



COMMONWEALTH OF VIRGINIA

Department of the Treasury

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July 1, 2014

MEMORANDUM

TO: Commonwealth School Superintendents

FROM: Manju S. Ganeriwala, on behalf of
Brenda L. Skidmore, Chairman, Virginia Public School Authority

SUBJECT: Virginia Public School Authority School Financing Bonds
(1997 Resolution) Series 2014 Fall Pool

The Virginia Public School Authority ("VPSA") has begun the planning process relating to the fall sale of its School Financing Bonds (1997 Resolution) 2014 Fall Pool program. The sale of VPSA's Bonds is tentatively scheduled for late-October, with funds available to localities on or about November 20, 2014. The purpose of this memorandum is to provide localities wishing to be included in the financing, notice of the sale and direction to the electronic information regarding the application.

The electronic information package, including the application forms, is available at the Department of the Treasury home page on the Internet at:

http://www.trs.virginia.gov/Debt/vpsa_appl.aspx

This package will better acquaint you with the VPSA financing program. Please access the Internet address shown above to secure the forms and instructions needed to submit an application for participation in the 2014 Fall Pool bond sale. The information includes:

- ◆ Attachment A - Background information on VPSA, State Aid Intercept and State Non-Arbitrage Program[®] ("SNAP[®]")
- ◆ Attachment B - Application for participation in the bond sale
- ◆ Attachment C - Tentative financing schedule
- ◆ Attachment D - Recent changes to the pooled bond program

The application is divided into two parts; (i) General Information and (ii) Project Information. **Please note that in order to streamline the application process, we have included the tax questionnaire as Section 3, Tax Matters of the financing application.** Parts (i) and (ii) must be fully completed by every applicant. Please complete the appropriate questions according to the useful life of the project(s) being financed.

VPSA structures its financings to purchase each local school bond for a price substantially equal to the amount of proceeds the locality has requested. This method of structuring is intended to assure that the purchase price VPSA pays will finance projects adequately, while at the same time accommodating the widest possible range of loan maturities and amortization schedules. Please see "**Participation in the Pooled Bond Program**" in **Attachment A** for information regarding the sizing of the par amount of your local school bond.

As you complete the application, examine the schedule, included as **Attachment C** hereto, carefully. Please note that given the requirements for governing body and school board meetings, public notices and a public hearing, you must procure the services of a qualified bond counsel prior to submitting your application to participate in the VPSA Fall Pool. We anticipate that the local school bonds will pay interest semiannually on January 15 and July 15. The first interest payment will be due on **July 15, 2015** and the first principal installment will also be payable on **July 15, 2015**. **Localities wishing to participate in the VPSA Fall Pool Bond sale must email a letter expressing interest in such participation along with the completed application form electronically by September 9, 2014 to vpsa@trs.virginia.gov.**

In addition, the public hearing requirement of § 15.2-2606 of the Virginia Code was recently amended. **Pursuant to Chapter 590, 2011 Virginia Acts of Assembly, the public notice to be published in a newspaper of general circulation in your locality prior to public hearing on the bond issue must state the proposed use of the proceeds of the bond issue and, if there are multiple proposed uses, must *state the proposed uses for which more than 10 percent of the total bond proceeds is expected to be used.***

Please ensure that the minutes for any resolution/ordinance taken by your school board and board of supervisors/council enumerate by name each board/council member voting, and the member's vote (or abstention). The Virginia Supreme Court in Town of Madison v. Ford held that the minutes of the town council's meeting stating that all members were present and that the motion to adopt ordinance carried unanimously, were **insufficient** to comply with Article VII, Section 7 of the Virginia Constitution. That provision states, "On final vote on any ordinance or resolution, the name of each member voting and how he voted shall be recorded." The forthcoming Bond Sale Agreement resolution forms will accommodate this requirement.

The application requires that the school board submit a resolution authorizing the application. Please submit a signed copy of the resolution with your application. If it is not possible to submit the resolution with the application, please forward the resolution to the VPSA no later than October 20, 2014.

As noted above, a copy of the application may be obtained at the Department of the Treasury home page on the Internet at http://www.trs.virginia.gov/Debt/vpsa_appl.aspx.

Should you have any questions, please do not hesitate to call Deidre G. Jett at (804) 225-4928 or Melissa Palmer at (804) 225-4926.

MSG:mwp

MEMORANDUM

Commonwealth School Superintendents

July 1, 2014

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