

COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)
Board of Commissioners Meeting
Spring Board Meeting – March 16, 2016, 1:00 p.m.
Treasury Board Conference Room, Third Floor
James Monroe Building
101 North 14th Street, Richmond Virginia

Members Present: Brenda L. Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Manju S. Ganeriwala
Kent C. Dickey, designee for Dr. Steven Staples

Members Absent: Douglas Combs
Walter Mika
David A. Von Moll

Others Attending:	Thomas Bruno	McGuire Woods LLP
	Ty Wellford	Davenport & Company LLC
	Leah Schubel	Davenport & Company LLC
	Kevin Rotty	PFM
	Don Ferguson	Office of the Attorney General
	Janet Aylor	Department of the Treasury
	James D. Mahone	Department of the Treasury
	Melissa Palmer	Department of the Treasury
	Sandra Stanley	Department of the Treasury

Call to Order and Public Comment

Ms. Skidmore called the meeting to order at 1:05 P.M. She stated the first order of business was to provide an opportunity for any public comment. There was no public comment.

Approval of Minutes

Ms. Skidmore asked for a motion for approval of the minutes of the September 16, 2015 Board meeting. Ms. Ganeriwala moved to adopt the minutes of the September 16, 2015 meeting as presented; Mr. Loyola seconded, and the motion carried.

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2016 Spring Bonds

Mr. Mahone reviewed the Preliminary Financing Summary and presented the Participant List for the proposed issuance of approximately \$102,850,000 School Financing Bonds (1997

Resolution) Series 2016 A. He stated the bonds are expected to be sold competitively on April 26, 2016 and the anticipated delivery date is on or about May 17, 2016.

Mr. Loyola moved approval of the list of applications for the participants in the VPSA 2016 Spring Bonds sale as presented by staff and the submission of all items necessary to complete their respective VPSA pooled bond applications; Mr. Dickey seconded and the motion carried unanimously.

Mr. Bruno from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 16-01 authorizing the issuance of the VPSA Spring Bonds for Board consideration.

Mr. Mahone stated that if conditions are favorable, VPSA may anticipate refunding approximately \$15,000,000 of the Authority's 2009 and 2010 outstanding bonds as part of the VPSA Series 2016 A issuance.

Mr. Dickey moved the adoption of Series Resolution No. 16-01; Mr. Loyola seconded, and the motion carried unanimously as shown below:

YEAS: Brenda L. Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Manju S. Ganeriwala
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Issuance of VPSA School Educational Technology Notes Series XVI

Mr. Mahone reviewed the Preliminary Financing Summary for the School Technology and Security Notes Series IV in the combined projected amount of \$72,880,000. He stated that the anticipated sale date is May 3, 2016 and the anticipated delivery date is on or about May 19, 2016. Mr. Mahone stated that PFM will be acting as VPSA's Financial Advisor for this transaction.

Mr. Bruno provided an overview of Resolution No. 16-02, an Educational Technology Note Resolution authorizing the issuance of the Series XVI Notes. Mr. Dickey moved the adoption of Resolution No. 16-02; Mr. Loyola seconded, and the motion carried unanimously as shown below:

YEAS: Brenda L. Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Manju S. Ganeriwala
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Issuance of VPSA School Security Equipment Notes Series IV

Mr. Bruno provided an overview of Resolution No. 16-03, a Security Equipment Note Resolution authorizing the issuance of the Series IV Notes. Mr. Dickey moved the adoption of Resolution No. 16-03; Mr. Loyola seconded, and the motion carried unanimously as shown below:

YEAS: Brenda L. Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Manju S. Ganeriwala
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Consideration of the Issuance of Special Obligation School Financing and Refunding Bonds, Prince William County Series 2016

Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the \$250,415,000 Special Obligation School Financing and Refunding Bonds, Prince William County Series 2016.

Mr. Bruno reviewed Resolution No. 16-04 authorizing and securing the issuance of Special Obligation School Financing and Refunding Bonds, Prince William County Series 2016. He stated that Resolution No. 16-04 authorizes the new money bonds and provides a general authorization to issue refunding bonds if VPSA adopts Resolution No. 16-05. Mr. Bruno stated that Resolution No. 16-05 is a specific refunding authorization that allows the County maximum flexibility to issue the refunding bonds. Mr. Loyola moved the adoption of Resolution No. 16-04, as amended (Attachment A); Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Manju S. Ganeriwala
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Consideration of the Issuance of VPSA Special Obligation School Financing Refunding Bonds, Prince William County Series 2016

Mr. Bruno reviewed the Series Resolution 16-05 authorizing Special Obligation School Financing Refunding Bonds Prince William County Series 2016.

Mr. Dickey moved the adoption of Resolution 16-05, as amended (Attachment B); Ms. Ganeriwala seconded and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Manju S. Ganeriwala
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Other Business

Election of Officers for Fiscal Year 2017

Mr. Dickey moved the nomination and election of Mr. Loyola as Vice Chairman of the Virginia Public School Authority; Ms. Ganeriwala seconded, and the motion carried unanimously.

Mr. Loyola moved the nomination and election of the following officers to the Virginia Public School Authority for the fiscal year 2017: the State Treasurer of Virginia as Secretary and Treasurer; the Treasury Public Finance Manager (#TRS027) as Assistant Secretary and Assistant Treasurer #1; and, the Director of Debt Management as Assistant Secretary and Assistant Treasurer #2; Mr. Dickey seconded, and the motion carried unanimously.

Maintain Current Basis Point Fee Assessment for the General Pooled Bond Policy through the Biennium ending June 30, 2018

Mr. Mahone distributed an overview of the sufficiency of the current fee structure (Attachment C). He stated that the VPSA Pooled Bond Program average issuance per year was approximately \$201,000,000 for the last ten years; approximately \$273,000,000 between 2006 through 2010; and approximately \$129,000,000 between 2011 through 2015. Mr. Mahone stated that the current fee structure for VPSA's Pooled Bond Program should be sufficient to cover expenses in the near to mid-term. He stated that continued issuance at or below the five year average of \$129,000,000 will necessitate a future examination of the fee, but the current fee structure is sufficient to cover VPSA's expenses and, accordingly, staff recommends retaining the 5 basis point (0.05%) fee for the next biennium. Mr. Mahone stated that Board expenses were less than 1% of VPSA's expenses.

Ms. Aylor stated that VPSA is unique as an issuer because VPSA covers the cost of issuance of the localities.

Mr. Loyola moved that the Board maintain a 5 basis point (0.05%) fee assessment for the General Pooled Bond Policy of the Authority through the biennium ending June 30, 2018, subject to any periodic adjustment as market conditions warrant; Mr. Dickey seconded, and the motion as amended carried unanimously.

Results of Sale and Final Financing Summary

Series 2015 C School Financing Bonds – Ms. Palmer reviewed the Final Financing Summary for the \$49,350,000 School Financing Bonds (1997 Resolution) Series 2015 C. She stated the bonds sold competitively on October 27, 2015 at a true interest cost of 3.005748% and the delivery date was on November 19, 2015.

Adjournment

There being no further business to be brought before the Board, Mr. Loyola moved that the meeting be adjourned; Ms. Ganeriwala seconded and the motion carried unanimously at 2:24 P.M.

Respectfully submitted,

James D. Mahone
Assistant Secretary

ATTACHMENT A

Virginia Public School Authority
Spring Board Meeting – March 16, 2016

I move the adoption of Resolution No. 16-04, a Resolution Authorizing and Securing the Issuance of Special Obligation School Financing and Refunding Bonds for Prince William County Series 2016, as presented at this meeting.

Motion: _____ Second: _____

ATTACHMENT B

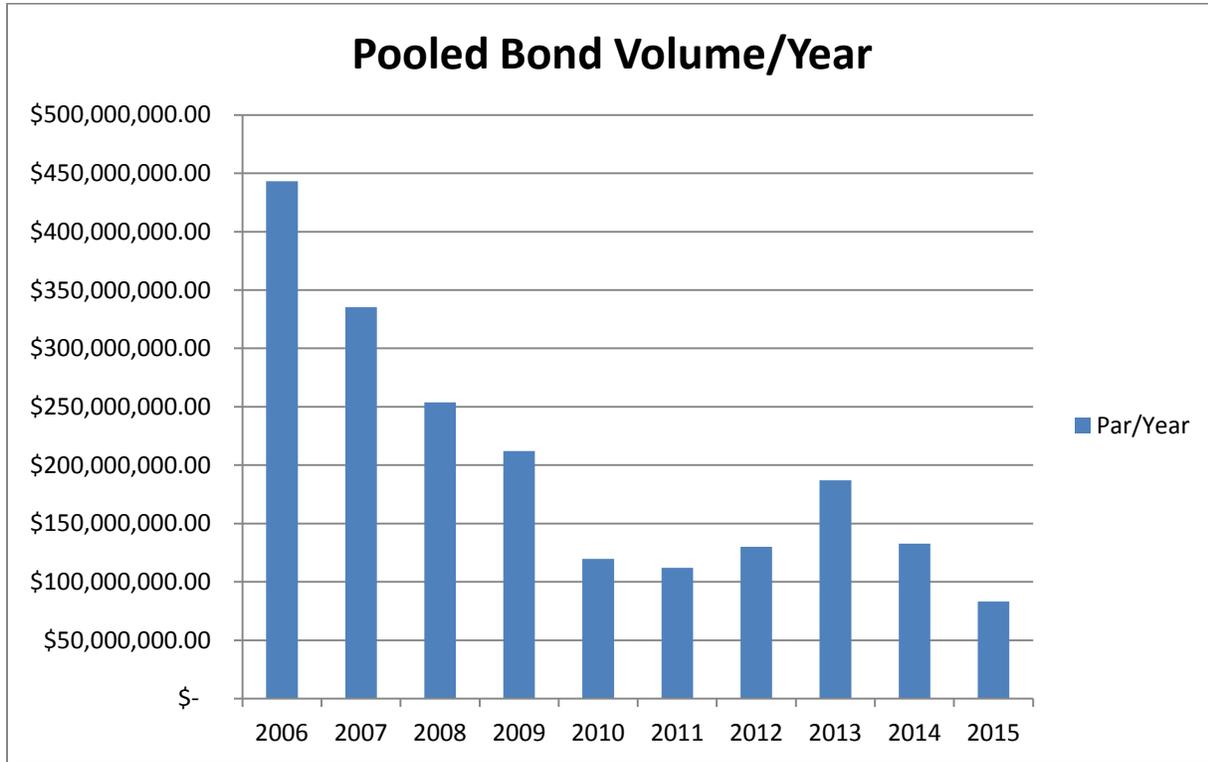
Virginia Public School Authority
Spring Board Meeting – March 16, 2016

I move the adoption of Series Resolution No. 16-05, a Series Resolution Authorizing the Issuance of Special Obligation School Financing Refunding Bonds for Prince William County Series 2016, as presented at this meeting.

Motion: _____ Second: _____

ATTACHMENT C

VPSA Fee Structure



VPSA Pooled Bond Program Average Issuance (2006 – 2015): \$200,888,500

VPSA Pooled Bond Program Average Issuance (2006-2010): \$272,805,000

VPSA Pooled Bond Program Average Issuance (2011 – 2015): \$128,972,000

Annual Issuance to cover Expenses at 5 basis point fee: \$280,000,000*

Annual Issuance to cover Expenses at 10 basis point fee: \$140,000,000*

* approximate

The current fee structure for VPSA’s Pooled Bond Program should be sufficient to cover expenses in the near to mid-term. This is assuming issuance at or below current levels, and no inordinate rise in expenses.

Continued issuance at or below the 5-year average of \$129,000,000 will necessitate a future examination of the fee, but the current fee structure is sufficient to cover VPSA’s expenses and, accordingly, we recommend retaining the 5 bps fee for the next biennium.