TREASURY BOARD
COMMONWEALTH OF VIRGINIA
April 14, 2021 Meeting (Electronic)
9:00 a.m.

Meeting Minutes

Members Present:	Manju Ganeriwala, Chairwoman
	Neil Amin
	Craig Burns
	James Carney
	Douglas Densmore
	Luis Mejia
	David Von Moll

Others Present:	Audrey Burges	Office of the Attorney General
	Don Ferguson	Office of the Attorney General
	Lauren Figg	Auditor of Public Accounts
	Kevin Larkin	Bank of America N.A.
	Steve Johnson	Hilltop Securities
	Anne Oman	House Appropriations Committee
	Tony Maggio	House Appropriations Committee
	Markita Heard	JP Morgan
	George Scruggs	Kutak Rock
	TW Bruno	McGuire Woods
	David Richardson	McGuire Woods
	James Johnson	The Optimal Service Group
	Bryce Lee	The Optimal Service Group
	Karen Logan	The Optimal Service Group
	Nelson Bush	PFM
	Andrew Evanchik	PRAG
	Janet Lee	PRAG
	Sean Ekiert	Raymond James
	Ron Tillett	Raymond James
	AubreyLayne, Jr.	Secretary of Finance
	April Kees	Senate Finance Committee
	Jason Powell	Senate Finance Committee
	Paul Messplay	University of Mary Washington
	Dr. Tory Paino	University of Mary Washington
	Paula Zero	University of Mary Washington
	Chris Whyte	Vectre
	Patrick Dixon	Wells Fargo
	Janet Aylor	Department of the Treasury
	Neil Boege	Department of the Treasury
	Sherwanda Cawthorn	Department of the Treasury
	Tracey Edwards	Department of the Treasury

Leslie English	Department of the Treasury
Kathy Foote	Department of the Treasury
Debora Greene	Department of the Treasury
June Jennings	Department of the Treasury
Bradley Jones	Department of the Treasury
Laura Lingo	Department of the Treasury
James Mahone	Department of the Treasury
John Ockerman	Department of the Treasury
Melissa Palmer	Department of the Treasury
Kristin Reiter	Department of the Treasury
Richard Rhodemyre	Department of the Treasury
Sandra Stanley	Department of the Treasury
David Swynford	Department of the Treasury
Michael Tutor	Department of the Treasury
Stuart Williams	Department of the Treasury

Call to Order and Approval of Minutes

Chairwoman Ganeriwala called the meeting to order at 9:00 a.m. Chairwoman Ganeriwala introduced Secretary of Finance Aubrey L. Layne, Jr. Each Treasury Board member introduced themselves.

Chairwoman Ganeriwala asked if there were any changes or revisions to the March 17, 2021 meeting minutes. Mr. Densmore moved for approval of the minutes. Mr. Von Moll seconded and the motion carried unanimously. The votes were as follows:

Neil Amin	Yes
Craig Burns	Yes
James Carney	Yes
Douglas Densmore	Yes
Manju Ganeriwala	Yes
Luis Mejia	Yes
David Von Moll	Yes

Public Comment

Secretary Layne thanked the Board for having him and thanked the Board members for their service.

Action Items

Resolution Approving the Plan of Finance for the Issuance and Sale of Virginia College Building Authority Educational Facilities Revenue and Refunding Bonds (21st Century College and Equipment Programs), Series 2021A and 2021B (Federally Taxable)

Leslie English presented the Preliminary Financing Summary for the issuance of $807.9 million of Virginia College Building Authority, Educational Facilities Revenue Bonds, Series 2021A and Educational Facilities Revenue Refunding Bonds, Series 2021B (Federally Taxable). The proceeds of the 2021A Bonds are being used to (i) finance certain capital projects and acquire equipment for public institutions of higher education in the Commonwealth and (ii) pay the costs of issuing the 2021A Bonds. The proceeds of the 2021B Bonds are being used to (i) refund a portion of certain of the Authority's outstanding Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), and (ii) pay the costs of issuing the 2021B Bonds. The Bonds are scheduled for competitive sale on May 19, 2021 with a delivery date of June 9, 2021. The estimated true interest cost as of April 6, 2021 is:

Aggregate	1.99%
Series 2021A	1.83%
Series 2021B	2.34%

George Scruggs from Kutak Rock LLP, bond counsel to the Virginia College Building Authority reviewed the Resolution.

Mr. Carney suggested an amendment to paragraph number one of the Treasury Board Resolution that further clarifies that "The plan of financing proposed by the Authority for issuance of Bonds as outlined in the Preliminary Official Statement and the Preliminary Financing Summary presented to this meeting, as may be revised by the Authority or Treasury staff consistent with the terms of this Resolution, including without limitation, to reflect the offering and sale of one or more series of Bonds pursuant to negotiated sale or private placement, is hereby approved <u>in substantially the forms presented, …"</u>

Mr. Carney also suggested changing the words "ratifies and confirms" to "approves" in paragraph number three of the Treasury Board Resolution. The amended Resolution is attached.

Discussion ensued. Mr. Densmore asked if the money had already been allocated amongst the colleges and universities. Ms. English responded that it has with the equipment program. When asked about the other, Ms. English commented that the others have authorization; however, we issue bonds based on draw schedules. They have authorizations for certain amounts and then they draw down the funds from the pool of funds that we have deposited from the sale. The authorizations have already been pre-approved for each of the participants. Chairwoman Ganeriwala stated that the legislature has approved in the Appropriation Act. The project is defined and an up to amount has been defined. The bonds are based on cash flow projections.

Chairwoman Ganeriwala asked for a motion to approve the Resolution as amended. Mr. Densmore moved that the Resolution as amended be adopted. Mr. Burns seconded, and the motion carried unanimously. The votes were as follows:

Neil Amin	Yes
Craig Burns	Yes
James Carney	Yes
Manju Ganeriwala	Yes
Douglas Densmore	Yes
Luis Mejia	Yes
David Von Moll	Yes

Resolution Approving the Plan of Finance for the Issuance and Sale of Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Program) Series 2021C

Chairwoman Ganeriwala explained that the University of Mary Washington (UMW) is asking to issue bonds through the Virginia College Building Authority's Pooled Bond Program to finance the acquisition of two student-housing properties from its Foundation. Chairwoman Ganeriwala explained that this is a very different deal because the bond proceeds are not being used to build something or refund previous bonds, but to allow the University to acquire properties that belong to the Foundation.

Janet Aylor presented the Preliminary Financing Summary for $80.5 million of Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2021C. The Bonds will represent the thirty-fifth series of bonds under the program and proceeds will be used to make a loan to UMW to (i) acquire two existing student-housing properties and a related parking deck originally financed and currently owned by the UMW Foundation at the cost of the outstanding debt of approximately $74.3 million plus a termination payment of approximately $20 million on two swaps associated with the current financing arrangements on the student-housing projects and (ii) pay costs of issuing the Bonds. The Bonds will be secured by payments made under a promissory note issued by the UMW pursuant to a loan agreement between the UMW and the Authority. The security of these bonds will be the general revenues of the University. These bonds are not considered tax-supported debt. The bonds are scheduled for competitive sale on or around May 11, 2021 and have a delivery date of May 25, 2021. The final maturity of the bonds will be increased from 30 years to 40 years. Through the VCBA Pooled Bond Program, UMW will have to pay debt service 15 days in advance of VCBA making bond payment. This allows time to invoke the state-aid intercept if necessary in the case of non-payment by UMW. The Estimated All-In TIC as of April 13, 2021 was 2.58%. However, we have a resolution maximum TIC of 4%.

Chairwoman Ganeriwala introduced Janet Lee and Andrew Evanchik (Financial Advisors) of PRAG and George Scruggs (Bond Counsel) who are available for questions. Chairwoman Ganeriwala then referenced her memo dated April 8, 2021 to the Board Members in which she details Treasury's main concerns with the financing request: 1) the substantial swap termination fee and 2) the extension of the current debt maturity by 10 years from 30 years to 40 years.

Dr. Troy Paino (UMW President) introduced Sean Ekiert and Ron Tillett of Raymond James (Financial Advisors), David Richardson of McGuire Woods (Bond Counsel), Paul Messplay (UMW Vice President of Administration and Facilities), Audrey Burges (Counsel from the Office of the Attorney General).

Dr. Paino provided a brief summary of his memo dated March 23, 2021 to State Treasurer Ganeriwala included in the Board's briefing materials. Dr. Paino's memo provided a narrative of events that led to the point of UMW seeking to acquire the UMW Foundation-owned student-housing using VCBA issued bonds.

Secretary Layne explained why he decided to assist in the UMW financing matter. As a general point, he does not believe this to be an isolated issue to UMW. Over the last decade, several foundations at colleges have gotten into real estate and some have not ended in a very solid financial positon. Secondly, in his experience dealing with P3's (Public Private Partnerships) while Secretary of Transportation, oftentimes he found that the state was not at the right end of the deal. This was partly due to poor contract negotiation. Finally, however, in some respects, the General Assembly in the early 2000's encouraged colleges and universities to look at P3 deals.

Secretary Layne explained that if the Treasury Board does decide to move forward with the proposed financing, he plans to send a letter to UMW explaining that they will be limited to what they can do without Executive Branch or General Assembly approval when considering future debt financing transactions. If something isn't done, the Foundation could possibly face default and this would put the students who depend on this housing at risk. Secretary Layne has spoken with Bank of America regarding this transaction. While he would have liked to see them do more, he is comfortable that they are leaving substantial monies in the Foundation that are going to be at risk that the UMW will not be responsible for. He mentioned that the Commonwealth lives up to its contracts even if they are not good contracts; otherwise, we would not be able to do business with others. We are fortunate with the rates being so low that we are able to deal with this now. He doesn't believe that would be the situation for us going forward. He is not overly elated that we are in this position, but he does believe that this plan is the best answer for the students at UMW and given the financial parameters.

Chairwoman Ganeriwala thanked Secretary Layne for his comments and introduced Kevin Larkin, Sr., VP of Bank of America, holder of the current contracts. Bank of America is integral to UMW's purchase of the housing properties, allowing UMW to sever the loan on those properties from the current basket of cross-collateralized loans.

Mr. Densmore asked how this escaped Treasury Board's scrutiny when the original structure was put in place. Janet responded that the original contract was in the form of a support agreement which did not require any financial support on the part of the University. The support agreement required UMW to place students into the Foundation-owned dormitory buildings. Chairwoman Ganeriwala further explained that the support agreement wasn't for a long-term lease agreement where UMW would repay a specific amount of money for leasing the rooms. The Office of the Attorney General does not recognize support agreements as long-term leases. Had they financed then with the terms that we have today, the rates would have been lower than what they received with a third party. Unfortunately, because it didn't require general fund appropriation, they did not have to get the Treasury Board's approval. Secretary Layne suggested that ideally these transactions would be looked at by others in addition to the universities, but that would interfere with the independence of universities.

Mr. Densmore commented that it seems an odd time to terminate swaps when interest rates appear to be going up, which is what the swap was designed to protect against. He asked what the consideration was to maintaining the swap if it could be done. Secretary Layne explained that the Bank of America would not allow the assets associated with the University to be segregated away from the cross-collateralization of all the other assets that are not related to the University with the swap remaining in place as the swap would no longer be considered a hedge, but rather a speculative investment.

Lastly, Mr. Densmore asked whether the Foundation and University, at the time this was originated, had a financial advisor or someone who was suggesting that this was an appropriate construct. Paul Messplay responded that the University didn't really have an independent financial advisor. The financial advisors were really serving the Foundation. Neither of those financial advisors are in the business anymore.

Luis Mejia did not see a reference to the swap termination fee mentioned in the purpose described in the Official Statement. He asked if someone could explain why it is not referenced in the Official Statement. He regards the swap termination as a material fact that investors and buyers should be aware of. David Richardson explained the proceeds are actually being used to acquire the properties and once the properties are acquired and payment is made to the Foundation, the Foundation then terminates the swap and pays off the debt. So, the bond proceeds are actually being used for acquisition purposes. The purchase price for the property is being established by the amount of the principal and interest that are outstanding, along with the swap termination fee. Mr. Richardson went on to say that, from VCBA's perspective, swap termination is not really material to the investors because they are looking at the Commonwealth's credit and VCBA's credit. Mr. Mejia stated that under the circumstances, this may be technically accurate but a little too clever. He would consider this as a pretty significant fact with regard to how these particular proceeds are going to be used. It is a pretty material fact to him and it should be clear in the Official Statement. Mr. Densmore agreed with Mr. Mejia. Discussion ensued. Mr. Mejia stated that unwinding the swap in the future at a lower rate is an option that should be revisited. Secretary Layne stated that there is no doubt that we are paying more because of the swap. However, he does not know what the fair market value of the properties is versus the cost to assume ownership.

Chairwoman Ganeriwala asked Dr. Paino if the University has a valuation of these properties. Sean Ekiert stated that the University has not obtained an appraisal of these properties. The Foundation obtained an appraisal, but he has not reviewed it with sufficient scrutiny to comment on it.

Chairwoman Ganeriwala asked George Scruggs to comment on Mr. Mejia's statement about including a paragraph in the offering document to indicate that the price established was the outstanding debt on the property since it is not based on valuation assessment, plus swap termination fee. Mr. Scruggs agreed that it is a good idea to include mention of the swap in the offering document and it will be included.
Mr. Mejia told Dr. Paino how much he and the Board appreciate the information he provided and expressed that he is sure that it is not easy to have to disclose a number of missteps and errors in judgement over the years. That was really important information. Mr. Mejia asked Dr. Paino to describe the remedial steps that have been taken to ensure the University does not find itself in this situation again and to restore people's confidence in the University. Dr. Paino discussed his commitment to ensuring this does not happen again, ensuring transparency in doing so. The University is restructuring their budget and treating the residence halls as their own line of business. They will also build an ongoing reserve along the way. They could also reduce about 500 beds, thereby reducing costs to the University. They vow to be more disciplined and transparent. Mr. Mejia asked Dr. Paino to look at resources, policies and procedures, personnel, the Board, etc. Additionally, the institution who was tasked with forecasting enrollment and the budgeting process needs to be fixed because a lot of mistakes were made. Mr. Mejia thanked Dr. Paino for his candidness and his efforts to resolve this matter.

Secretary Layne discussed the many steps that the University should take if this proposal is approved by the Treasury Board:

- The UMW BOV shall deal with the Foundation and reconsider their relationship with regard to capital lease real estate transactions.
- UMW should not engage in any real estate transactions outside those approved by the Governor or General Assembly
- UMW should report to the Departments of the Treasury and Planning and Budget on their cash to debt ratio and ensure that they do not exceed the 10% debt ratio.

- UMW should utilize the financing through the issuance of either self-supporting general obligation bonds or VCBA revenue bonds for future transactions.

Mr. Carney asked about the notional amount on the swap being the total amount of the loan. Mr. Ekiert confirmed that. Mr. Carney further asked about leaving the current swap in place. He asked why Bank of America could not partially novate the swap to UMW and recognize that they have those assets or even do a collateralized financing. He also asked what the differential was, and what rate was used to calculate the breakage. Mr. Larkin responded that the novation concept is a possibility, but the University does not have any floating rate debt. In theory, if you novated it to the University to use it as a hedge against other debt they may have – the University just does not have any floating rate debt. They do not enter into speculative hedges. Discussion ensued. Bank of America would not allow a public sector entity to enter into a hedge that was not tied to a particular debt instrument.

Mr. Carney questioned if the idea of taking buildings as collateral and financing them on a project basis is something the bank would consider. Mr. Larkin responded that this was conceptually discussed and is something that they could look at. He was unsure of the discounted rate used to calculate the swap termination, but it is a taxable rate. There is a mathematical benefit to this structure. If you terminate that swap, which is calculated based on the taxable discount rate and you use tax-exempt bonds to finance that termination, there is a meaningful mathematical benefit to the University over time to do that. This was looked at by the Treasury and others and it was determined by both sets of advisors to terminate now and take advantage of the low interest market. Mr. Ekiert discussed the risks if the swap was left in place. It was Raymond James' analysis to take advantage of the very favorable long-term tax-exempt rates available with the VCBA bonds to finance the swap termination payment now.

Mr. Amin asked Bank of America about Dodd Frank requiring swap dealers having to disclose at the request the mark-up that is being charged to do this transaction – the actual profit that the bank is receiving. He asked if Bank of America disclosed this information to the Treasury Board. Mr. Larkin stated that they can provide that information to the Board. That information does get disclosed. Discussion ensued. It's usually a basis point or less for breakage fee. Mr. Larkin can provide an estimate of what it typically is. Mr. Carney asked about the mark-up at the time of initiation. Mr. Larkin responded that the swap was entered into in 2008, which was before Dodd Frank became law. Mr. Amin asked about the all-in rate and swap rate. Discussion ensued.

Chairwoman Ganeriwala asked for a motion to approve the Resolution. Mr. Amin moved that the Resolution be adopted. Mr. Von Moll seconded, and the motion carried 6-1. The votes were as follows:

Neil Amin	Yes
Craig Burns	Yes
James Carney	Yes
Manju Ganeriwala	Yes
Douglas Densmore	Yes
Luis Mejia	No

David Von Moll	Yes

Motion to Approve Recommendation for Resolution in Recognition and Appreciation of Forty Years of Service by Janet Aylor

Chairwoman Ganeriwala amended the agenda to add a motion to approve a Resolution in recognition and appreciation of forty years of service by Janet Aylor. Chairwoman Ganeriwala announced that Ms. Aylor will be retiring at the end of May and read the proposed Resolution (Attachment 2). She has been a hard-working, dedicated public servant and she will be missed tremendously. Secretary Layne expressed what a pleasure it has been working with Ms. Aylor over the years. He wished her the very best in her retirement on behalf of the Governor and citizens of the Commonwealth. The Board members shared their appreciation of Janet and thanked her for her many years of service to the Commonwealth and the Treasury Board. Janet expressed her gratitude to Secretary Layne and the members of the Board for their well wishes. She is proud to have been an employee of Treasury.

Chairwoman Ganeriwala announced that Bradley Jones will be assuming the role of Debt Director. Chairwoman Ganeriwala welcomed Brad and congratulated him on his promotion. Brad looks forward to working with the Board.

Chairwoman Ganeriwala asked for a motion to approve the Resolution. Mr. Densmore moved that the Resolution be adopted. Mr. Amin seconded and the motion carried unanimously. The votes were as follows:

Neil Amin	Yes
Craig Burns	Yes
James Carney	Yes
Douglas Densmore	Yes
Manju Ganeriwala	Yes
Luis Mejia	Yes
David Von Moll	Yes

Mr. Burns left the meeting at 10:30 a.m. Secretary Layne congratulated Brad on his promotion and thanked the Board for having him.

Motion to Approve Recommendation Regarding the Tobacco Indemnification and Community Revitalization (TICR) Endowment Proceeds

John Ockerman discussed the motion to approve the recommendation related to the tax-exempt managers. He quickly summarized the requested changes. Currently, there are two managers in the tax-exempt portfolio – BlackRock and Income Research and Management (IRM). Due to declining portfolio size as TICR funds are spent, it has become less economical to have two managers. Specifically, the BlackRock portfolio has a minimum management fee. Therefore, consolidating both the short and intermediate portions of the fund with a single manager (IRM) will result in a savings.

Chairwoman Ganeriwala asked for a motion to approve the recommendations for the TICR Tax Exempt proceeds to remove BlackRock as investment manager and to implement the portfolio consolidation with IRM. Mr. Mejia moved that the Resolution be adopted. Mr. Von Moll seconded, and the motion carried unanimously. The votes were as follows:

Neil Amin	Yes
James Carney	Yes
Douglas Densmore	Yes
Manju Ganeriwala	Yes
Luis Mejia	Yes
David Von Moll	Yes

Chairwoman Ganeriwala adjusted the meeting agenda and asked Ms. Aylor to present her staff briefing next so that Ms. Aylor could leave the meeting and attend to an upcoming bond sale.

Debt Management

Ms. Aylor reviewed the Debt Calendar as of April 1, 2021 and the leasing reports as of March 31, 2021. Ms. Aylor informed the Board that new leases for $274,164 were provided in March for vehicles and approximately $19 million was used to date under the Master Equipment Leasing Program, Contract TB#20-4012, leaving a line of credit balance of $41 million. Ms. Aylor informed the Board that new leases for $8.6 million were provided in March for energy efficiency equipment and approximately $19 million was used to date under the Energy Leasing Program for the month of March leaving a line of credit balance of approximately $20.6 million.

Ms. Aylor then reviewed the Final Financing Summary for approximately $263 million of Public Facilities Revenue Bonds, Series 2021A-1, approximately $273 million of Public Facilities Revenue Bonds, Series 2021A-2, and approximately $11 million of Public Facilities Revenue Refunding Bonds, Series 2021B (Federally Taxable). The Bonds had a pricing date of March 9, 2021.

Motion to Approve the Commonwealth of Virginia State Non-Arbitrage Program ® Information Statement

Nelson Bush presented the updated version of the SNAP Information Statement. The Information Statement is the primary offering document for the SNAP fund. It is revisited every few years. The Statement was last adopted in October 2016. Mr. Bush summarized the changes that are being made. The date of the Information Statement will be updated to the date that the Information Statement is filed with the MSRB. Subject to Treasury Board approval, the Information Sheet will be submitted to MSRB and distributed to investors on the same date.

Discussion ensued.

Chairwoman Ganeriwala asked for a motion to approve the amended Commonwealth of Virginia State Non-Arbitrage Program ® Information Statement. Mr. Von Moll moved that the

Resolution be adopted. Mr. Mejia seconded, and the motion carried unanimously. The votes were as follows:

Neil Amin	Yes
James Carney	Yes
Douglas Densmore	Yes
Manju Ganeriwala	Yes
Luis Mejia	Yes
David Von Moll	Yes

<u>Staff Reports</u>

Security for Public Deposits

Kristin Reiter reviewed the SPDA Report for the month ended February 28, 2021. Ms. Reiter reported that no banks were under collateralized in February. There was one bank merger of two pooled banks; Virginia Commonwealth Bank merged into Blue Ridge Bank.

Ms. Reiter reported that 4th quarter 2020 IDC ratings were used this reporting period. There was no change in the banks that were ranked below average by IDC for the month of February. We still have two pooled banks that continue to rank slightly below average, CornerStone and New Horizon Bank.

Ms. Reiter provided an update on our actions to amend the SPDA regulations. The Notice of Intended Regulatory Action was posted on Virginia's Regulatory Town Hall last month. It has been posted for 30 days. The time period for public comment ends today. To date, we have received no comments. After today, we will enter phase two of the amendment process. In phase two, we have 180 days to provide a draft document of the amended regulations to the Executive Branch for approval and then to the Governor for approval. After such, it will go to the public for comments.

State Non-Arbitrage Program

Mr. Bush provided comments on the current market. The market continues to be positive with consumer and job growth. Interest rates remain near zero. Yields have declined another two basis points for the month of March.

Mr. Bush then reviewed the SNAP report as of March 31, 2021. The fund's assets were valued at approximately $5.19 billion. The monthly distribution yield was 0.12%, slightly lower from February's yield of 0.14%. The weighted average maturity of the fund was 49 days.

Mr. Bush presented an updated version of PFM's Form ADV, Part 2A. As an investment advisor registered with the Securities and Exchange Commission, PFM is required to maintain a written disclosure statement on its background and business experience, and to offer their investment advisory clients a current version of this statement when material changes occur. Mr. Bush reviewed the material changes to PFM's business and reviewed the disclosure forms.

Investments

John Ockerman reviewed the Investment reports for the month ended March 31, 2021. The General Account composite yield to maturity was 0.46%, stable from February.

Mr. Ockerman then reported on the LGIP portfolio, which was in compliance for all measures for the month of March and was valued at approximately $7.66 billion. The average yield on the portfolio was 0.14%, one basis point lower than February, and the average maturity was 51 days. Mr. Ockerman then reviewed the LGIP Extended Maturity portfolio. The net asset value yield to maturity was 0.35%, ten basis points lower than February. The average maturity is stable at just over one year.

Other Business

Chairwoman Ganeriwala stated that the next Treasury Board meeting is scheduled for May 14, 2021. At this time, we do not have any action items for the month of May. Therefore, we are not planning to have a meeting. Chairwoman Ganeriwala will let the Board know if this changes. The meeting adjourned at 11:09 AM.

Attachments

Respectfully submitted,

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Vernita Boone, Secretary
Commonwealth of Virginia Treasury Board

Attachment 1

RESOLUTION APPROVING A FINANCING PLAN FOR VIRGINIA COLLEGE BUILDING AUTHORITY BONDS UNDER 21ST CENTURY COLLEGE AND EQUIPMENT PROGRAMS AND DELEGATING THE STATE TREASURER AUTHORITY TO APPROVE BOND TERMS, STRUCTURE AND MANNER OF SALE

WHEREAS, approval of the Treasury Board of the Commonwealth of Virginia (the "Board") is required pursuant to Section 2.2-2416(7) of the Code of Virginia of 1950, as amended (the "Virginia Code"), for the terms and structure of all bonds issued by or for the benefit of state agencies, boards and authorities where debt service is to be made, in whole or in part, from appropriations by the General Assembly of the Commonwealth of Virginia (the "General Assembly");

WHEREAS, the General Assembly authorized the Virginia College Building Authority (the "Authority") to issue bonds to finance (a) certain capital improvements (the "21st Century College Projects") at public higher educational institutions pursuant to the 21st Century College Program and (b) certain scientific, technical and other equipment for teaching, research and related activities (the "Equipment Projects") at public higher educational institutions pursuant to the Equipment Program;

WHEREAS, debt service on Authority bonds issued to finance 21st Century College Projects and Equipment Projects will be paid primarily from revenues and receipts derived from general fund appropriations made by the General Assembly to the Board and forwarded to or at the direction of the Authority pursuant to an Amended and Restated Payment Agreement dated as of June 1, 1999, between the Board and the Authority (the "Payment Agreement");

WHEREAS, pursuant to a resolution adopted on March 31, 2021 (the "Authority Resolution"), the Authority authorized the issuance and sale of Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), in one or more series with appropriate year and series designation (the "New Money Bonds"), the proceeds of which will be used to (a) finance 21st Century College and Equipment Projects, and (b) pay costs in connection with such issuance;

WHEREAS, the Authority also may determine as authorized by the Authority Resolution, to issue and sell Educational Facilities Revenue Refunding Bonds (21st Century College and Equipment Programs), in one or more series with appropriate year and series designations (the "Refunding Bonds" and together with the New Money Bonds, the "Bonds"), and to use proceeds of any Refunding Bonds to (a) refund for debt service savings certain maturities of bonds previously issued by the Authority (the "Refunded Bonds"), and (b) pay costs in connection with such issuance and refunding;

WHEREAS, a determination will be made closer to the time the Authority enters the market whether to offer and sell some or all of the Bonds pursuant to competitive bidding, negotiated sale or private placement, based on then-existing capital market or other economic and financial conditions and considering the advice of the Authority's financial advisors; and

WHEREAS, the terms and structure of the proposed financing are described in a draft Preliminary Official Statement (the "Preliminary Official Statement") and a Preliminary Financing Summary (the "Preliminary Financing Summary"), copies of which have been presented to this meeting and the members of the Board;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD THAT:

1. The plan of financing proposed by the Authority for issuance of Bonds as outlined in the Preliminary Official Statement and the Preliminary Financing Summary presented to this meeting, as may be revised by the Authority or Treasury staff consistent with the terms of this Resolution, including without limitation, to reflect the offering and sale of one or more series of Bonds pursuant to negotiated sale or private placement, is hereby approved in substantially the forms presented, subject to further approval by the State Treasurer pursuant to Section 2 of this Resolution.

2. Pursuant to Section 2.2-2416(9) of the Virginia Code, the Board deems it proper and delegates to the State Treasurer authority to act for and on behalf of the Treasury Board and take such action as the State Treasurer, in the State Treasurer's discretion may deem necessary and appropriate, subject to the limitations set forth herein, and otherwise consistent with this Resolution, to approve the final terms and structure of Bonds, to determine the manner of sale of the Bonds in one or more series, including without limitation if determined by the State Treasurer, based on then-existing capital market or other economic and financial conditions and considering the advice of the Authority's financial advisors, by competitive bidding, selection of an underwriter or group of underwriters for the Bonds and a negotiated sale, or solicitation for proposals and a private placement; ***provided, however,*** (a) (i) the aggregate principal amount of New Money Bonds does not exceed $640,000,000, taking into account any net original issue premium in excess of a diminimis amount to the extent required by Section 2.2-5002.1 of the Virginia Code, (ii) the final maturity of New Money Bonds is not later than February 1, 2041, and (iii) the aggregate true interest cost of New Money Bonds does not exceed 4.00%, taking into account any original issue discount or premium and issuance costs; and (b) (i) the aggregate principal amount of any Refunding Bonds does not exceed $270,000,000, (ii) the final maturity of any Refunding Bonds is not later than the final maturity of the related Refunded Bonds, (iii) the true interest cost of any Refunding Bonds does not exceed 4.00%, taking into account any original issue discount or premium and issuance costs, and (iv) the issuance of any Refunding Bonds results in net present value savings of at least 5% of the aggregate principal amount of the related Refunded Bonds.

3. The Board approves the Payment Agreement.

4. The State Treasurer is authorized to take such further action consistent with the authorization and subject to the limitations herein provided as is necessary to carry out the purposes and intent of this Resolution.

5. This Resolution shall take effect immediately upon its adoption and shall remain in effect for a period of one year after the date of adoption of the Virginia College Building Authority resolution (March 31, 2021).

The undersigned Chairman of the Treasury Board of the Commonwealth of Virginia certifies that the foregoing is a true and correct copy of a Resolution adopted by the Treasury Board, upon the vote as noted below, at a duly called meeting of the Board held on April 14, 2021.

Board Member	Present/Absent	Vote
Manju S. Ganeriwala		
Neil Amin		
Craig Burns		
James Carney		
Douglas Densmore		
Luis R. Mejia		
David A. Von Moll		

Date: April 14, 2021

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Chairman, Treasury Board of the
Commonwealth of Virginia

Attachment 2

Resolution in Recognition and Appreciation of

Forty Years of Service by

JANET AYLOR

April 14, 2021

WHEREAS, Janet A. Aylor began her state service in 1977 as a Budget Analyst with the Virginia Department of Planning and Budget; and

WHEREAS, she continued her service to the Commonwealth of Virginia as the Director of Finance for the Virginia Resources Authority and the Debt Manager for the Department of Transportation before joining the Department of the Treasury as the Assistant Director of Debt Management where she helped lead the division for 13 years; and

WHEREAS, Janet was appointed to the position of Deputy Secretary of Finance by Governor McAuliffe in 2014 in which capacity she provided counsel to the Governor until returning to the Department of the Treasury as the Director of Debt Management in July 2015; and

WHEREAS, in her current role, Janet has continued to provide guidance and serves as an invaluable resource to the State Treasurer and Treasury Board, a mentor to her team, and oversees the management of five debt issuing boards, a debt portfolio of approximately $15 billion, and a general fund debt service budget in excess of $850 million; and

WHEREAS, Janet's advice is routinely sought by the Governor's Office, legislative staff, and state officials and her wisdom has helped the Commonwealth prudently manage its debt financing programs through a banking crisis, numerous economic downturns and a pandemic and such knowledge has allowed the Commonwealth to maintain its coveted triple-A rating by Moody's, Standard & Poor's and Fitch; and

WHEREAS, Janet is a proud graduate of The College of William & Mary, receiving both her Bachelor and Master of Business Administration degrees from the distinguished university, and a graduate of the Virginia Executive Institute and the National Institute for Public Finance, and has dedicated countless hours to sharing her knowledge as a mentor to young women in her sorority and peers in the Virginia Chapter of Women in Public Finance and to volunteering her time and expertise to advance the mission of the State Debt Management Network and her local community;

NOW, THEREFORE, **BE IT RESOLVED BY THE MEMBERS OF THE VIRGINIA TREASURY BOARD**, that Janet Aylor be commended and recognized for her outstanding professional service throughout her tenure and her contributions be called to the attention of the Department of the Treasury, the Commonwealth, and its citizens. She will be greatly missed by all.

BE IT FURTHER RESOLVED that a copy of this Resolution shall be included in the minutes of this meeting and that a suitably inscribed copy be transmitted to Janet Aylor prior to her retirement effective June 1, 2021.