Call to Order and Public Comment

Ms. France called the meeting to order at 2:02 P.M. She stated the first order of business was to provide an opportunity 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 14, 2019 Board meeting. Mr. Murthy moved to adopt the minutes of the March 14, 2019 meeting as presented; Mr. Patillo seconded, and the motion carried.


Mr. Mahone reviewed the amended Preliminary Financing Summary and the Cost of Issuance Budget (Attachment A) and presented the Participant List for the proposed issuance of approximately $101,075,000 School Financing Bonds (1997 Resolution) Series 2019 C and $29,965,000 School Financing Refunding Bonds (1997 Resolution) Series 2019 D (Taxable).
He stated the bonds are expected to be sold competitively on October 22, 2019 and the anticipated delivery date is on or about November 12, 2019.

Mr. Mahone stated the refunded bonds include certain outstanding maturities of School Financing Bonds (1997 Resolution) Series 2013 B Bonds.

Mr. Patillo moved that the Authority approve the list of applications for the participants in the VPSA 2019 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.

Mr. Mahone provided an overview of the refunding of School Financing Bonds, Series 2013 B Taxable Analysis based on the current market estimate and taxable rates as of August 21, 2019. He stated refunding approximately $22,500,000 of Series 2013 B refunded bonds would result in approximately 7.549% of net present value savings or $2,536,096 of gross savings.

Mr. Wellford from Davenport & Company LLC, VPSA’s Financial Advisor for the transaction, stated because of low absolute yields, taxable refundings are being evaluated in municipal finance.

Mr. Bruno from McGuire Woods LLP, VPSA’s Bond Counsel for the transaction, presented the Series Resolution No. 19-04 authorizing the issuance of the VPSA Fall Bonds for Board consideration.

Mr. Von Moll moved the adoption of Series Resolution No. 19-04; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Vik G. Murthy  
Betty J. Burrell  
Manju S. Ganeriwala  
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, Prince William County Series 2019

Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the $370,085,000 Special Obligation School Financing and Refunding Bonds, Prince William County Series 2019. He stated that $128,250,000 of the bond proceeds will be issued to pay the cost of various capital school improvement projects for the County as well as to tentatively refund $241,835,000 of the Authority bonds issued for the benefit of the County and other County obligations that financed capital school improvement projects and to pay the cost of issuance.
Ms. Saunders, from McGuire Woods LLP, reviewed Resolution No. 19-05 authorizing and securing the issuance of Special Obligation School Financing and Refunding Bonds, Prince William County Series 2019. Mr. Patillo moved the adoption of Resolution No. 19-05; Mr. Murthy seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr., Vice Chairman  
Vik G. Murthy  
Betty J. Burrell  
Manju S. Ganeriwala  
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, Prince William County Series 2019


Ms. Burrell moved the adoption of Resolution 19-06; Mr. Von Moll seconded and the motion carried unanimously as shown below:

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

NAYS: None

Consideration of the Issuance of Special Obligation School Financing Bonds, Montgomery County Series 2019

Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the $32,885,000 Special Obligation School Financing Bonds, Montgomery County Series 2019. He stated that the anticipated sale date is on or about October 9, 2019 and the anticipated delivery date is on or about October 24, 2019.

Ms. Saunders reviewed Resolution No. 19-07 authorizing and securing the issuance of Special Obligation School Financing Bonds, Montgomery County Series 2019. Mr. Patillo moved the
adoption of Resolution No. 19-07; Ms. Burrell seconded, and the motion carried unanimously as shown below:

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

NAYS: None

Other Business

Results of Sale and Final Financing Summary

Series 2019 A School Financing Bonds and Series 2019 B School Financing Refunding Bonds – Ms. Palmer reviewed the Final Financing Summary for the $88,250,000 School Financing Bonds (1997 Resolution) Series 2019 A and $156,560,000 School Financing Refunding Bonds (1997 Resolution) Series 2019 B. She stated the Series 2019 A and Refunding Series 2019 B bonds sold competitively on April 30, 2019 at a true interest cost of 2.885404% to Wells Fargo Bank, National Association and 1.691395% to Goldman Sach & Co. LLC, respectively and with a delivery date of May 21, 2019. She stated that School Financing Refunding Bonds Series 2019 B resulted in $13,791,821.36 in present value savings or 8.13% of the refunded bonds. Ms. Palmer stated that $12.6 million will be distributed to the thirty-one localities that were the participants in the outstanding issues that were refunded and the Literary Fund will benefit by $1.8 million of the savings.

School Technology and Security Notes Series VII – Ms. Palmer reviewed the Final Financing Summary for the $57,595,000 School Technology and Security Notes Series VII. She stated the bonds sold competitively on May 7, 2019 at a true interest cost of 1.625930% to Citigroup Global Markets Inc. with a delivery date of May 23, 2019.

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.
Adjournment

There being no further business to be brought before the Board, Mr. Patillo moved that the meeting be adjourned; Mr. Murthy seconded and the motion carried unanimously at 3:02 P.M.

Respectfully submitted,

____________________________________
James D. Mahone
Assistant Secretary
Attachment A is available at the Department of the Treasury
PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority

September 11, 2019


Issuer: Virginia Public School Authority (the “Authority”).

Constitutional Reference: Article X, Section 9(d).

Legislative Reference: Chapter 11 Title 22.1 of the Code of Virginia, as amended.

Purpose: The proceeds of the Bonds will be used to (i) purchase $101,075,000* general obligation school Bonds issued by certain Virginia localities that are to use the proceeds for capital projects for their public schools, (ii) refund certain school financing bonds of the Authority, and (iii) pay a portion of the issuance cost of the bonds.

Security: The Bonds will be secured by (i) principal and interest payments on the general obligation school bonds held by the Authority and pledged to the payment of the Bonds, (ii) the State Aid Intercept Provision and (iii) a state general fund sum sufficient appropriation. The Bonds do not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia.

Method of Sale: Competitive, using electronic bidding.

Sale Date: October 22, 2019*

Dated Date: November 12, 2019*

Delivery Date: November 12, 2019*

Bond Structure: Serial bonds maturing annually in years 2020 through 2039* with respect to the 2019 C Bonds, paying current semiannual interest and annual principal and structured on a blended amortization basis to accommodate the schedules requested by the participants. Serial bonds maturing annually in years 2020 through 2040* with respect to the 2019 D Bonds, paying current semiannual interest and annual principal.

Payment Dates: Principal: Annually on August 1, beginning August 1, 2020; with a final maturity of August 1, 2039* with respect to the 2019 C Bonds and
PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority


September 11, 2019

beginning August 1, 2020; with a final maturity of August 1, 2040* with respect to the 2019 D Bonds.

Interest: Semi-annually on February 1 and August 1; beginning August 1, 2020* with respect to the 2019 C Bonds and beginning August 1, 2020* with respect to the 2019 D Bonds.

Optional Redemption Provision*: The Bonds due on and after August 1, 2030 may be redeemed prior to their respective maturities at the option of the Authority, in whole or in part at any time on any date beginning August 1, 2029, at the redemption price of par, together with interest accrued to the date fixed for redemption.

Denomination: $5,000 or multiples thereof.

Registration Provisions: Book-entry only bonds.

Summary of Bids: TBD

Underwriter: TBD

True Interest Cost: TBD

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

Refunded Bonds*: Refunded bonds include certain outstanding maturities of one series of 1997 Resolution bonds. Included are certain maturities of Series 2013 B Bonds.

Bond Counsel: McGuire Woods LLP, Richmond, Virginia.


Registrar/Paying Agent: State Treasurer

Estimated Costs of Issuance: $294,750* excluding underwriters’ discount.

*Preliminary, subject to change.
**VIRGINIA PUBLIC SCHOOL AUTHORITY**

School Financing Bonds (1997 Resolution)
$101,075,000 Series 2019 C and
$29,965,000 Refunding Series 2019 D (Taxable)

$131,040,000

Cost of Issuance Budget

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<th>Budget</th>
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<tr>
<td>Bond Counsel</td>
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<td>Bond Counsel Expenses</td>
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<td>Escrow Agent</td>
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<td>Other Expenses**</td>
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<td><strong>Total</strong></td>
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* Ratings:  
  - Fitch: $35,000
  - Moody's: $30,000
  - S&P: $32,500

** Other Expenses: CUSIP Issuance Service Fee and BondLink Cost of Issuance