

FINAL

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

April 14, 2016, 10:30 a.m.

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

Members Present: Lane B. Ramsey, Chairman
John G. Dane, Vice-Chairman
Dennis C. LaGanza
McLain T. O’Ferrall, Jr.
Manju S. Ganeriwala
Daniel S. Timberlake
David A. Von Moll

Members Absent: Peter A. Blake
Sylvia Le Torrente
Charles Mann
Katharine M. Bond

Others Present:	Donald R. Ferguson, Esq.	Attorney General’s Office
	George Scruggs	Kutak Rock LLP
	Russell Carmichael	State Council of Higher Education
	Janet A. Aylor	Department of the Treasury
	Leslie M. English	Department of the Treasury
	David T.S. Jonas	Department of the Treasury
	James D. Mahone	Department of the Treasury
	Debora B. Greene	Department of the Treasury
	William Watt	Department of the Treasury

Call to Order

Mr. Ramsey called the meeting to order at 10:35 a.m. After welcoming visitors, he asked if there were any members of the public present that wished to express comments to the Board. There were no public comments. Mr. Ramsey then noted that Mike Walsh, previously the Board’s Assistant Secretary, had left Treasury to take a position with Virginia Tech. Mr. Ramsey informed the Board that Leslie English and Jay Mahone, both Public Finance Managers, would be managing future issuances of the Authority with assistance from Ms. Aylor and Mr. Jonas.

Mr. Dane arrived at 10:42 a.m.

Mr. Ramsey asked if there were any comments or questions about the minutes of the October 22,

DRAFT

2015 Virginia College Building Authority meeting. Hearing none, he requested a motion for approval of the minutes. Mr. LaGanza made the motion; Mr. Von Moll seconded the motion, and the motion was unanimously adopted by all members present and voting.

Consideration of the Issuance of Virginia College Building Authority Educational Facilities Revenue and Revenue Refunding Bonds (21st Century College and Equipment Programs) Series 2016A and 2016B

Ms. Aylor reviewed the Preliminary Financing Summary for the proposed issuance of \$416,770,000 of Virginia College Building Authority Educational Facilities Revenue and Revenue Refunding (21st Century College and Equipment Programs) Bonds, Series 2016A (new money) and Series 2016B (refunding). Ms. Aylor indicated that as of April 4, the estimated True Interest Cost (TIC) was 2.73% for the new money and 2.61% for the refunding bonds with a present value savings of \$6.8 million or 13.4% of the refunded par.

Ms. Aylor discussed ongoing negotiations with the credit rating agencies to understand the fee structure. She reported that some fees had been reduced as a result of these negotiations. Mr. O’Ferrall asked about the feasibility of only acquiring two (instead of the current three) ratings. Mr. LaGanza asked if only acquiring two ratings would affect liquidity and investors being less attracted to VCBA bonds. Ms. Aylor agreed that moving to two ratings may cause more scrutiny and send unintended signals to the market.

Mr. Scruggs from Kutak Rock, bond counsel to the Authority, then reviewed the Resolution. Following this review, Mr. Ramsey then asked if there were any other questions or comments. Hearing none, he asked if any member wanting to make a motion to approve the resolution authorizing the issuance of the bonds.

Mr. O’Ferrall moved approval of the motion of the Virginia College Building Authority authorizing the issuance of and sale of its Educational Facilities Revenue and Revenue Refunding Bonds (21st Century College and Equipment Programs) Series 2016A and 2016B. Mr. Timberlake seconded, and the motion was unanimously adopted by all members present and voting.

Consideration of the Issuance of Virginia College Building Authority Educational Facilities Revenue Refunding Bonds (Public Higher Education Financing Program) Series 2016A

Mr. Jonas reviewed the Preliminary Financing Summary for the proposed issuance of \$173,865,000 of Virginia College Building Authority Educational Facilities Revenue Refunding (Public Higher Education Financing Program) Bonds, Series 2016A. Mr. Jonas indicated that as of April 4, the estimated True Interest Cost (TIC) was 2.27% for the refunding bonds with a present value savings of \$23.8 million or 12.8% of the refunded par.

Ms. Ganeriwala asked what the purpose of the loan amendment that accompanied the offering documents was. Mr. Scruggs explained that the refunding would result in a new debt service schedule for the institutions; a one-page amendment with the new debt service numbers was required.

DRAFT

Mr. O’Ferrall asked if there were guidelines for refunding bond issuances, and Ms. Aylor noted that the Treasury Board approved Debt Structuring and Issuance Guidelines. Ms. Aylor outlined that the Authority also consults with bond counsel and the financial advisor as they monitor for refunding opportunities for the Authority’s outstanding bond issues.

Mr. Scruggs then reviewed the specific legal language of the resolution.

Mr. Ramsey then asked if there were any other questions or comments. Hearing none, he asked if any member wanting to make a motion to approve the resolution authorizing the issuance of the bonds. Mr. Timberlake made the motion to approve the resolution. Mr. Dane seconded the motion, and the motion was unanimously adopted by all members present and voting.

Consideration of the Motion to Approve One Year Extension of Contracts for Financial Advisory Service for Public Resources Advisory Group and Acacia Financial Group

Ms. Aylor reviewed the motion to approve one-year extension of contracts for Financial Advisory Services for Public Resources Advisory Group and Acacia Financial Group; Mr. Ramsey and Ms. Aylor both commented on the quality of the financial advice the Authority receives from its current advisors.

Mr. Ramsey then asked if there were any other questions or comments. Hearing none, he asked if any member wanting to make a motion to approve the extension. Mr. Timberlake made the motion to approve the extension of the current contracts for financial advisor. Ms. Ganeriwala seconded the motion, and the motion was unanimously adopted by all members present and voting.

Final Financing Summaries for VCBA Issuances Approved during October 22, 2015 Meeting

Mr. Jonas then reviewed the final financing summary for the Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Educational Financing Program), Series 2015A and 2015B, which was issued with a par value of \$207,510,000.

Other Business and Adjournment

Ms. Aylor reviewed the report analyzing the performance of the Virginia College Building Authority Variable Rate Educational Facilities Revenue Bonds, Series 2006B and Series 2006C, prepared by Public Resources Advisory Group (Exhibit A). A discussion ensued.

Ms. Aylor then briefly reviewed legislation recently passed by the General Assembly allowing the real estate foundations of public Virginia colleges and universities to use VCBA as a conduit issuer of tax-exempt bonds. Mr. Von Moll asked whether the Treasury would issue guidelines to real estate foundations. Ms. Aylor replied they would likely follow the Treasury’s guidelines for private colleges and universities for these foundations.

Mr. Ramsey then noted the passing of Walter Craigie, who had served as State Treasurer and helped create Virginia’s Debt Capacity Advisory Committee.

DRAFT

Mr. Ramsey then asked if there were any additional comments or questions from Board members. Hearing none, Mr. Ramsey requested a motion from Board members for dismissal. Mr. LaGanza made a motion for dismissal of the meeting. Ms. Ganeriwala seconded the motion, and the motion was unanimously adopted.

Having no other business to be brought before the Board, the meeting was adjourned at 11:46 a.m.

Adjournment

Respectfully submitted,
Janet A. Aylor
Secretary

/s/ Janet A. Aylor

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