

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

Board of Commissioners Meeting
Fall Board Meeting – September 11, 2009, 2:00 p.m.
Treasury Board Conference Room, Third Floor
James Monroe Building
101 North 14th Street, Richmond Virginia

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

Members Absent: Brenda L. Skidmore

Others Attending:	Arthur Anderson	McGuire Woods
	Dana Bunting	Goldman Sachs
	Matt Hughey	Sidley Austin LLP
	Jay Conrad	BB&T Capital Markets
	Chris Kulp	Hunton & Williams LLP
	Don Ferguson	Office of the Attorney General
	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
	Leslie English	Department of the Treasury
	Janet Aylor	Department of the Treasury

Call to Order and Public Comment

Mr. Holland called the meeting to order at 2:03 P.M. He stated that he would like to request a moment of silence in remembrance of the victims of the terrorist attacks on the United States on September 11, 2001. After the moment of silence, Mr. Holland stated the first order of business was to provide an opportunity for any public comment. There was no public comment.

Approval of Minutes

Mr. Holland asked for a motion for approval of the minutes of the July 8, 2009 Board meeting. Mr. Mullins moved to adopt the minutes of the July 8, 2009 meeting as presented; Ms. Ganeriwala seconded, and the motion carried unanimously.

Consideration of the Issuance of Qualified School Construction Bonds (QSCBs) Series 2009-1

Mr. Davis provided an overview of the American Recovery and Reinvestment Act of 2009 (ARRA) and introduced Dana Bunting of Goldman Sachs and Arthur Anderson of McGuire Woods. Ms. Bunting distributed and reviewed the Presentation to Virginia Public School Authority Regarding Qualified School Construction Bonds (QSCBs) (Attachment A). She stated that the 2009 national limitation for Qualified School Construction Bonds under the ARRA of 2009 allocated to the Commonwealth of Virginia is \$191,077,000. She also stated that QSCBs provide for a one hundred percent tax credit in lieu of issuer interest payments and that the denomination amount of the bonds was \$40,000.

Chairman Holland expressed concern about the investors' ability to carry forward the tax credit. Ms. Bunting stated that tax credits can be carried forward if no taxes are due in a given year. She also stated that investors can "strip" the credit from the outstanding bonds to be sold separately and can be merged back together with the bond.

Mr. Davis reviewed the Preliminary Financing Summary for the \$85,000,000 School Tax Credit Bonds (Qualified School Construction Bonds) Series 2009-1.

Ms. Whitley noted that the QSCB pricing date was scheduled for late October to allow localities adequate time to hold public hearings. She also stated that all localities would make principal payments to a sinking fund as a means to save for a bullet payment. Ms. Bunting added that the sinking fund would earn interest that could go to localities to offset any discount experienced for a local bond.

Mr. Anderson, VPSA's Bond Counsel for the transaction, reviewed the Bond Resolution authorizing the establishment of the school tax credit bond program and the execution and delivery of a master trust indenture to provide for the issuance of school tax credit bonds. Mr. Anderson also presented Executive Order Number Ninety (2009) - Allocation of a Portion of the Commonwealth's Share of the Calendar Year 2009 National Limitation for Qualified School Construction Bonds under the American Recovery and Reinvestment Act of 2009 (Attachment B).

Jay Conrad from BB&T Capital Markets, Financial Advisor for the Authority, stated that tax credit bonds are expected to have an effective interest rate of zero; as a result no true interest rate cap is needed in the Resolution.

Mr. Von Moll moved the approval of a Resolution authorizing the establishment of the school tax credit bond program (Attachment C); Ms. Ganeriwala seconded and the motion carried unanimously as shown below:

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

NAYS: None

Mr. Anderson reviewed the Bond Resolution authorizing the issuance of up to \$85,000,000 in school tax credit bonds QSCBs Series 2009-1 for Board consideration. Mr. Mullins moved the adoption of a Resolution authorizing the issuance of Series 2009-1 (Attachment D); Ms. Ganeriwala seconded, and the motion carried unanimously as shown below:

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

NAYS: None

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2009 Fall Bonds

Ms. Palmer reviewed the Preliminary Financing Summary and presented the Participant List for the proposed issuance of approximately \$27, 510,000 School Financing Bonds (1997 Resolution), Series 2009 D.

Ms. Ganeriwala moved that the Authority approve the list of applications for the participants in the VPSA 2009 Fall Bonds sale as presented by staff contingent upon any required action by the Board of Education and 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, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 09-05 authorizing the issuance of the Series 2009 D Bonds for Board consideration. Mr. Amr moved the adoption of Series Resolution No. 09-05 (Attachment E); Ms. Ganeriwala seconded, and the motion carried unanimously as shown below:

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

NAYS: None

Other Business

Update on Possible Refunding

Mr. Davis discussed the possible issuance of Refunding Bonds under the Authority's 1997 Resolution. He stated the preliminary indicators were that such refunding bonds would be sold the week of September 28, 2009. Mr. Davis explained that according to the preliminary numbers, by refunding certain maturities of previously issued Authority 1997 Resolution Bonds, the Authority might be able to realize savings of approximately \$12.8 million.

Adjournment

There being no further business to be brought before the Board, Ms. Ganeriwala moved that the meeting be adjourned; Mr. Von Moll seconded and the motion carried unanimously at 3:20 P.M.

Respectfully submitted,

Richard A. Davis
Assistant Secretary