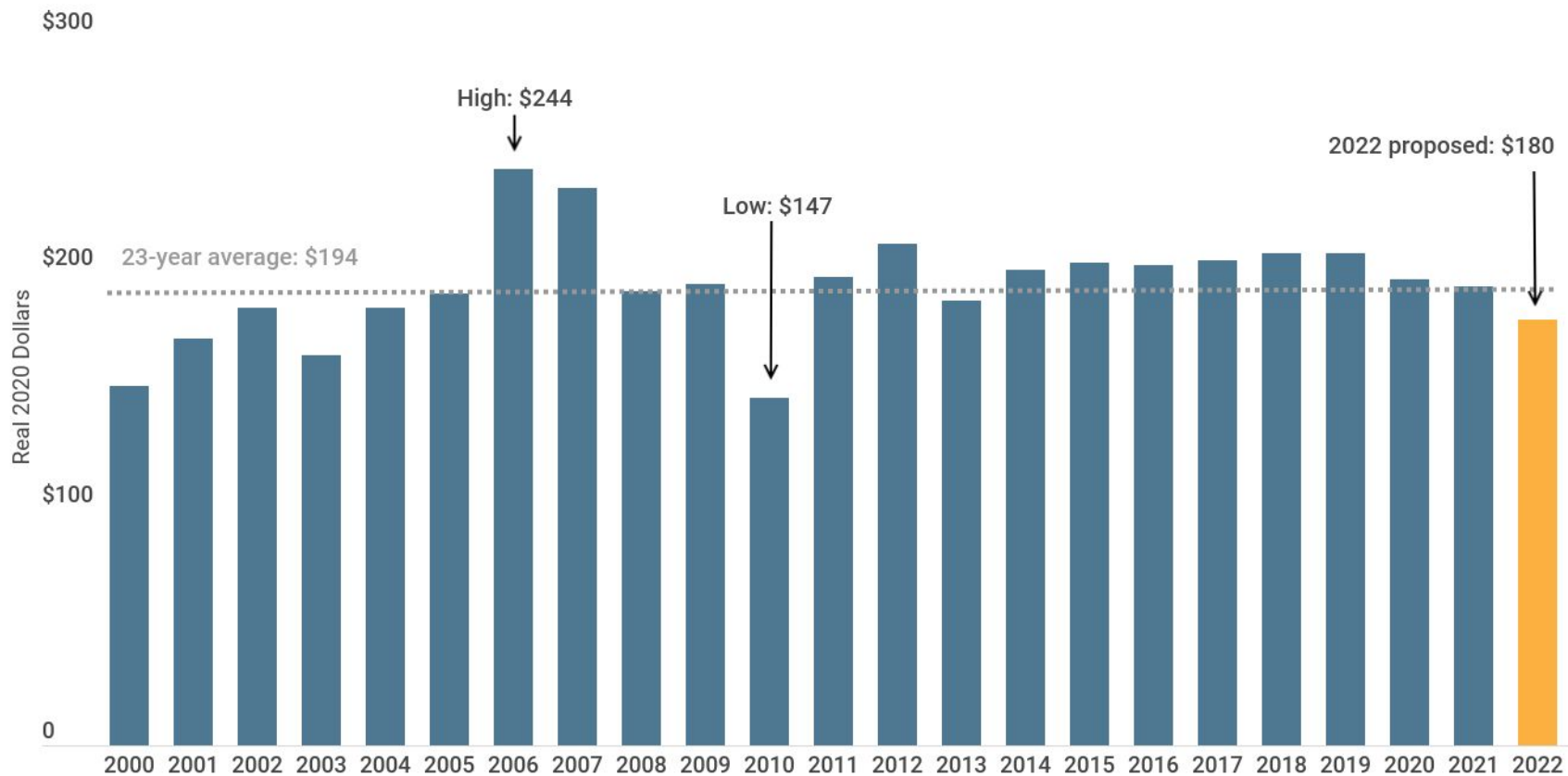
Debt balance vs operating budget

Current GO debt balance on January 1st of each year as a ratio of Q1 revised operating budget.



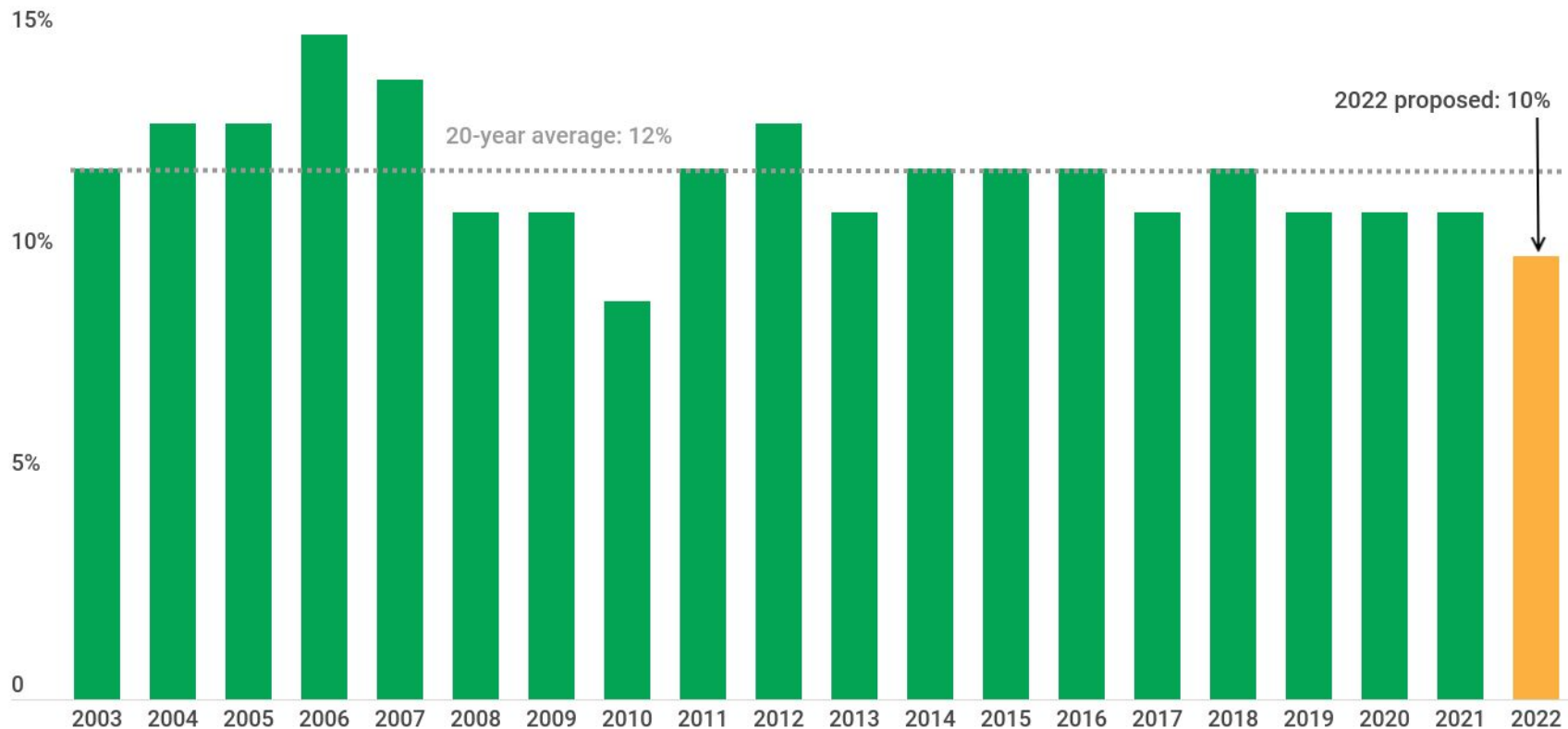
Each resident's share of annual debt service payments

Per capita voter-approved bond amount, adjusted for inflation (2020 dollars).



Sources: Municipality of Anchorage OMB (Q1 revised), Alaska DOL&WD population figures, Bureau of Labor Statistics CPI.

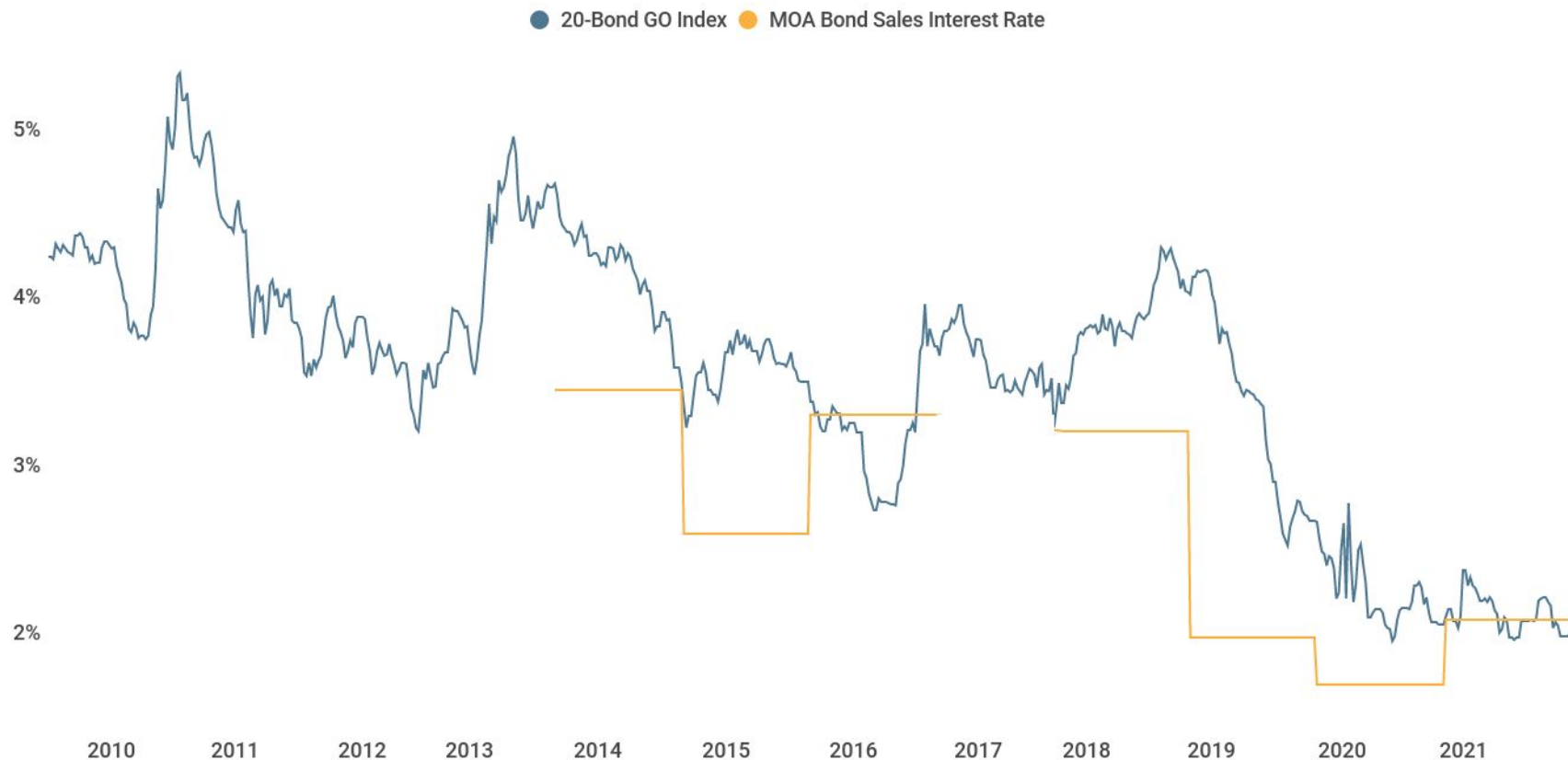
Debt service as a percent of Muni operating budgets



Sources: Municipality of Anchorage OMB (Q1 revised).

Muni interest rates highly competitive in the bond market

Current GO debt balance on January 1st of each year as a ratio of Q1 revised operating budget.



Key takeaways

- Several measures of GO debt show the same trend: flat or declining
- Bond amounts vary from year to year, but recent years align with averages
- MOA bonds match or beat market indices for interest rates
- Though interest rates will rise, current environment offers historically low interest rates



Thank You!



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