

**COMMONWEALTH OF VIRGINIA**  
**VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)**  
Board of Commissioners Meeting  
Spring Board Meeting – March 15, 2018, 2:00 p.m.  
Treasury Board Conference Room, Third Floor  
James Monroe Building  
101 North 14<sup>th</sup> Street, Richmond Virginia

Members Present: Bonnie M. France, Chairman  
Jay Bhandari, Vice Chairman  
Cardell C. Patillo  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven M. Constantino

Members Absent: Vik G. Murthy  
Manju S. Ganeriwala

Others Attending:	Thomas William Bruno	McGuire Woods LLP
	Anne Curtis Saunders	McGuire Woods LLP
	Ty Wellford	Davenport & Company LLC
	Mitchell Crowder	Davenport & Company LLC
	Kevin Rotty	PFM Financial Advisors LLC
	Don Ferguson	Office of the Attorney General
	Janet A. Aylor	Department of the Treasury
	James D. Mahone	Department of the Treasury
	Melissa W. Palmer	Department of the Treasury
	Davis Swynford	Department of the Treasury
	Nathan Conquest	Department of the Treasury

**Call to Order and Public Comment**

Ms. France called the meeting to order at 2:06 P.M. She stated the first order of business was to provide an opportunity for any public comment. Mr. Mahone introduced Mr. David Swynford, Deputy State Treasurer and Mr. Nathan Conquest, Virginia Management Fellow. There was no public comment.

**Approval of Minutes**

Ms. France asked for a motion for approval of the minutes of the September 13, 2017 Board meeting. Mr. Patillo moved to adopt the minutes of the September 13, 2017 meeting as presented; Mr. Dickey seconded, and the motion carried.

**Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2018 Spring Bonds**

Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget and presented the Participant List for the proposed issuance of approximately \$67,955,000 School Financing Bonds (1997 Resolution) Series 2018 A. He stated the bonds are expected to be sold competitively on May 1, 2018 and the anticipated delivery date is on or about May 15, 2018.

Ms. France stated that she is a retired partner with McGuireWoods, 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.

Mr. Patillo moved that the Authority approve the list of applications for the participants in the VPSA 2018 Spring Bond sale as presented by staff and the submission of all items necessary to complete their respective VPSA pooled bond applications; Mr. Von Moll seconded, and the motion carried unanimously.

Ms. Anne Curtis Saunders from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 18-01 authorizing the issuance of the VPSA Spring Bonds for Board consideration.

Mr. Dickey moved the adoption of Series Resolution No. 18-01; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman  
Jay Bhandari, Vice Chairman  
Cardell C. Patillo  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven M. Constantino

NAYS: None

**Issuance of VPSA School Educational Technology Notes Series XVIII**

Mr. Mahone reviewed the Preliminary Financing Summary for the School Technology and Security Notes Series VI in the combined projected amount of \$64,735,000. He stated that the anticipated sale date is May 8, 2018 and the anticipated delivery date is on or about May 22, 2018. Mr. Mahone stated that PFM Financial Advisors LLC will be acting as VPSA's Financial Advisor for this transaction.

Mr. Thomas Bruno provided an overview of Resolution No. 18-02, an Educational Technology Note Resolution authorizing the issuance of the Series XVIII Notes. Mr. Von Moll moved the adoption of Resolution No. 18-02; Mr. Patillo seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman  
Jay Bhandari, Vice Chairman  
Cardell C. Patillo  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven M. Constantino

NAYS: None

### **Issuance of VPSA School Security Equipment Notes Series VI**

Mr. Bruno provided an overview of Resolution No. 18-03, a Security Equipment Note Resolution authorizing the issuance of the Series VI Notes. Mr. Patillo moved the adoption of Resolution No. 18-03; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman  
Jay Bhandari, Vice Chairman  
Cardell C. Patillo  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven M. Constantino

NAYS: None

### **Other Business**

#### **Election of Officers for Fiscal Year 2019**

Mr. Dickey moved the nomination and election of Mr. Bhandari as Vice Chairman of the Virginia Public School Authority; Mr. Von Moll seconded, and the motion carried unanimously.

Mr. Patillo moved the nomination and election of the following officers to the Virginia Public School Authority for the fiscal year 2019: 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. Von Moll seconded, and the motion carried unanimously.

#### **Maintain Current Basis Point Fee Assessment for the General Pooled Bond Policy through the Biennium ending June 30, 2020**

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, 2020, subject to any periodic adjustment as market conditions warrant; Mr. Patillo seconded, and the motion carried unanimously.

**Consideration of a Motion to Delegate Selection of Financial Advisor to a Committee of the Virginia Public School Authority Board**

Mr. Mahone explained the financial advisor selection process and presented an amended motion to delegate to staff the procurement of financial advisory services and to include the State Treasurer's delegated authorization to determine the final terms, include pricing and the award of contract(s) for financial advisory services on behalf of the Virginia Public School Authority (Attachment A).

Mr. Patillo moved, as amended, the delegation to staff for the purpose of conducting interviews and selecting one or more firms to serve as financial advisor to the Virginia Public School Authority.

Further, that the State Treasurer is authorized to determine the final terms, including pricing, and to award contract(s) for financial advisory services on behalf of the Virginia Public School Authority; Mr. Dickey seconded, and the motion as amended carried unanimously as shown below:

YEAS: Bonnie France, Chairman  
Jay Bhandari, Vice Chairman  
Cardell C. Patillo  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven M. Constantino

NAYS: None

**Consideration of a Motion to Delegate Selection of Bond Counsel to a Committee of the Virginia Public School Authority Board**

Mr. Mahone explained the bond counsel selection process and presented an amended motion to delegate to staff the procurement of bond counsel services and to include the State Treasurer's delegated authorization to determine the final terms, include pricing and the award of contract(s) for bond counsel services on behalf of the Virginia Public School Authority (Attachment B).

Mr. Patillo moved, as amended, the delegation to staff for the purpose of conducting interviews and selecting one or more firms to serve as bond counsel to the Virginia Public School Authority.

Further, that the State Treasurer is authorized to determine the final terms, including pricing, and to award contract(s) for bond counsel services on behalf of the Virginia Public School Authority; Mr. Bhandari seconded, Ms. France abstained, and the motion as amended carried unanimously as shown below:

YEAS: Jay Bhandari, Vice Chairman  
Cardell C. Patillo  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven M. Constantino

NAYS: None

ABSTAIN: Bonnie France, Chairman

**Consideration of Motions to extend the Existing Agreement for Bond Counsel and Financial Advisory Services to Complete Work in Progress**

Mr. Mahone presented motions to extend the existing bond counsel services and financial advisory services to complete work in progress.

Mr. Von Moll moved to authorize the State Treasurer to extend the existing agreements for bond counsel services with McGuire Woods LLP, if and as needed to complete any work in progress; Mr. Patillo seconded, Ms. France abstained, and the motion carried unanimously as shown below:

YEAS: Jay Bhandari, Vice Chairman  
Cardell C. Patillo  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven M. Constantino

NAYS: None

ABSTAIN: Bonnie France, Chairman

Mr. Patillo moved to authorize the State Treasurer to extend the existing agreement for financial advisory services with Davenport & Company LLC as primary vendor and with PFM Financial Advisors LLC as secondary vendor, if and as needed to complete any work in progress; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman  
Jay Bhandari, Vice Chairman  
Cardell C. Patillo  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven M. Constantino

NAYS: None

## **Tax Reform Act Presentation from McGuire Woods LLP**

Mr. Bruno and Ms. Curtis Saunders presented an overview of the Tax Cuts and Jobs Act. The key changes included the elimination of advance refunding bonds and tax credit bonds as well as changes in the tax rates, deductions, and the Alternative Minimum Tax. Notable non-changes included private activity bonds, which does not apply to VPSA.

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

**School Financing Bonds, Series 2017 C** – Ms. Palmer reviewed the Final Financing Summary for the \$115,820,000 School Financing Bonds (1997 Resolution) Series 2017 C. She stated the Series 2017 C bonds sold competitively on October 17, 2017 at a true interest cost (TIC) of 2.987244% with a delivery date of November 7, 2017.

**Special Obligation School Financing Bonds King George County, Series 2017** – Ms. Palmer reviewed the Final Financing Summary for the \$20,840,000 Special Obligation School Financing Bonds King George County Series 2017. She stated that the King George County Series 2017 bonds sold competitively on October 26, 2017 at a true interest cost of 2.972813% with a delivery date of November 9, 2017.

## **Adjournment**

There being no further business to be brought before the Board, Ms. France declared the meeting adjourned at 3:21 P.M.

Respectfully submitted,

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James D. Mahone  
Assistant Secretary

## **ATTACHMENT A**

**Virginia Public School Authority  
Spring Board Meeting – March 15, 2018**

I move ~~that the following individuals~~

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

~~Compose a selection committee~~ the delegation to staff for the purpose of conducting interviews and selecting one or more firms to serve as financial advisor to the Virginia Public School Authority.

Further, that the State Treasurer is authorized to determine the final terms, including pricing, and to award contract(s) for financial advisory services on behalf of the Virginia Public School Authority.

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



## **ATTACHMENT B**

**Virginia Public School Authority  
Spring Board Meeting – March 15, 2018**

I move ~~that the following individuals~~

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

~~Compose a selection committee~~ the delegation to staff for the purpose of conducting interviews and selecting one or more firms to serve as bond counsel to the Virginia Public School Authority.

Further, that the State Treasurer is authorized to determine the final terms, including pricing, and to award contract(s) for bond counsel services on behalf of the Virginia Public School Authority.

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