

**VIRGINIA COLLEGE BUILDING AUTHORITY
BOARD OF COMMISSIONERS MEETING**

June 6, 2024, 3:00 p.m.

Treasury Board Conference Room
James Monroe Building
101 North 14th Street, 3rd Floor
Richmond, Virginia

Members Present: Gary Ometer, Chairman
William Clarke, Jr. Vice Chairman
Sharon Lawrence
Michael Maul
Christine McIntyre
David Richardson
Jerrell Saunders

Members Absent: Barry Green
Craig Robinson
Martin Thomas, Jr.
Scott Fleming

Others Present:	Chad Reed	Old Dominion University
	George Scruggs	Kutak Rock, LLP
	Donald Ferguson	Office of the Attorney General
	Jacob French	Office of the Attorney General
	T.W. Bruno	McGuire Woods
	Joey Gaston	McGuire Woods
	Caroline Perrin	McGuire Woods
	Anne Curtis Saunders	McGuire Woods
	James Supplee	McGuire Woods
	Dr. Alan Edwards	State Council of Higher Education
	Amruta Binoy	Department of Planning & Budget
	Nasser Hafassa	Department of Planning & Budget
	Matt Jones	Department of Planning & Budget
	Max Berckmueller	Department of the Treasury
	Sherwanda Cawthorn	Department of the Treasury
	Leslie English	Department of the Treasury
	Bradley Jones	Department of the Treasury
	Cliff Lewis	Department of the Treasury
	Richard Rhodemyre	Department of the Treasury
	Sandra Stanley	Department of the Treasury
	David Swynford	Department of the Treasury

Call to Order:

Chairman Ometer called the meeting to order at 3:00 p.m.

Public Comments

Chairman Ometer noted there were no members of the public present outside of staff, advisors, and their guests who could participate in the public comment period. While no comments were directed to the Board regarding business purposes, an introduction time occurred. Mr. Ometer welcomed Treasury's fellow and others in attendance. During the comment period, T.W. Bruno introduced the McGuireWoods staff and interns in attendance. Michael Maul of the Department of Planning and Budget ("DPB") also introduced his new staff. Don Ferguson of the Office of the Attorney General ("OAG") also introduced an intern with the OAG.

Approval of Minutes of the March 7, 2024, Meeting

Chairman Ometer asked if there were any comments or questions about the draft minutes of the March 7, 2024 meeting. After hearing no comments, the Chairman asked a for motion to approve the minutes as presented. Mr. Clarke made the motion to approve the minutes; Mr. Saunders seconded the motion, and the motion was unanimously approved by all members.

Consideration of Resolution Consenting to the Merger of the Eastern Virginia Medical School ("EVMS") into Old Dominion University ("ODU" or the "University")

Mr. Rhodemyre gave a brief overview of the item to be considered by the Board. He then introduced Chad Reed with Old Dominion University and T.W. Bruno with McGuireWoods, who were in attendance to provide a presentation on the proposed merger, the impacts of the proposed merger on the EVMS debt that will be assumed by ODU, and to answer any questions the Board may have.

David Richardson, Treasurer of Virginia, provided verbal and written disclosure of his prior affiliation with McGuireWoods as required under the Local Government Conflict of Interests Act.

Mr. Bruno explained that a Memorandum of Understanding ("MOU") was signed in 2022 and that in 2023, the General Assembly passed legislation to effect the merger, subject to the approvals of the Governor and Chairs of the House Appropriations and Senate Committee on Finance and Appropriations. In January 2024, the Governor and Chairs approved the merger to occur on July 1, 2024.

Mr. Reed of ODU then gave remarks regarding the University's commitment to maintain the existing programs of EVMS and provide growth opportunities for EVMS and the Hampton Roads Region. Mr. Reed's comments included the significance of the Eastern Virginia Health Sciences Center ("EVHSC") in expanding clinical care in underserved communities, driving workforce development, and producing jobs. The EVHSC will also strengthen research and clinical foundations through stronger more integrated partnerships.

Chairman Ometer asked if ODU had separate bond ratings and would this have an impact on ODU's existing outstanding debt. Mr. Reed responded that there would be no separate ratings and the merger would not have any significant impact on the existing debt ratio of the University.

Mr. Richardson asked about the status of the consent by the Trustee, the Bank of New York Mellon (“BNYM”). Mr. Rhodemyre indicated that he had spoken with a representative from BNYM to inform them of the merger and the need for BNYM to provide its consent, but that no formal documentation had been provided to BNYM. Mr. Scruggs discussed his plans to provide draft consent certificates to BNYM following Board consent.

A discussion ensued regarding the existing debt and legacy obligations (Legacy EVMS Debt). Mr. Maul asked if there would be any impact to the Commonwealth’s debt capacity. Staff confirmed that there would be no impact on debt capacity.

George Scruggs then reviewed the Resolution.

After no further discussion, Chairman Ometer asked for a motion to adopt the Resolution consenting to the merger of Eastern Virginia Medical School into Old Dominion University for the purpose of facilitating action taken by the General Assembly. Mr. Richardson made to the motion to approve the Resolution; the motion was seconded by Mr. Maul and the motion was unanimously approved.

Other Business

Review of Final Financing Summary for Virginia College Building Authority Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2024A

Mr. Rhodemyre reviewed the final financing summary for the \$642.2 million Series 2024A VCBA 21st Century College and Equipment Program bonds used to finance approximately \$600 million of certain capital projects, acquire \$91.65 million of equipment for public institutions of higher education and pay the costs of the issuing the bonds. The bonds were priced on April 16, 2024, through a competitive sale and successfully closed on May 7, 2024. The bids were sold in two tranches. The winning bidder for the maturities 2025 to 2034 was Jefferies LLC. The winning bidder for the maturities 2035-2044 was Truist Securities. The all-in true interest cost was 3.61%. Mr. Maul asked about the term on the equipment bonds. Mr. Rhodemyre responded that the equipment bonds have a shorter 7-year term. Mr. Rhodemyre noted that the underwriter’s discount on the bonds totaled \$1.15 million, or \$1.79 per bond. Mr. Maul asked if that fee per bond was favorable. Mr. Clarke commented that the fee would be considered very favorable and that the underwriter’s discount is built into the true interest cost reflected in the bids. Mr. Richardson also commented having the fee built in is an advantage of the competitive bids. Mr. Saunders asked what would have been the rate had all maturities been priced in one tranche. Mr. Clarke responded that while the impact on the rate can’t be known for sure, pricing \$600 million of bonds in a single offering is a large amount for a competitive deal and may have limited the number of bidders that could successfully purchase the entire offering. The Chairman asked if there were any further questions.

Adjournment

Having no other business to be brought before the Board, the meeting adjourned at 3:24 p.m.

Respectfully submitted,

Richard Rhodemyre
Assistant Secretary

Exhibits may be obtained by contacting the Department of the Treasury at (804) 225-2142.