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COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)
Board of Commissioners Meeting
Spring Board Meeting – March 28, 2013, 2:00 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
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Patricia Wright

Members Absent: Kanchana Thamodaran

Others Attending: Matt Hughey Sidley Austin LLP
Jay Conrad BB&T Capital Markets
Matt Palumbo BB&T Capital Markets
Don Ferguson Office of the Attorney General
Melissa Palmer Department of the Treasury
Evelyn Whitley Department of the Treasury
Sherwanda Cawthorn Department of the Treasury

Call to Order and Public Comment

Ms. Skidmore called the meeting to order at 2:05 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 20, 2012 Board meeting. Mr. Dickey moved to adopt the minutes of the September 20, 2012 meeting as presented; Ms. Ganeriwala seconded, and the motion carried unanimously.

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2013 Spring Bonds

Ms. Palmer reviewed the Preliminary Financing Summary and presented the Participant List for the proposed issuance of approximately \$169,710,000 School Financing Bonds (1997 Resolution) Series 2013 A. She stated the bonds are expected to be sold competitively on April 25, 2013.

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Mr. Von Moll moved approval of the list of applications for the participants in the VPSA 2013 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. Hughey from Sidley Austin LLP, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 13-01 authorizing the issuance of the VPSA Spring Bonds for Board consideration. Amended pages to the Resolution were distributed that deleted language referring to the refunding of Other Indebtedness, and provided a provision in Section 15(a) to authorize the Delegate, if United States Treasury Securities – State and Local Government Series are not available, to purchase Defeasance Securities for periods when the moneys credited to the Escrow Fund would otherwise be uninvested (Attachment A).

Mr. Loyola moved the adoption of Series Resolution No. 13-01 as amended; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

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

NAYS: None

Issuance of VPSA School Educational Technology Notes Series XIII

Ms. Whitley stated that the School Educational Technology Notes program, conducted annually as directed by the Appropriation Act, will provide grants to Virginia localities to establish a computer-based instructional and testing system for the Standards of Learning and to develop the capability for high speed internet connectivity. She stated that the total fiscal year 2013 School Educational Technology Notes Series XIII authorization in the enrolled Budget Bill is \$59,846,000. Ms. Whitley stated a new Item 139(C)(13) of the Appropriation Act directs the Authority to issue Notes to provide funds for the purpose of making grants to Virginia localities to help offset the related costs associated with the purchase of appropriate security equipment that will improve and help ensure the safety of students attending public schools in Virginia. She stated that the total authorized School Security Equipment Notes is \$6,000,000 each fiscal year, beginning in fiscal year 2013, not to exceed an aggregate principal amount of \$30,000,000 outstanding at any time. Ms. Whitley reviewed the Preliminary Financing Summary for the School Technology and Security Notes Series I in the combined projected amount of \$65,846,000. She stated that the anticipated sale date is May 7, 2013.

Mr. Hughey provided an overview of Resolution No. 13-02, an Educational Technology Note Resolution authorizing the issuance of the Series XIII Notes. Ms. Ganeriwala moved the adoption of Resolution No. 13-02; Mr. Dickey seconded, and the motion carried unanimously as shown below:

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

NAYS: None

Issuance of VPSA School Security Equipment Notes Series I

Mr. Hughey provided an overview of Resolution No. 13-03, a Security Equipment Note Resolution authorizing the issuance of the Series I Notes. Amended pages to the Resolution that corrected the Resolution title were distributed (Attachment B). Ms. Von Moll moved the adoption of Resolution No. 13-03 as amended; Mr. Loyola seconded, and the motion carried unanimously as shown below:

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

NAYS: None

Consideration of the Issuance of VPSA Special Obligation School Financing Bonds, Prince William County Series 2013

Ms. Whitley reviewed the Preliminary Financing Summary for the \$67,260,000 Special Obligation School Financing Bonds Prince William County Series 2013. She explained that under the stand-alone structure, the County would pay all costs of issuance, making the transaction cost neutral for the Authority.

Mr. Hughey from Sidley Austin LLP, Prince William County's Bond Counsel, reviewed the Bond Resolution 13-04 authorizing not to exceed \$70,000,000 Special Obligation School Financing Bonds Prince William County Series 2013. Ms. Ganeriwala moved the adoption of Resolution 13-04; Mr. Dickey seconded and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Patricia Wright

NAYS: None

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Other Business

Election of Officers Effective March 28, 2013

Ms. Whitley explained in light of Mr. Davis' retirement, the Authority's action was needed to designate officers.

Mr. Hughey suggested an amendment to the motion to include the remainder of fiscal year 2013 (Attachment C).

Mr. Loyola moved, as amended, the nomination of the following slate of officers to the Virginia Public School Authority effective March 28, 2013: the State Treasurer of Virginia as Secretary and Treasurer; the Treasury Assistant Director of Debt Management (#TRS171) as Assistant Secretary and Assistant Treasurer #1; and, the Director of Debt Management as Assistant Secretary and Assistant Treasurer #2 and that nominations be closed; Mr. Von Moll seconded, and the motion carried unanimously.

Reimbursement to the Department of Treasury

Ms. Whitley stated the Board's approval was being requested to provide the annual reimbursement to the Department of the Treasury for expenses incurred to provide staff to the Authority. Mr. Von Moll moved to approve a transfer in the amount of up to \$85,220 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.

Resolution in Recognition and Appreciation of Service by Richard A. Davis

Ms. Skidmore presented the Resolution in Recognition and Appreciation of Mr. Davis. Mr. Dickey moved the adoption of the Resolution; Mr. Von Moll seconded, and the motion carried unanimously.

Results of Sale and Final Financing Summary

Series 2012 C School Financing Bonds – Ms. Palmer reviewed the Final Financing Summary for the \$65,950,000 School Financing Bonds (1997 Resolution) Series 2012 C. She stated the bonds sold competitively on October 24, 2012 at a true interest cost of 2.700007%.

Series 2012-1 QSCB Financing – Ms. Whitley reviewed the Final Financing Summary for the \$23,265,000 School Tax Credit Bonds (Direct Payment) Series 2012-1. She stated the bonds sold competitively on October 11, 2012 at a true interest cost of 0.059805%.

Series 2012 D School Financing Bonds – Ms. Palmer reviewed the amended Final Financing Summary for the \$66,120,000 School Financing Bonds (1997 Resolution) Series 2012 D (Attachment D). She stated that the proceeds of the Bonds will be used to purchase \$66,120,000 general obligation school Bonds issued by the County of Fluvanna, Virginia, which will use the

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proceeds to refinance obligations previously issued to the Authority to finance capital projects for the County's public schools and pay a portion of the costs of issuance. She stated the bonds sold by negotiated sale on December 7, 2012 and the true interest cost was 2.732828%. She stated that Series 2012 D resulted in \$7,680,361.87 in present value savings or 13.858466% of the refunded bonds.

Discussion of Bond Counsel and Financial Advisor Procurements

Ms. Whitley stated that another Board meeting will be scheduled to conduct interviews and select bond counsel and financial advisor since the current contracts expire on June 30. Ms. Skidmore suggested the short list for interviews include no more than three firms.

Adjournment

There being no further business to be brought before the Board, Ms. Ganeriwala moved that the meeting be adjourned; Ms. Von Moll seconded and the motion carried unanimously at 3:03 P.M.

Respectfully submitted,

Janet A. Aylor
Assistant Secretary

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Attachments A through D are available at the Department of the Treasury