

**COMMONWEALTH OF VIRGINIA**  
**VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)**

Board of Commissioners Meeting  
Fall Board Meeting – September 16, 2020, 1:30 P.M.  
Treasury Board Conference Room, Third Floor  
James Monroe Building  
101 North 14<sup>th</sup> Street, Richmond Virginia

Commissioners Present via Conference Call: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Betty J. Burrell  
Vik G. Murthy  
Jay Bhandari  
Manju S. Ganeriwala  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James F. Lane

Others Attending via Conference Call:	Don Ferguson	Office of the Attorney General
	Thomas William Bruno	McGuire Woods LLP
	Anne Curtis Saunders	McGuire Woods LLP
	Ty Wellford	Davenport & Company LLC
	Zachery Lucanie	Davenport & Company LLC
	Tyler Smith	Davenport & Company LLC
	Ted Cole	Davenport & Company LLC
	Kevin Rotty	PFM Financial Advisors LLC
	Christine Ilarina	Public Resources Advisory Group
	David Swynford	Department of the Treasury
	Janet A. Aylor	Department of the Treasury
	James D. Mahone	Department of the Treasury
	Melissa W. Palmer	Department of the Treasury

**Call to Order**

Subject to the March 12, 2020 Executive Order Number Fifty-One (2020) Declaration of a State of Emergency Due to Novel Coronavirus COVID-19, the meeting of Board of Commissioners of the Virginia Public School Authority was witnessed telephonically, in accordance with sections [2.2-3707\(D\)](#) and [2.2-3708.2 \(D\)](#) of the Code of Virginia. Pursuant to Section [2.2-3707\(D\)](#) of the Code of Virginia, the minutes were recorded as required. Pursuant to Section [2.2-3708.2\(D\)](#) of the Code of Virginia, the meeting was conducted through conference call. Members of the public and Commissioners witnessed and participated in the meeting by using a dial-in number and PIN. Votes taken during the meeting were recorded by name in roll-call fashion and included in the minutes

Ms. France called the meeting to order at 1:31 P.M.

Ms. France stated that she is a retired partner with McGuire Woods, bond counsel to the VPSA and at times to localities within the Commonwealth, and she receives certain residual payments from the firm. Therefore, when approving school bonds, she is required to comply with the declaration requirements pursuant to § [2.2-3112](#) A2, § [2.2-3112](#) A3, subsection F of § [2.2-3114](#), and subsection G of § [2.2-3114](#) of the Virginia State and Local Government Conflict of Interests Act. A copy of the declaration is available for public inspection at the offices of the Virginia Department of the Treasury.

### **Public Comment**

Ms. France asked for any public comment. There was no public comment.

### **Approval of Minutes**

Ms. France asked for a motion for approval of the minutes of the March 23, 2020 Board meeting. Mr. Patillo moved to adopt the minutes of the March 23, 2020 meeting; Ms. Burrell seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Betty J. Burrell  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James F. Lane

NAYS: None

VOTE NOT  
HEARD: Jay Bhandari

ABSTAIN: Vik G. Murthy

### **Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2020 Fall Bonds**

Ms. France stated the first order of business was the consideration of the issuance of VPSA School Financing Fall Bonds Series 2020. Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget and presented the Participant List for the proposed issuance of approximately \$175,155,000 School Financing Bonds (1997 Resolution) Series 2020 B and \$343,435,000 School Financing Refunding Bonds (1997 Resolution) Series 2020 C (Taxable). He stated the bonds are currently expected to be sold competitively on October 20, 2020 and the anticipated delivery date is on or about November 10, 2020. Mr. Mahone stated the refunded bonds include certain outstanding maturities of School Financing Bonds (1997 Resolution) Series 2010 C, 2012 A, 2012 C, 2012 D and 2013 A Bonds.

Mr. Patillo moved that the Authority approve the list of applications for the participants in the VPSA 2020 Fall Bond sale as presented by staff and the submission of all items necessary to complete their respective VPSA pooled bond applications; Mr. Murthy seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Vik G. Murthy  
Jay Bhandari  
Betty J. Burrell  
Manju S. Ganeriwala  
Kent C. Dickey, designee for Dr. James F. Lane

NAYS: None

VOTE NOT

HEARD: David A. Von Moll

Mr. Wellford from Davenport & Company LLC, VPSA's Financial Advisor for the transaction, provided an overview of the estimated refunding results based on the current market estimate and the current market estimate adjusted up 25 basis points, Tax-Exempt Rates as of August 17, 2020. He stated that the refunded bonds include certain outstanding maturities of School Financing Bonds (1997 Resolution) Series 2010 C, 2012 A, 2012 C, 2012 D and 2013 A Bonds and only the Series 2010 C bonds can be refunded on a tax-exempt basis because they are within the ten year call date. The remaining series can be refunded on a taxable basis due to advance refunding.

Ms. Saunders from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 20-05 authorizing the issuance of the VPSA Fall Bonds for Board consideration.

Mr. Bhandari moved the adoption of Series Resolution No. 20-05; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Jay Bhandari  
Vik G. Murthy  
Betty J. Burrell  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James F. Lane

NAYS: None

**Consideration of the Issuance of Special Obligation School Financing Bonds, Prince William County Series 2020**

Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the \$119,450,000 Special Obligation School Financing Bonds, Prince William County Series 2020. He stated that the bonds are currently expected to be sold competitively on September 29, 2020 and the anticipated delivery date is on or about October 15, 2020.

Ms. Saunders, from McGuire Woods LLP, reviewed Resolution No. 20-06 authorizing and securing the issuance of Special Obligation School Financing and Refunding Bonds, Prince William County Series 2020. Mr. Bhandari moved the adoption of Resolution No. 20-06; Mr. Patillo seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Jay Bhandari  
Vik G. Murthy  
Betty J. Burrell  
Kent C. Dickey, designee for Dr. James Lane

NAYS: None

VOTE NOT

HEARD: David A. Von Moll

**Consideration of the Issuance of Special Obligation School Financing Refunding Bonds, Prince William County Series 2020**

Ms. Saunders reviewed the Series Resolution 20-07 authorizing Special Obligation School Financing Refunding Bonds Prince William County Series 2020.

Mr. Murthy moved the adoption of Resolution 20-07; Mr. Bhandari seconded and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Jay Bhandari  
Vik G. Murthy  
Betty J. Burrell  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James Lane

NAYS: None

**Consideration of the Issuance of Special Obligation School Financing and Refunding Bonds, New Kent County Series 2020**

Mr. Mahone stated New Kent County is listed as a pool participant but is also considering issuing as a standalone transaction. The County desires the flexibility of selecting the best option between the pool and a standalone transaction. He reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the \$35,150,000 Special Obligation School Financing Bonds, New Kent County Series 2020. He stated that the anticipated sale date and the anticipated delivery date are to be determined.

Ms. Saunders reviewed Resolution No. 20-08 authorizing and securing the issuance of Special Obligation School Financing and Refunding New Kent County Series 2020. She suggested amending Series Resolution No. 20-08 Section 209 of the Series Certificate section regarding the inclusion of delegation to the Treasurer or any Assistant Treasurer of the Authority, if the bonds are sold through private placement or a direct purchase, to assist the County with the preparation and issuance of a request for proposals from qualified Lenders with which to negotiate the sale of the Bonds and to review the proposals received (amended Resolution to be attached if County elects standalone structure). Mr. Patillo moved the adoption of Resolution No. 20-08, as amended; Mr. Murthy seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Jay Bhandari  
Vik G. Murthy  
Betty J. Burrell  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James Lane

NAYS: None

**Consideration of the Issuance of Special Obligation School Financing and Refunding Bonds, Warren County Series 2020**

Mr. Mahone stated Warren County is listed as a pool participant but is also considering issuing as a standalone transaction. The County desires the flexibility of selecting the best option between the pool and a standalone transaction. He reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the \$42,300,000 Special Obligation School Financing and Refunding Bonds, Warren County Series 2020. He stated that the anticipated sale date and the anticipated delivery date are to be determined.

Ms. Saunders, from McGuire Woods LLP, reviewed Resolution No. 20-09 authorizing and securing the issuance of Special Obligation School Financing and Refunding Bonds, Warren County Series 2020. She stated, at the request of the County, Series Resolution No. 20-09 Section 209 (j)(1) of the Series Certificate section should be amended to reflect the interest rate

or rates on and the Interest Payment Dates of the Bonds; provided that no such rate or rates exceed 5.50% (Attachment A).

Mr. Bhandari moved the adoption of Resolution No. 20-09, as amended; Mr. Patillo seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Jay Bhandari  
Vik G. Murthy  
Betty J. Burrell  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James Lane

NAYS: None

**Consideration of the Issuance of Special Obligation School Financing Refunding Bonds, Warren County Series 2020**

Ms. Saunders reviewed the Series Resolution 20-10 authorizing Special Obligation School Financing Refunding Bonds Warren County Series 2020.

Ms. Ganeriwala moved the adoption of Resolution 20-10; Mr. Bhandari seconded and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Jay Bhandari  
Vik G. Murthy  
Betty J. Burrell  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James Lane

NAYS: None

**Other Business**

**Election of Officers for Fiscal Year 2021**

Ms. France moved the nomination and election of Ms. Burrell as Vice Chairman of the Virginia Public School Authority; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman

Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Jay Bhandari  
Vik G. Murthy  
Betty J. Burrell  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James Lane

NAYS: None

Ms. France moved the nomination and election of the following officers to the Virginia Public School Authority for the fiscal year 2021: 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. Bhandari seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Jay Bhandari  
Vik G. Murthy  
Betty J. Burrell  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James Lane

NAYS: None

**Maintain Current Basis Point Fee Assessment for the General Pooled Bond Policy through the Biennium ending June 30, 2022**

Mr. Mahone provided an overview of the sufficiency of the current fee structure. Mr. Mahone stated that the current fee structure for VPSA's Pooled Bond Program should be sufficient to cover expenses in the near to mid-term and accordingly, staff recommends retaining the 5 basis point (0.05%) fee for the next biennium.

Mr. Bhandari moved that the Board maintain a 5 basis point (0.05%) fee assessment for the General Pooled Bond Policy of the Authority through the biennium ending June 30, 2022, subject to any periodic adjustment as market conditions warrant and with the stipulation that the Board will review annually (Attachment B), as amended; Ms. Burrell seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Manju S. Ganeriwala  
Jay Bhandari  
Vik G. Murthy

Betty J. Burrell  
David A. Von Moll  
Kent C. Dickey, designee for Dr. James Lane

NAYS: None

### **Award of \$6 Million in New School Security Equipment Grants**

Mr. Mahone reviewed the news release to announce the award of \$6 million in new School Security Equipment Grants that were issued in 2019 to protect students and teachers in 340 schools in 70 school divisions.

### **Reimbursement of Trustee fees and/or arbitrage rebate calculation fees (Administrative Costs)**

Mr. Mahone stated approximately \$250,000 of trustee fees and/or arbitrage calculation fees have been reimbursed to the VPSA general fund.

### **Discussion of Electronic Board Packages**

Mr. Mahone stated that the electronic board packages or the paper packages will be available to Board members.

### **Results of Sale and Final Financing Summary**

**Special Obligation School Financing Bonds Montgomery County, Series 2019** – Ms. Palmer reviewed the Final Financing Summary for the \$27,315,000 Special Obligation School Financing Bonds Montgomery County Series 2019. She stated that the Montgomery County Series 2019 bonds sold competitively on October 9, 2019 at a true interest cost of 2.213083% with a delivery date of October 24, 2019.

**Special Obligation School Financing Bonds Prince William County Series 2019 A and Special Obligation School Financing Refunding Bonds Prince William County Series 2019 B (Federally Taxable)** – Ms. Palmer reviewed the Final Financing Summary for the \$109,155,000 School Financing Bonds Prince William County (1997 Resolution) Series 2019 A and \$34,610,000 School Financing Refunding Bonds Prince William County (1997 Resolution) Series 2019 B (Federally Taxable). She stated the Series 2019 A bonds sold competitively on October 16, 2019 and Refunding Series 2019 B bonds sold negotiated on October 17, 2019 at a true interest cost of 2.176143% to Bank of America Merrill Lynch and 2.670739% to Senior Managing Underwriter: Citigroup Global Markets Inc. Co-Managers: Raymond James & Associates, Inc. Well Fargo Bank, National Association d/b/a Wells Fargo Securities, respectively and with a delivery date of October 29, 2019. She stated that School Financing Refunding Bonds Series 2019 B resulted in \$2,953,220.31 in present value savings or 9.29% of the refunded bonds.



**School Financing Bonds Series 2019 C and School Financing Refunding Bonds Series 2019 D (Taxable)** – Ms. Palmer reviewed the Final Financing Summary for the \$88,360,000 School Financing Bonds (1997 Resolution) Series 2019 C and \$22,290,000 School Financing Refunding Bonds (1997 Resolution) Series 2019 D (Taxable). She stated the Series 2019 C and Refunding Series 2019 D bonds sold competitively on October 22, 2019 at a true interest cost of 2.359927% to J.P. Morgan Securities LLC and 2.723317% to Raymond James & Associates, Inc., respectively and with a delivery date of November 12, 2019. She stated that School Financing Refunding Bonds Series 2019 D resulted in \$1,130,465.91 in present value savings or 5.71% of the refunded bonds.

**School Financing Bonds, Series 2020 A** – Ms. Palmer reviewed the Final Financing Summary for the \$88,990,000 School Financing Bonds (1997 Resolution) Series 2020 A. She stated the Series 2020 A bonds sold via direct blank placement at a true interest cost (TIC) of 2.849272% with a delivery date of May 8, 2020.

**School Technology and Security Notes Series VIII** – Ms. Palmer reviewed the Final Financing Summary for the \$60,265,000 School Technology and Security Notes Series VIII. She stated the bonds sold competitively on May 28, 2020 at a true interest cost of 0.340229% to Wells Fargo Bank, National Association with a delivery date of June 9, 2020.

### **Adjournment**

There being no further business to be brought before the Board, Ms. France declared the meeting adjourned at 2:54 P.M.

Respectfully submitted,

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James D. Mahone  
Assistant Secretary

## **ATTACHMENT A**

- (a) a signed copy of a Series Certificate;
- (b) a certificate, signed by the Chairman, stating that the Authority is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Resolution or in the Enabling Act;
- (c) an opinion of the Attorney General or an Assistant Attorney General of the Commonwealth stating that the signer is of the opinion that the issuance of such Bonds has been duly authorized and that all conditions precedent to the delivery of such Bonds have been fulfilled; and
- (d) an opinion of nationally recognized bond counsel, subject only to customary exceptions, to the effect that the local school bond to be purchased from the proceeds of the Bonds is a valid and binding general obligation of the County to the payment of which its full faith and credit and unlimited taxing power are pledged.

When the documents mentioned above in this Section shall have been filed with the Treasurer of the Authority and when the Bonds described in a Series Certificate mentioned in clause (a) of this Section shall have been executed and authenticated as required by this Resolution, the Bond Registrar shall deliver such Bonds at one time to or upon the order of the purchasers named in a Series Certificate mentioned in clause (a) hereof, but only upon payment to the Treasurer of the Authority of the purchase price of such Bonds, any premium and the accrued interest, if any, thereon. The Treasurer of the Authority, the State Treasurer, and the Bond Registrar shall be entitled to rely upon such Series Certificate as to the names of the purchasers, the Amortization Requirements, if any, for the Term Bonds, if any, the interest rate of each of such Bond and the amount of such purchase price.

The proceeds (including any premium) of such Bonds shall be applied by the Treasurer of the Authority to the purchase of the local school bond and to pay the costs of issuance of such Bonds and the local school bond, if requested by the County.

The Treasurer of the Authority shall not deliver such Bonds unless the Authority shall demonstrate that the payments under the local school bond are sufficient to pay when due the principal of and redemption premium, if any, and interest on such Bonds.

**Section 209 Series Certificate.** There is hereby delegated to the Treasurer or any Assistant Treasurer of the Authority (each, a "Delegate"), any of whom may exercise, subject to the limitations contained herein, the power with respect to any Series of Bonds to determine and carry out the following, in consultation with the County, with respect to such Series of Bonds:

- (a) Determine whether the Bonds shall be offered and sold via (i) a competitive sale, (ii) a negotiated sale or (iii) private placement with, or a direct purchase by, a bank or other financial institution (the "Lender");
- (b) If the Bonds are to be sold by competitive bidding, publish (or not, in his or her discretion) a Notice of Sale; sell the Bonds at a public sale, within parameters established in the Notice of Sale, to the bidder whose qualifying bid for the Bonds provides the lowest "true" interest cost to the Authority; approve the terms of and publish a Preliminary Official Statement describing

the Bonds and an Official Statement in substantially the same form as the Preliminary Official Statement describing the Bonds;

(c) If the Bonds are to be sold through a negotiated sale, to assist the County with the preparation and issuance of a request for proposals from qualified investment banking firms with which to negotiate the sale of the Bonds and to review the proposals received. In consultation with the Authority's financial advisor, the County's financial advisor and a Delegate, the County will select, with the consent of a Delegate, the investment banking firm or firms submitting the best proposal, taking into account factors such as knowledge of and experience with the Authority and the County, cost and financial strength of the underwriter(s) (the underwriter or underwriters so chosen, the "Underwriters"), and the Delegate is authorized to so consult and to give such consent;

(d) If the Bonds are to be sold through a negotiated sale, to execute with the Underwriters a purchase contract (a "Purchase Contract"), the terms of which shall not conflict with the terms of this Resolution;

(e) If the Bonds are to be sold through a private placement or a direct purchase, to assist the County with the preparation and issuance of a request for proposals from qualified Lenders with which to negotiate the sale of the Bonds and to review the proposals received. In consultation with the Authority's financial advisor, the County's financial advisor and a Delegate, the County will select, with the consent of a Delegate, the Lender submitting the best proposal, and the Delegate is authorized to so consult and to give such consent;

(f) If the Bonds are to be sold through private placement, to sell the Bonds to a Lender and to execute with the Lender any financing documents memorializing such transaction, the terms of which shall not conflict with the provisions of this Resolution;

(g) Determine the principal amount and the Principal Payment Dates of the Bonds and which Bonds are Serial Bonds and Term Bonds, if any, and the Amortization Requirements therefor, provided that the final Principal Payment Date shall be no later June 30, 2040;

(h) Determine the dated date of the Bonds;

(i) Determine the denomination or denominations of and the manner of numbering and lettering the Bonds;

(j) If the Bonds are to be issued pursuant to Section 208 of this Resolution:

(1) determine the interest rate or rates on and the Interest Payment Dates of the Bonds; provided that no such rate or rates exceed ~~2.505~~.50%;

(2) determine the optional redemption provisions of the Bonds (if any); provided that the Bonds shall first be subject to optional redemption on a date no later than ten years and six months after their dated date and at a Redemption Price not greater than 102%; and

(3) if the Bonds are to be sold through a negotiated sale, to accept the offer of the Underwriters in the form of a Purchase Contract, to purchase all of the Bonds at a

## **ATTACHMENT B**

**Virginia Public School Authority**  
**Fall Board Meeting – September 16, 2020**

I move to maintain the five basis point fee assessment for the General Pooled Bond Policy of the Authority through the biennium ending June 30, 2022, subject to any periodic adjustment as market conditions warrant and with the stipulation that the Board will review annually.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_