

**DRAFT**

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

Board of Commissioners Meeting  
Spring Board Meeting – March 25, 2010, 2:00 p.m.  
Treasury Board Conference Room, Third Floor  
James Monroe Building  
101 North 14<sup>th</sup> Street, Richmond Virginia

Members Present: James M. Holland, Chairman  
Woodrow Mullins, Jr., Vice Chairman  
Manju S. Ganeriwala  
David A. Von Moll  
Kent C. Dickey, designee for Patricia Wright  
Kanchana Thamodaran

Members Absent: Brenda L. Skidmore  
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Others Attending:	Matt Hughey	Sidley Austin LLP
	Frank Robinson	Sidley Austin LLP
	Jay Conrad	BB&T Capital Markets
	Matt Palumbo	BB&T Capital Markets
	Arthur Anderson	McGuireWoods LLP
	Don Ferguson	Office of the Attorney General
	Sarah Herzog	Senate Finance Committee
	Evie Whitley	Department of the Treasury
	Richard Davis	Department of the Treasury
	Connie Vaughan	Department of the Treasury
	Melissa Palmer	Department of the Treasury
	Sherwanda Cawthorn	Department of the Treasury
	Janet Aylor	Department of the Treasury
	Tracy Clemons	Department of the Treasury

**Call to Order and Public Comment**

Mr. Holland called the meeting to order at 2:01 P.M. He stated the first order of business was to provide an opportunity for public comment. There were no public comments.

**Approval of Minutes**

Mr. Holland asked for a motion for approval of the minutes of the September 11, 2009 Board meeting. Mr. Mullins moved to adopt the minutes of the September 11, 2009 meeting as presented; Mr. Von Moll seconded, and the motion carried unanimously.

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**Election of Officers for Fiscal Year 2011**

Mr. Holland asked for nominations for the position of Vice Chairman of the Authority, Ms. Ganeriwala moved the nomination and election of Mr. Mullins as Vice Chairman of the Virginia Public School Authority; Mr. Von Moll seconded, and the motion carried unanimously.

Mr. Von Moll moved the nomination and election of the following officers to the Virginia Public School Authority for the fiscal year 2011: 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; Mr. Dickey seconded, and the motion carried unanimously.

**Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2010 Spring Bonds**

Mrs. Palmer reviewed the Preliminary Financing Summary and presented the list of applications for the proposed issuance of approximately \$113,210,000 School Financing Bonds (1997 Resolution), Series 2010 A.

Mr. Davis stated that, for the first time, the Series Resolution provides that, at the request of a pool participant, VPSA may consider the purchase of local school bonds issued as Build America Bonds. He said this would require the issuance of one or more taxable series to accommodate any such request.

Ms. Ganeriwala moved that the Authority approve the list of applications for the participants in the VPSA 2010 Spring Bond sale as presented by staff, subject to the submission of all items necessary to complete their respective VPSA pooled bond applications; Ms. Thamodaran seconded and the motion carried unanimously.

Mr. Hughey from Sidley Austin LLP, Bond Counsel, distributed a presentation on the issuance of Build America Bonds under the 1997 Resolution (Attachment A). He provided an overview of the advantages and disadvantages of issuing these types of bonds. Mr. Hughey distributed an amendment to Resolution No. 10-01, a Series Resolution authorizing the issuance of the Authority's Spring Pool Bonds which would allow for the purchase of local school bonds issued as Build America Bonds, and he provided an overview of the Resolution. Ms. Ganeriwala moved the adoption of Resolution No. 10-01 as amended (Attachment B), a Series Resolution authorizing the issuance of the VPSA 2010 Spring Bonds; Ms. Thamodaran seconded, and the motion carried unanimously as shown below:

YEAS:           James M. Holland, Chairman  
                  Woodrow Mullins, Jr., Vice Chairman  
                  Manju S. Ganeriwala  
                  David A. Von Moll  
                  Kent C. Dickey, designee for Patricia Wright  
                  Kanchana Thamodaran

NAYS:           None

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**Issuance of VPSA School Educational Technology Notes Series X**

Ms. Vaughan reviewed the Preliminary Financing Summary for the School Educational Technology Notes Series X in the projected amount of \$59,400,000. She stated that the anticipated sale date of April 28 had been changed to May 4, 2010 in order to allow time to bring the transaction before the Treasury Board prior to requesting ratings for the issue.

Mr. Hughey provided an overview of Resolution No. 10-02, an Educational Technology Note Resolution authorizing the issuance of the Series X Notes (Attachment C). Ms. Ganeriwala moved the adoption of Resolution No. 10-02; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: James M. Holland, Chairman  
Woodrow Mullins, Jr., Vice Chairman  
Manju S. Ganeriwala  
David A. Von Moll  
Kent C. Dickey, designee for Patricia Wright  
Kanchana Thamodaran

NAYS: None

**Issuance of a Qualified School Construction Bond (QSCB) issue pursuant to Executive Order 110 (2010)**

Mr. Davis reviewed the Preliminary Financing Summary for the School Tax Credit Bonds Series 2010-1 in the projected amount of \$100,000,000. He stated the bonds would be used to finance projects outlined in the Governor's Executive Order 110 (2010) which consisted of the remaining projects on the Literary Fund first priority waiting list followed by energy projects for various school projects. Mr. Davis stated that the bonds are expected to be essentially interest free as interest costs would be offset by a subsidy passed through to the participating localities.

Arthur Anderson from McGuireWoods LLP, Bond Counsel for the transaction, reviewed Resolution No. 10-03 authorizing the issuance of the School Tax Credit Bonds (Direct payment Qualified School Construction Bonds) Series 2010-1 (Attachment D). Ms. Ganeriwala moved to adopt the Resolution as presented, Mr. Mullins seconded and the motion carried unanimously as shown below:

YEAS: James M. Holland, Chairman  
Woodrow Mullins, Jr., Vice Chairman  
Manju S. Ganeriwala  
David A. Von Moll  
Kent C. Dickey, designee for Patricia Wright  
Kanchana Thamodaran

NAYS: None

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**Other Business**

**Adoption of a Post Issuance Compliance policy for the VPSA**

Mr. Davis noted that recent information requests from the Internal Revenue Service reflected a preference on the part of the Service that all municipal issuers develop and maintain a post issuance compliance policy. He stated that the Treasury Board had directed that all issuers staffed by Treasury prepare such a policy for adoption by its respective Board or Authority. Mr. Von Moll moved the adoption of the Post Issuance Compliance Policy of the Authority as presented, Ms. Ganeriwala seconded, and the motion carried unanimously.

**Reimbursement to the Department of Treasury**

Mr. Davis stated the Board's approval was being requested to reimburse the Department of the Treasury for expenses incurred to provide staff to the Authority. Mr. Mullins moved to approve a transfer in the amount of up to \$144,731 to reimburse the budget of the Department of Treasury for administrative costs associated with personnel required to assist in meeting the needs of the Authority; Ms. Thamodaran seconded, and the motion carried unanimously.

**Results of Sale and Final Financing Summary**

**Series 2009 C Refunding Bonds** - Mr. Davis reviewed the Final Financing Summary for the \$481,285,000 School Financing Bonds (1997 Resolution) Refunding Series 2009 C and stated the true interest cost was 2.860758% and stated the total savings was \$28,722,072.

**Series 2009 D School Financing Bonds** – Mr. Davis reviewed the Final Financing Summary for the \$11,645,000 School Financing Bonds (1997 Resolution) Series 2009 D and stated the true interest cost was 3.483000%.

**Series 2009-1 QSCB Financing** – Mr. Davis reviewed the Final Financing Summary for the \$61,120,000 School Tax Credit Bonds (QSCBs) Series 2009-1 and stated the true interest cost was 0.674642% at a tax credit rate of 6.05%.

**Adjournment**

At 3:10 P.M., there being no further business to be brought before the Board, Ms. Ganeriwala moved that the Authority adjourn; Ms. Thamodaran seconded and the motion carried unanimously.

Respectfully submitted,

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Richard A. Davis  
Assistant Secretary