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COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)
Board of Commissioners Meeting
Fall Board Meeting – October 29, 2013, 11:00 A.M.
Treasury Board Conference Room, Third Floor
James Monroe Building
101 North 14th Street, Richmond Virginia

Members Present: Brenda L. Skidmore, Chairman
Ben Loyola, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Patricia Wright

Members Absent: Kanchana Thamodaran

Others Attending:	Arthur Anderson	McGuire Woods LLP
	Lisa Williams	McGuire Woods LLP
	James Traudt	Davenport & Company LLC
	Ty Wellford	Davenport & Company LLC
	Caroline Heggie	Davenport & Company LLC
	Elizabeth Myers	Office of the Attorney General
	Evie Whitley	Department of the Treasury
	Janet Aylor	Department of the Treasury
	Melissa Palmer	Department of the Treasury

Call to Order and Public Comment

Ms. Skidmore called the meeting to order at 11:01 A.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

An amended page to the motion that revised the motion header was distributed (Attachment A). Ms. Skidmore asked for a motion for approval of the minutes of the June 4, 2013 Board meeting. Mr. Von Moll moved, as amended, to adopt the minutes of the June 4, 2013 meeting as presented; Mr. Dickey seconded, and the motion carried unanimously.

Introduction of New Bond Counsel and Financial Advisor

Ms. Janet Aylor introduced Arthur Anderson and Lisa Williams of McGuire Woods LLP as the selected VPSA bond counsel and James Traudt, Ty Wellford and Caroline Heggie of Davenport & Company LLC as the selected VPSA financial advisor.

DRAFT

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2013 Fall Bonds

Ms. Palmer reviewed the amended Preliminary Financing Summary and presented the Participant List for the proposed issuance of not to exceed \$43,430,000 School Financing Bonds (1997 Resolution), Series 2013 B (Attachment B).

An amended page to the motion that revised the motion header was distributed (Attachment C). Mr. Dickey moved, as amended, that the Authority approve the list of applications for the participants in the VPSA 2013 Fall Bonds sale as presented by staff contingent upon the submission of all items necessary to complete their respective VPSA pooled bond applications; Mr. Von Moll seconded and the motion carried unanimously.

Ms. Williams from McGuire Woods LLP, VPSA's Bond Counsel, presented Series Resolution No. 13-05 authorizing the issuance of the VPSA Fall Bonds for Board consideration. She noted that the Series Resolution authorizes Refunding Bonds, in addition to the Fall pooled bonds, and referred the Board to page 1 of Resolution No.13-05 and stated that refunding candidates shall achieve the aggregate present value debt service savings equal to at least 3.00% of the par amount of the callable Refunded Bonds.

An amended page to the motion that revised the motion header was distributed (Attachment D). Ms. Ganeriwala moved, as amended, the adoption of Series Resolution No. 13-05; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
 Ben Loyola, Vice Chairman
 Manju S. Ganeriwala
 David A. Von Moll
 Kent C. Dickey, designee for Dr. Patricia Wright

NAYS: None

Consideration of the Issuance of VPSA School Tax Credit Bonds (Qualified Zone Academy Bonds) Series 2013-1

Ms. Whitley provided an overview of the Qualified Zone Academy Bonds (QZAB) program and reviewed the Preliminary Financing Summary in the projected amount of \$7,200,000 and the Cost of Issuance Budget (Attachment E) for the School Tax Credit Bonds (QZAB) Series 2013-1.

Mr. Anderson from McGuire Woods LLP, VPSA's Bond Counsel, reviewed Resolution No. 13-06 authorizing the issuance of the School Tax Credit Bonds (QZAB) Series 2013-1 (Attachment F).

Mr. Anderson referred the Board to the Section 2(d) of Resolution No. 13-06 and noted the supplemental interest rate cap of 3.00%. Ms. Ganeriwala stated that the supplemental interest rate seemed very high. Mr. Loyola proposed lowering the supplemental interest rate cap. Ms.

DRAFT

Ganeriwala suggested that the supplemental interest rate be lowered to not exceed 2.00% per annum. Mr. Traudt from Davenport & Company LLC, Financial Advisor for the transaction, stated that every effort would be made to achieve the required supplemental interest rate that would not exceed 2.00% per annum. He stated that they will assess the primary buyers in the market and cost of issuance with or without ratings to determine the feasibility of lowering the supplemental interest rate.

An amended page to the motion that revised the motion header was distributed (Attachment G). Ms. Ganeriwala moved, as amended, to adopt the Resolution No. 13-06, as amended, to lower the supplemental interest rate (Attachment H), Mr. Von Moll seconded and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Patricia Wright

NAYS: None

Other Business

Award of \$6 Million in School Security Equipment Grants Press Release

Ms. Aylor reviewed Governor McDonnell's press release regarding the award of \$6 million in School Security Equipment Grants. She stated that a portion of the proceeds of the VPSA School Technology and Security Notes Series I, issued in May 2013, was used to fund the competitive grants to help offset the costs associated with the purchase of appropriate security equipment. Eighty six school divisions and educational programs were awarded the grants and four hundred fifty nine schools and educational facilities will receive security upgrades.

Results of Sale and Final Financing Summary

2013 Stand-Alone Bond Sale – Prince William County – Ms. Palmer reviewed the Final Financing Summary for the \$59,990,000 Special Obligation School Financing Bonds Prince William County Series 2013. She stated the true interest cost for the issuance was 3.346838%.

Adjournment

An amended page to the motion that revised the motion header was distributed (Attachment I). There being no further business to be brought before the Board, Mr. Dickey moved, as amended, that the meeting be adjourned; Mr. Von Moll seconded and the motion carried unanimously at 11:47 A.M.

DRAFT

Respectfully submitted,

Janet A. Aylor
Assistant Secretary

DRAFT

Attachments A through I are available at the Department of the Treasury