

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

Board of Commissioners Meeting
Spring Board Meeting – March 14, 2024, 2:00 P.M.
Treasury Board Conference Room, Third Floor
James Monroe Building
101 North 14th Street, Richmond Virginia

Members Present: John R. Riley, Jr., Chairman
David L. Richardson, Treasurer
Betty J. Burrell
Sharon H. Lawrence
Kent C. Dickey, designee for Dr. Lisa Coons

Members Attending via Conference Call: Michael Nguyen participated remotely at Maggie L. Walker Governor’s School for Government and International Studies, Richmond, Virginia. Mr. Nguyen was unable to attend the Board meeting due to a personal matter to address a child’s educational need. The Chairman was notified by Mr. Nguyen and approved Mr. Nguyen’s remote participation pursuant to VPSA’s Policy Governing Electronic Participation in Meetings.

Members Absent: Maria J. Perrotte, Vice Chair
Cardell C. Patillo, Jr.

Others Attending:

Dr. Lisa Coons	VA Department of Education
Anne Curtis Saunders	McGuire Woods LLP
Caroline Perrin	McGuire Woods LLP
Ty Wellford	Davenport & Company LLC
Tyler Smith	Davenport & Company LLC
Kristy Choi	PFM Financial Advisors LLC
Don Ferguson	Office of the Attorney General
David Swynford	Department of the Treasury
Bradley L. Jones	Department of the Treasury
James D. Mahone	Department of the Treasury
Melissa W. Palmer	Department of the Treasury

Others Attending via Conference Call: Janet Lee Public Resources Advisory Group
Christine Ilarina Public Resources Advisory Group

Call to Order and Public Comment

Mr. Riley called the meeting to order at 2:04 P.M.

Mr. Riley asked for any public comment. There was no public comment.

Approval of Minutes

Mr. Riley stated the first order of business was the approval of the minutes of the September 14, 2023 Board meeting. Mr. Richardson moved to adopt the minutes of the September 14, 2023 meeting; Ms. Burrell seconded, and the motion carried unanimously by the Board members gathered in attendance as shown below:

YEAS: John R. Riley, Jr., Chairman
 David L. Richardson, Treasurer
 Betty J. Burrell
 Sharon H. Lawrence
 Kent C. Dickey, designee for Dr. Lisa Coons

NAYS: None

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2024 Spring Bonds

Mr. Riley stated the second order of business was the consideration of the issuance of VPSA School Financing Spring Bonds Series 2024. Mr. Mahone introduced Dr. Lisa Coons, Virginia Department of Education, Superintendent of Public Instruction. Mr. Mahone reviewed the Preliminary Financing Summary, the Cost of Issuance Budget, and the Participant List for the proposed issuance of approximately \$124,045,000 School Financing Bonds (1997 Resolution) Series 2024 A. He stated that the purpose of the issuance will be to finance approximately \$27,500,000 in capital projects for applicants of the spring pool and to potentially refund approximately \$96,000,000 of certain outstanding school financing bonds of the Authority. He stated the bonds are currently expected to be sold competitively on April 23, 2024 and the anticipated delivery date is on or about May 14, 2024.

Mr. Richardson stated that he is a retired partner with McGuire Woods, bond counsel to the VPSA and at times to localities within the Commonwealth, and he receives certain residual payments from the firm. Therefore, when approving school bonds, he is required to comply with the declaration requirements pursuant to §2.2-3112 B1, §2.2-3112 B2, 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.

Ms. Burrell moved that the Authority approve the list of applications for the participants in the VPSA 2024 Spring Bond sale as presented by staff and the submission of all items necessary to

complete their respective VPSA pooled bond applications; Ms. Lawrence seconded, and the motion carried unanimously by the Board members gathered in attendance as shown below:

YEAS: John R. Riley, Jr., Chairman
 David L. Richardson, Treasurer
 Betty J. Burrell
 Sharon H. Lawrence
 Kent C. Dickey, designee for Dr. Lisa Coons

NAYS: None

Mr. Mahone reviewed the refunding analysis from Davenport & Company LLC. He stated that the refunded bonds include certain outstanding maturities of three series of 1997 Resolution bonds: Series 2014 A, Series 2014 C and 2010 B Build America Bonds (BABs). Mr. Mahone stated that the refunding of the Series 2014 A and Series 2014 C bonds currently achieve the aggregate present value debt service savings equal to at least 3.00% of the par amount of the callable refunded bonds based on the tax-exempt market as of the date the refunding analysis was prepared. However, if the current tax-exempt market is adjusted up 25 basis points, the Series 2014 A bonds will no longer meet the 3.00% savings threshold, but the Series 2014 C bonds would meet the threshold. He stated that the Series 2010 B Bonds are currently only showing savings of about 1.6%, but Build America Bonds, such as the Series 2010 B Bonds, present challenges with the collection of the federal subsidy for interest and the reduction of the subsidy due to sequestration. Given these challenges, local participants are supportive of refunding the Series 2010 B BABs at a lower level of savings than the normal 3.00% minimum. The Resolution to be considered reflects the change to the refunding threshold for the Series 2010 B Bonds only.

Ms. Saunders from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 24-01 authorizing the issuance of the VPSA Spring Bonds for Board consideration.

Mr. Richardson moved the adoption of Series Resolution No. 24-01; Mr. Dickey seconded, and the motion carried unanimously by the Board members gathered in attendance as shown below:

YEAS: John R. Riley, Jr., Chairman
 David L. Richardson, Treasurer
 Betty J. Burrell
 Sharon H. Lawrence
 Kent C. Dickey, designee for Dr. Lisa Coons

NAYS: None

Issuance of VPSA School Educational Technology Notes Series XXIV

Mr. Mahone introduced, participating via conference call, Ms. Janet Lee and Ms. Christine Ilarina of Public Resources Advisory Group (VPSA's financial advisor for Hanover County Series 2024), as well as VPSA Board of Commissioners member, Michael Nguyen. Mr. Mahone reviewed the

Preliminary Financing Summary as amended (Attachment A) for the School Technology and Security Notes Series XII in the combined projected amount of \$67,894,000. He stated that the notes are expected to be sold competitively on April 30, 2024 and the anticipated delivery date is on or about May 16, 2024. He stated the projected true interest cost (TIC) was 2.91% based on the market as of March 5, 2024. Mr. Mahone stated that McGuireWoods will be VPSA's Bond Counsel for the transaction and Ms. Choi from PFM Financial Advisors LLC will be acting as VPSA's Financial Advisor for this transaction.

Ms. Perrin provided an overview of Resolution No. 24-02, an Educational Technology Note Resolution authorizing the issuance of the Series XXIV Notes.

Mr. Dickey moved the adoption of Resolution No. 24-02; Ms. Burrell seconded, and the motion carried unanimously as shown below:

YEAS: John R. Riley, Jr., Chairman
 David L. Richardson, Treasurer
 Betty J. Burrell
 Michael Nguyen
 Sharon H. Lawrence
 Kent C. Dickey, designee for Dr. Lisa Coons

NAYS: None

Issuance of VPSA School Security Equipment Notes Series XII

Ms. Perrin stated Resolution No. 24-03, a Security Equipment Note Resolution authorizing the issuance of the Series XII Notes is very similar to the Educational Technology Note Resolution. Mr. Dickey moved the adoption of Resolution No. 24-03; Ms. Lawrence seconded, and the motion carried unanimously as shown below:

YEAS: John R. Riley, Jr., Chairman
 David L. Richardson, Treasurer
 Betty J. Burrell
 Michael Nguyen
 Sharon H. Lawrence
 Kent C. Dickey, designee for Dr. Lisa Coons

NAYS: None

Consideration of the Issuance of Special Obligation School Financing Bonds, Hanover County Series 2024

Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the \$141,360,000 Special Obligation School Financing Bonds, Hanover County Series 2024. He stated that approximately \$141,360,000 in bond proceeds will be issued to pay the cost of various capital school improvement projects for the County and to pay the cost of issuance. He stated the bonds are

expected to be sold competitively during the month of September 2024 and the anticipated delivery date is during the month of October 2024.

Mr. Richardson moved the adoption of Resolution No. 24-04; Ms. Lawrence seconded, and the motion carried unanimously as shown below:

YEAS: John R. Riley, Jr., Chairman
 David L. Richardson, Treasurer
 Betty J. Burrell
 Michael Nguyen
 Sharon H. Lawrence
 Kent C. Dickey, designee for Dr. Lisa Coons

NAYS: None

Ms. Perrin summarized Resolution No. 24-04 authorizing and securing the issuance of Special Obligation School Financing, Hanover County Series 2024. She stated the County may elect to issue the bonds in more than one tranche. The Resolution gives the Treasurer the ability to approve a subsequent resolution in substantially the same form as this resolution, and is effective until December 31, 2025.

Consideration of the Issuance of Special Obligation School Financing Refunding Bonds, Hanover County Series 2024

Ms. Perrin summarized the Series Resolution 24-05 authorizing Special Obligation School Financing Refunding Bonds, Hanover County Series 2024. The Resolution allows for the issuance of refunding bonds for the County's outstanding VPSA Stand Alone bonds without additional VPSA Board approval assuming certain savings thresholds are met. The Resolution is effective through December 31, 2025.

Ms. Choi, financial advisor for Hanover County, stated that currently the Hanover County Series 2022 refunding bonds are not generating savings, however, the refunding bonds are being closely monitored.

Ms. Burrell moved the adoption of Resolution 24-05; Mr. Richardson seconded, and the motion carried unanimously as shown below:

YEAS: John R. Riley, Jr., Chairman
 David L. Richardson, Treasurer
 Betty J. Burrell
 Michael Nguyen
 Sharon H. Lawrence
 Kent C. Dickey, designee for Dr. Lisa Coons

NAYS: None

Other Business

Election of Officers for Fiscal Year 2025

Mr. Dickey moved the nomination and election of Mr. Nguyen as Vice Chairman of the Virginia Public School Authority; Mr. Richardson seconded, and the motion carried unanimously as shown below:

YEAS: John R. Riley, Chairman
 David L. Richardson, Treasurer
 Betty J. Burrell
 Sharon H. Lawrence
 Michael Nguyen
 Kent C. Dickey, designee for Dr. Lisa Coons

NAYS: None

Ms. Lawrence moved the nomination and election of the following officers to the Virginia Public School Authority for the fiscal year 2025: 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; Ms. Burrell seconded, and the motion carried unanimously as shown below:

YEAS: John R. Riley, Chairman
 David L. Richardson, Treasurer
 Betty J. Burrell
 Sharon H. Lawrence
 Michael Nguyen
 Kent C. Dickey, designee for Dr. Lisa Coons

NAYS: None

Review of Award of \$12 Million in New School Security Equipment Grants

Mr. Mahone reviewed the news release to announce the award of \$12 million in new School Security Equipment Grants that were issued in 2023 to protect students, faculty and visitors in 483 schools in 98 school divisions.

Results of Sale and Final Financing Summary

VPSA School Financing Bonds (1997 Resolution) Series 2023 B – Ms. Palmer reviewed the Final Financing Summary for the \$79,710,000 School Financing (1997 Resolution) Series 2023 B. She stated the Series 2023 B bonds sold competitively to KeyBanc Capital Markets at a true interest cost of 4.371021% (based on final sizing) on October 17, 2023 and with a delivery date of November 9, 2023.

Special Obligation School Financing Bonds Prince William County Series 2023 – Ms. Palmer reviewed the Final Financing Summary for the \$135,815,000 School Financing Bonds Prince William County (1997 Resolution) Series 2023. She stated the Series 2023 bonds sold competitively via MuniAuction on October 26, 2023 at a true interest cost of 4.249269% (based on final sizing) to Citigroup Global Markets Inc. and with a delivery date of November 9, 2023.

Adjournment

There being no further business to be brought before the Board, Mr. Riley declared the meeting adjourned at 2:58 P.M.

Respectfully submitted,

James D. Mahone
Assistant Secretary

ATTACHMENT A

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority
\$67,894,000* School Technology and Security Notes Series XII
March 14, 2024

Payment Dates: *Principal:* Annually on April 15, beginning April 15, 2025; with a final maturity of April 15, 2029.

Interest: Semi-annually on April 15 and October 15; beginning October 15, 2024.*

**Optional
Redemption**

Provision: Not subject to redemption prior to stated maturities.

Denomination: \$5,000 or multiples thereof.

Registration

Provisions: Book-entry only notes.

**Projected True
Interest Cost:** 2.91% based on market of March 5, 2024.*

Expected Ratings: Fitch Ratings: AA+
 Moody's Investors Service: Aa1
 Standard & Poor's Rating Service: AA+

Underwriter: TBD

Bond Counsel: McGuire Woods LLP, Richmond, Virginia.

Financial Advisor: Public Financial Management, Inc., Richmond, Virginia.

**Registrar/
Paying Agent:**

 State Treasurer.

Estimated Costs

of Issuance: ~~\$213,300~~214,050* excluding underwriters' discount.

* Preliminary, subject to change.

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority
\$67,894,000* School Technology and Security Notes Series XII
March 14, 2024

Cost of Issuance Budget

		Estimated
Bond Counsel	\$	65,500
Bond Counsel Expenses		500
Financial Advisor		30,000
Financial Advisor Expenses		500
Official Statement Printer		1,300
Ratings*		93,000
Other Expenses**		<u>22,500</u> <u>23,250</u>
Total	\$	<u><u>213,300</u></u> <u><u>214,050</u></u>

Budget

* Ratings:	<i>Fitch</i>	\$29,000
	<i>Moody's</i>	\$28,000
	<i>S&P</i>	<u>\$36,000</u>
		\$93,000

* Other Expenses: BondLink Cost (~~\$7,500~~8,250), Continuing Disclosure Bond Counsel (\$8,600) and MuniAuction platform (\$6,400).