

**COMMONWEALTH OF VIRGINIA**  
**VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)**  
Board of Commissioners Meeting  
Winter Board Meeting – February 10, 2015, 12:00 p.m.  
Treasury Board Conference Room, Third Floor  
James Monroe Building  
101 North 14<sup>th</sup> Street, Richmond Virginia

Members Present: Brenda L. Skidmore, Chairman  
Ben Loyola, Vice Chairman  
Jay Bhandari  
Walter Mika  
Manju S. Ganeriwala  
David A. Von Moll

Members Absent: Douglas Combs  
Kent C. Dickey, designee for Dr. Steven Staples

Others Attending:	Arthur Anderson	McGuire Woods LLP
	Lisa Williams	McGuire Woods LLP
	Leah Schubel	Davenport & Company LLC
	Don Ferguson	Office of the Attorney General
	Melissa Palmer	Department of the Treasury
	Evelyn Whitley	Department of the Treasury
	Sandra Stanley	Department of the Treasury
	Deidre G. Jett	Department of the Treasury
	Jay Conrad	BB&T Capital Markets
	Gene Walter	Henrico County

**Call to Order and Public Comment**

Ms. Skidmore called the meeting to order at 12:19 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 25, 2014 Board meeting. Ms. Ganeriwala moved to adopt the minutes of the September 25, 2014 meeting as presented; Mr. Loyola seconded, and the motion carried.

**Consideration of the Adoption of a Resolution Consenting to the Refunding of All or a Portion of the Principal Installments of the \$44,440,000 Aggregate Principal Amount of Henrico County, Virginia General Obligation School Bond, Series 2008**

Ms. Jett introduced Sandra Stanley who recently joined the Virginia Department of the Treasury in October and Leah Schubel from Davenport & Company LLC.

Ms. Jett introduced Mr. Gene Walter of Henrico County and Mr. Jay Conrad of BB&T Capital Markets.

Ms. Ganeriwala asked whether or not the refunding bonds were being issued through VPSA.

Ms. Jett confirmed that the refunding bonds would not be issued through VPSA. Ms. Jett stated once they are called they will no longer be a part of the VPSA portfolio.

Ms. Whitley stated that setting up the escrow account will allow the County to set aside funds to pay the principal redemption price and interest on the Refunded VPSA Bonds to their call date.

Ms. Ganeriwala asked Mr. Walter the reason the bonds were not being refunded through VPSA.

Mr. Walter stated that Henrico County had other general obligation bonds that were being refunded and the County thought it would be easier to include the VPSA Special Obligation School Financing Bonds, Henrico County Series 2008 due to the current interest rate environment.

Ms. Whitley stated that Henrico County is an AAA rated county.

Mr. Von Moll asked if the County had policies in place that would prevent the extension of the refunding bonds maturities.

Mr. Walter stated that the County did not have a formal policy to prevent extending the maturities of the refunding bonds but that the County would not extend maturities nor increase any year of debt service.

Ms. Williams from McGuire Woods LLP, VPSA's Bond Counsel, presented a resolution consenting to the refunding of all or a portion of Henrico County, Virginia General Obligation School Bond, Series 2008 for Board consideration. She stated that Henrico County would fund an escrow with a portion of bond proceeds of a County general obligation offering to pay off a corresponding principal amount of the Authority's Special Obligation School Financing Bonds, Henrico County Series 2008.

Ms. Ganeriwala moved the adoption of the Resolution; Mr. Bhandari seconded, and the motion carried unanimously as shown below:

YEAS:           Brenda L. Skidmore, Chairman  
                    Ben Loyola  
                    Jay Bhandari

Walter Mika  
Manju S. Ganeriwala  
David A. Von Moll

NAYS: None

**Consideration of the Adoption of a Resolution Reaffirming the Authorization of the Virginia Public School Authority to Issue and Sell its Bonds to Refund Outstanding Indebtedness and Authorizing the Officers of the Authority to Carry Out the Purposes and Intent of this Resolution**

Ms. Williams stated that the Series Resolution adopted by the Board on September 25, 2014 authorized a Delegate to sell Refunding Bonds of each Series at a public sale no later than the date of the next succeeding Board meeting. Ms. Williams stated that the Authority's Refunding Series 2015 A Bonds were sold on February 3, 2015 and will not close until February 17, 2015. She advised that the "best practice" in the case of an intervening Board meeting that is after the sale date for a series of bonds previously authorized, but before the closing, is to reaffirm the authority granted by the Series Resolution to issue and sell the Series 2015 A Bonds and the authority of the officers and staff of the Authority to take any actions authorized by the Series Resolution in connection with the Series 2015 A Bonds and to ratify all actions taken in connection with the issuance and sale of the Series 2015 A Bonds.

Mr. Loyola moved the adoption of the Resolution, Mr. Mika seconded and the motion carried unanimously as shown below:

YEAS: Brenda L. Skidmore, Chairman  
Ben Loyola  
Jay Bhandari  
Walter Mika  
Manju S. Ganeriwala  
David A. Von Moll

NAYS: None

**Other Business**

**Results of Sale and Final Financing Summary**

Ms. Palmer distributed the VPSA Board Summary Results of Sale and Final Financing Summary Matrix (Attachment A).

**Series 2014 C School Financing Bonds** – Ms. Jett reviewed the VPSA Board Summary Results of Sale and Final Financing Summary Matrix for the \$81,265,000 School Financing Bonds (1997

Resolution) Series 2014 C. She stated the Series 2014 C bonds sold competitively at a true interest cost of 2.8342% with a delivery date of November 20, 2014.

**2014 Stand-Alone Bond Sale – Prince William County** – Ms. Jett reviewed the VPSA Board Summary Results of Sale and Final Financing Summary Matrix for the \$82,545,000 Special Obligation School Financing Bonds Prince William County Series 2014. She stated the true interest cost for the issuance was 2.6683%.

**2014 Stand-Alone Bond Sale – Warren County** – Ms. Jett reviewed the VPSA Board Summary Results of Sale and Final Financing Summary Matrix for the \$42,440,000 Special Obligation School Financing Bonds Warren County Series 2014. She stated the true interest cost for the issuance was 3.5099% with a delivery date of December 9, 2014.

**Series 2014-1 QZAB Financing** – Ms. Jett reviewed the VPSA Board Summary Results of Sale and Final Financing Summary Matrix for the \$3,816,000 School Tax Credit Bonds (Qualified Zone Academy Bonds) Series 2014-1. She stated the bonds sold by way of private placement with Wells Fargo Bank, National Association at a true interest cost of 0.0000% and a tax credit rate of 4.24%.

**2015 A School Financing Refunding Bonds** – Ms. Jett reviewed the VPSA Board Summary Results of Sale and Final Financing Summary Matrix for the \$435,715,000 School Financing Refunding Bonds (1997 Resolution) Series 2015 A. She stated the Refunding Series 2015 A bonds sold competitively on February 3, 2015 at a true interest cost of 2.1957% with a tentative delivery date of February 17, 2015. She stated that Refunding Series 2015 A resulted in \$46,722,399.76 in present value savings or 10.013588% of the refunded bonds.

Mr. Von Moll asked whether the higher underwriter fee for the \$42,440,000 Special Obligation School Financing Bonds Warren County Series 2014 was because of economies of scale.

Ms. Jett stated that it had to do with a variety of market factors including that because VPSA and Prince William County are in the market very frequently the market is more familiar with the bonds.

Ms. Skidmore asked that a cumulative financing summary matrix be provided at the next VPSA Board meeting. Ms. Skidmore complimented the VPSA team for the amount of work that is involved in each deal and for a job well done.

### **Upcoming Spring Reports**

#### **Revisions to the Stand Alone Policy**

Ms. Jett stated that we are looking at changing the VPSA guidelines to set out the type of issuers that would make good candidates for the standalone program. She stated that this will be discussed at the Spring VPSA Board meeting.

## **Sufficiency of Current Rate Structure**

Ms. Jett stated that we will be discussing the sufficiency of the current rate structure at the Spring VPSA Board meeting.

Ms. Whitley stated that staff needs to review the sufficiency of the revenues that will be generated from the current fee structure to ensure that it can sustain the Authority going forward.

Ms. Whitley provided a follow up report concerning the Security and Exchange Commission's Municipalities Continuing Disclosure Cooperation (MCDC) Initiative which provides issuers and underwriters the opportunity to self report instances of material misstatements in bond offering documents regarding the issuer's prior compliance with the continuing disclosure provisions of Rule 15c2-12. She stated that it was decided, in consultation with the Chairman, the Office of the Attorney General and bond counsel, that VPSA would not self report through the MCDC Initiative because there were no material omissions.

The next VPSA Board meeting date was set for April 1, 2015 at 1:00 p.m.

## **Adjournment**

There being no further business to be brought before the Board, Mr. Loyola moved that the meeting be adjourned; Mr. Von Moll seconded and the motion carried unanimously at 12:52 P.M.

Respectfully submitted,

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Deidre G. Jett  
Assistant Secretary

## **ATTACHMENT A**

**TAB 4 - VPSA Board Package February 10, 2015**

Series	Program	New Money(N) or Refunding	Issuance/ Closing Date	Par	Underwriter Fee per \$1000	Term (years)	Average Life (years)	True Interest Cost %	Competitive (C) /(#bids)	Underwriter	Ratings: Moody's, Fitch, S&P	Comments
2014C	Pooled Bond Issue-7 locals	N	11/20/14	\$81,265,000	\$2.03	21	10.608	2.8342%	C/9	J. P. Morgan Securities LLC	Aa1/AA+/AA+	
2014	Special Obligation School Financing Bonds (Prince William County)	N	10/7/14	\$82,545,000	\$2.29	20	10.269	2.6683%	C/7	Citigroup Global Markets Inc.	Aaa/AAA/AAA	
2014	Special Obligation School Financing Bonds (Warren County)	N	12/9/14	\$42,440,000	\$8.02	25	14.721	3.5099%	C/4	Fidelity Capital Markets	Aa2/AA/A A	
2014-1	QZAB - 2 locals	N	12/30/14	\$3,816,000	\$0.00	10	10	0.0000%	Private Placement	Wells Fargo	N/A	Tax Credit Rate of 4.24%
2015A	<i>Refunding Prior Issues - 23 locals</i>	R	2/17/15	\$435,715,000	\$3.78	21	9.773	2.1957%	C/5	<i>Citigroup Global Markets Inc.</i>	<i>Aa1/AA+/AA+</i>	<i>PV Savings \$46.7 million at 10.01%</i>