

COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)
Board of Commissioners Meeting
Spring Board Meeting – April 1, 2015, 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
Walter Mika
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Steven Staples

Members Absent: Douglas Combs
Jay Bhandari

Others Attending:	Arthur Anderson	McGuire Woods LLP
	Lisa Williams	McGuire Woods LLP
	Ty Wellford	Davenport & Company LLC
	Leah Schubel	Davenport & Company LLC
	Kevin Rotty	PFM
	Don Ferguson	Office of the Attorney General
	Evelyn Whitley	Department of the Treasury
	Deidre Jett	Department of the Treasury
	Melissa Palmer	Department of the Treasury
	Sandra Stanley	Department of the Treasury
	Bradley Jones	Department of the Treasury
	Chris Sorensen	Department of Education
	Christina Snellings	Department of Education

Call to Order and Public Comment

Ms. Skidmore called the meeting to order at 1:01 P.M. She stated the first order of business was to provide an opportunity for any public comment. There was no public comment.

Mr. Dickey introduced Mr. Chris Sorenson and Ms. Christina Snellings of the Virginia Department of Education.

Approval of Minutes

Ms. Skidmore asked for a motion for approval of the minutes of the February 10, 2015 Board meeting. Ms. Ganeriwala moved to adopt the minutes of the February 10, 2015 meeting as presented; Mr. Loyola seconded, and the motion carried.

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2015 Spring Bonds

Ms. Jett reviewed the Preliminary Financing Summary and presented the Participant List for the proposed issuance of approximately \$48,135,000 School Financing Bonds (1997 Resolution) Series 2015 B. She stated the bonds are expected to be sold competitively on April 23, 2015 and the anticipated delivery date is on or about May 14, 2015.

Mr. Dickey moved approval of the list of applications for the participants in the VPSA 2015 Spring Bonds sale as presented by staff and the submission of all items necessary to complete their respective VPSA pooled bond applications; Mr. Von Moll seconded and the motion carried unanimously.

Ms. Williams from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 15-03 authorizing the issuance of the VPSA Spring Bonds for Board consideration.

Mr. Von Moll moved the adoption of Series Resolution No. 15-03; Mr. Mika seconded, and the motion carried unanimously as shown below:

YEAS: Brenda L. Skidmore, Chairman
 Ben Loyola, Vice Chairman
 Walter Mika
 Manju S. Ganeriwala
 David A. Von Moll
 Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Issuance of VPSA School Educational Technology Notes Series XV

Ms. Jett reviewed the Preliminary Financing Summary for the School Technology and Security Notes Series III in the combined projected amount of \$72,566,000. She stated that the anticipated sale date is May 5, 2015 and the anticipated delivery date is on or about May 21, 2015. Ms. Jett stated that PFM will be acting as VPSA's Financial Advisor for this transaction.

Ms. Williams provided an overview of Resolution No. 15-04, an Educational Technology Note Resolution authorizing the issuance of the Series XV Notes. Mr. Dickey moved the adoption of Resolution No. 15-04; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

YEAS: Brenda L. Skidmore, Chairman
 Ben Loyola, Vice Chairman
 Walter Mika
 Manju S. Ganeriwala

David A. Von Moll
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Issuance of VPSA School Security Equipment Notes Series III

Ms. Williams provided an overview of Resolution No. 15-05, a Security Equipment Note Resolution authorizing the issuance of the Series III Notes. Mr. Loyola moved the adoption of Resolution No. 15-05; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Brenda L. Skidmore, Chairman
Ben Loyola, Vice Chairman
Walter Mika
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Consideration of the Issuance of VPSA School Tax Credit Bonds (Qualified Zone Academy Bonds) Series 2015-1

Ms. Jett provided an overview of the Qualified Zone Academy Bonds (QZAB) program and reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the School Tax Credit Bonds (QZAB) Series 2015-1.

Mr. Anderson from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, reviewed Resolution No. 15-06 authorizing the issuance of the School Tax Credit Bonds (QZAB) Series 2015-1. Ms. Ganeriwala moved the adoption of Resolution No. 15-06; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Walter Mika
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Consideration of the Issuance of VPSA Special Obligation School Financing Bonds, Prince William County Series 2015

Ms. Jett reviewed the Preliminary Financing Summary for the \$105,000,000 Special Obligation School Financing Bonds Prince William County Series 2015. She explained that from this point forward the stand-alone bond resolution will be changed to include a provision to allow for refunding bonds.

Ms. Williams reviewed the Bond Resolution 15-07 authorizing not to exceed \$105,000,000 Special Obligation School Financing Bonds Prince William County Series 2015. She stated that Section 212 of Bond Resolution 15-07 is substantially similar to the refunding provision set forth in the pool program.

Mr. Dickey moved the adoption of Resolution 15-07; Mr. Von Moll seconded and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Walter Mika
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Other Business

Election of Officers for Fiscal Year 2016

Ms. Skidmore asked for nominations for the position of Vice Chairman of the Authority, Ms. Ganeriwala moved the nomination and election of Mr. Loyola as Vice Chairman of the Virginia Public School Authority; Mr. Von Moll seconded, and the motion carried unanimously.

Mr. Von Moll moved the nomination and election of the following officers to the Virginia Public School Authority for the fiscal year 2016: 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.

Reimbursement to the Department of Treasury

Ms. Palmer stated the Board's approval was being requested to provide the annual reimbursement to the Department of the Treasury for expenses incurred to provide support services for the functions that Treasury provides VPSA. Mr. Loyola moved to approve a transfer in the amount of up to \$143,783 to reimburse the budget of the Department of Treasury for

administrative costs associated with personnel required to assist in meeting the needs of the Authority; Mr. Dickey seconded, and the motion carried unanimously.

Results of Sale and Final Financing Summary

Series 2015 A School Financing Refunding Bonds – Ms. Palmer reviewed the Final Financing Summary for the \$435,715,000 School Financing Refunding Bonds (1997 Resolution) Series 2015 A. She stated the bonds sold competitively on February 3, 2015 at a true interest cost of 2.205481% and the delivery date was on February 17, 2015. She stated that Refunding Series 2015 A resulted in \$55,407,841.94 in present value savings or 10.013588% of the refunded bonds. Ms. Palmer stated that \$42.5 million will be distributed to the twenty-three localities that were the participants in the outstanding issues that were refunded and the Literary Fund will benefit by \$12.8 million of the savings attributable to local participants that had received an interest rate subsidy from the Literary Fund in their original bond issue.

Ms. Jett reviewed the five year VPSA Board Summary Results of Sale and Final Financing Summary Matrix.

Report on Sufficiency of Current Rate Structure

Ms. Jett provided an overview of the sufficiency of the current rate structure. She discussed the fees or fee parameters that can be charged for each of the programs: the pooled program, notes program, tax credit program, and the stand alone program. She also gave an overview of issuance volume. Ms. Jett stated that staff had reviewed the current 5 basis point (0.05%) fee charged to localities to participate in pool bond financings and determined that maintaining the current 5 basis point (0.05%) surcharge would allow the program to continue to generate sufficient income for administrative and cost of issuance expenses in the near to midterm. In the long run it will depend on issuance volume. Mrs. Skidmore asked that the Board be briefed on a yearly basis.

Ms. Whitley stated that in the past the Board adopted an action item to monitor the sufficiency of the basis point fee assessment.

Adjournment

There being no further business to be brought before the Board, Mr. Dickey moved that the meeting be adjourned; Mr. Loyola seconded and the motion carried unanimously at 1:51 P.M.

Respectfully submitted,

Deidre G. Jett
Assistant Secretary