

COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)

Board of Commissioners Meeting
Spring Board Meeting – March 16, 2022, 2:00 P.M.
Treasury Board Conference Room, Third Floor
James Monroe Building
101 North 14th Street, Richmond Virginia

Members Present: Bonnie M. France, Chairman
Betty J. Burrell, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Jillian Balow

Members Present via Conference Call: Cardell C. Patillo, Jr
Michael Nguyen

Members Absent: Vik G. Murthy

Others Attending:	Thomas William Bruno	McGuire Woods LLP
	Anne Curtis Saunders	McGuire Woods LLP
	Caroline Perrin	McGuire Woods LLP
	Ty Wellford	Davenport & Company LLC
	Tyler Smith	Davenport & Company LLC
	Kristy Choi	PFM Financial Advisors LLC
	Megan Gilliland	Kaufman & Canoles, P.C.
	Don Ferguson	Office of the Attorney General
	David Swynford	Department of the Treasury
	Bradley L. Jones	Department of the Treasury
James D. Mahone	Department of the Treasury	

Others Attending via Conference Call: Christine Ilarina Public Resources Advisory Group

Call to Order

Ms. France called the meeting to order at 2:03 P.M.

Ms. France stated that she is a retired partner with McGuire Woods, bond counsel to the VPSA and at times to localities within the Commonwealth, and she receives certain residual payments from the firm. Therefore, when approving school bonds, she is required to comply with the declaration requirements pursuant to § [2.2-3112](#) A2, § [2.2-3112](#) A3, subsection F of § [2.2-3114](#), and subsection G of § [2.2-3114](#) of the Virginia State and Local Government Conflict of Interests Act. A copy of the declaration is available for public inspection at the offices of the Virginia Department of the Treasury.

Public Comment

Ms. France asked for any public comment. There was no public comment.

Approval of Minutes

Ms. France stated the first order of business was the approval of the minutes of the September 16, 2021 Board meeting. Ms. France asked for a motion for approval of the minutes of the September 16, 2021 Board meeting. Ms. Ganeriwala moved to adopt the minutes of the September 16, 2021 meeting; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman
Betty J. Burrell, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Jillian Balow

NAYS: None

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2022 Spring Bonds

Ms. France stated the second order of business was the consideration of the issuance of VPSA School Financing Spring Bonds Series 2022. Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget, as amended (Attachment A); and presented the Participant List for the proposed issuance of approximately \$304,575,000 School Financing Bonds (1997 Resolution) Series 2022 A. He stated the bonds are currently expected to be sold competitively on April 20, 2022 and the anticipated delivery date is on or about May 17, 2022.

Ms. Burrell moved that the Authority approve the list of applications for the participants in the VPSA 2022 Spring Bond sale as presented by staff and the submission of all items necessary to complete their respective VPSA pooled bond applications; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman
Betty J. Burrell, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Jillian Balow

NAYS: None

Ms. Saunders from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 22-01 authorizing the issuance of the VPSA Spring Bonds for Board consideration.

Mr. Dickey moved the adoption of Series Resolution No. 22-01; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman
Betty J. Burrell, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Jillian Balow

NAYS: None

Issuance of VPSA School Educational Technology Notes Series XXII

Mr. Mahone reviewed the Preliminary Financing Summary, as amended (Attachment B); for the School Technology and Security Notes Series X in the combined projected amount of \$68,110,000. He stated that the anticipated sale date, via MuniAuction, is May 3, 2022 and the anticipated delivery date is on or about May 24, 2022. He stated the projected true interest cost (TIC) was 1.27% based on market as of March 8, 2022. Mr. Mahone stated that McGuireWoods will be VPSA's Bond Counsel for the transaction and Ms. Choi from PFM Financial Advisors LLC will be acting as VPSA's Financial Advisor for this transaction.

Ms. Saunders provided an overview of Resolution No. 22-02, an Educational Technology Note Resolution authorizing the issuance of the Series XXII Notes.

Ms. Ganeriwala moved the adoption of Resolution No. 22-02; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman
Betty J. Burrell, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Jillian Balow

NAYS: None

Issuance of VPSA School Security Equipment Notes Series X

Ms. Saunders provided an overview of Resolution No. 22-03, a Security Equipment Note Resolution authorizing the issuance of the Series X Notes. Mr. Von Moll moved the adoption of Resolution No. 22-03; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie France, Chairman
Betty J. Burrell, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll

Kent C. Dickey, designee for Jillian Balow

NAYS: None

Consideration of the Issuance of Special Obligation School Financing Bonds, Hanover County Series 2022

Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the \$46,615,000 Special Obligation School Financing Bonds, Hanover County Series 2022. He stated that the anticipated sale date is on or about July 2022 and the anticipated delivery will be in August 2022. Discussion ensued.

Ms. Saunders reviewed Resolution No. 22-04 authorizing and securing the issuance of Special Obligation School Financing Bonds, Hanover County Series 2022. Mr. Dickey moved the adoption of Resolution No. 22-04; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman
Betty J. Burrell, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Jillian Balow

NAYS: None

Consideration of the Issuance of Special Obligation School Financing Bonds, Montgomery County Series 2022

Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the \$100,500,000 Special Obligation School Financing Bonds, Montgomery County Series 2022. He stated that the bond proceeds will be issued to pay the cost of various capital school improvement projects for the County and to pay the cost of issuance. He stated that the anticipated sale date is on or about April 12, 2022 and the anticipated delivery date will be in late April or early May 2022.

Ms. Saunders summarized Resolution No. 22-05 authorizing and securing the issuance of Special Obligation School Financing Bonds, Montgomery County Series 2022. Ms. Burrell moved the adoption of Resolution No. 22-05; Mr. Von Moll seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman
Betty J. Burrell, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Jillian Balow

NAYS: None

Consideration of the Issuance of Special Obligation School Financing Refunding Bonds, Montgomery County Series 2022

Ms. Saunders summarized the Series Resolution 22-06 authorizing Special Obligation School Financing Refunding Bonds Montgomery County Series 2022. Ms. Saunders stated the Series Resolution 22-06 will allow a refunding of prior Special Obligation School Financing Bonds of the County if the refunding achieves aggregate present value debt service savings equal to at least 3.00% of the par amount of the Refunded Bonds, and the Resolution will expire on June 30, 2023.

Mr. Dickey moved the adoption of Resolution 22-06; Mr. Von Moll seconded and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman
Betty J. Burrell, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Jillian Balow

NAYS: None

Other Business

Basis Point Fee Assessment for the General Pooled Bond Policy

Mr. Mahone provided an overview of the sufficiency of the current fee structure. Mr. Mahone stated that the current fee structure for VPSA's Pooled Bond Program should be sufficient to cover expenses in the near to mid-term. Discussion ensued. Staff recommends a review of VPSA's fees prior to the next scheduled VPSA meeting, with an update to be provided at the Fall VPSA Board meeting.

Award of \$12 Million in New School Security Equipment Grants

Mr. Mahone reviewed the news release to announce the award of \$12 million in new School Security Equipment Grants that were issued in 2021 to protect students, faculty and visitors in 583 schools in 93 school divisions.

Results of Sale and Final Financing Summary

Special Obligation School Financing Bonds Henrico County Series 2021 – Mr. Mahone reviewed the Final Financing Summary; for the \$48,115,000 School Financing Bonds Henrico County Series 2021. He stated the Series 2021 bonds sold competitively on September 23, 2021 at a true interest cost of 1.50% to Citigroup Global Markets Inc. and with a delivery date of October 12, 2021.

VPSA School Financing Bonds (1997 Resolution) Series 2021 C – Mr. Mahone reviewed the Final Financing Summary, as amended (Attachment C); for the \$150,235,000 School Financing (1997 Resolution) Series 2021 C. He stated the Series 2021 C bonds sold competitively to J.P. Morgan Securities LLC at a true interest cost of 1.76% on October 19, 2021 and with a delivery date of November 9, 2021.

Special Obligation School Financing Bonds Prince William County Series 2021A – Mr. Mahone reviewed the Final Financing Summary; for the \$58,855,000 School Financing Bonds Prince William County (1997 Resolution) Series 2021A. He stated the Series 2021A bonds sold competitively on September 28, 2021 at a true interest cost of 1.68% to Citigroup Global Markets Inc. and with a delivery date of October 21, 2021.

Special Obligation School Financing Bonds Chesterfield County Series 2022 – Mr. Mahone reviewed the Final Financing Summary; for the \$116,605,000 School Financing Bonds Chesterfield County Series 2022. He stated the Series 2022 bonds sold competitively on January 18, 2022 at a true interest cost of 1.78% to Raymond James & Associates, Inc. and with a delivery date of February 8, 2022.

Adjournment

There being no further business to be brought before the Board, Ms. France declared the meeting adjourned at 2:59 P.M.

Respectfully submitted,

James D. Mahone
Assistant Secretary

ATTACHMENT A

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority \$304,575,000* School Financing Bonds (1997 Resolution) Series 2022 A

March 16, 2022

- Title:** \$304,575,000* School Financing Bonds (1997 Resolution) Series 2022 A (the “Bonds”).
- Issuer:** Virginia Public School Authority (the “Authority”).
- Constitutional Reference:** Article X, Section 9(d).
- Legislative Reference:** Chapter 11 Title 22.1 of the *Code of Virginia*, as amended.
- Purpose:** The proceeds of the Bonds will be used to (i) purchase \$304,575,000* general obligation school Bonds issued by certain Virginia localities that are to use the proceeds for capital projects for their public schools and (ii) pay a portion of the issuance cost of the bonds.
- Security:** The Bonds will be secured by (i) principal and interest payments on the general obligation school bonds held by the Authority and pledged to the payment of the Bonds, (ii) the State Aid Intercept Provision and (iii) a state general fund sum sufficient appropriation. The Bonds do not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia.
- Method of Sale:** Competitive, using electronic bidding.
- Sale Date:** April 20, 2022*
- Dated Date:** May 17, 2022*
- Delivery Date:** May 17, 2022*
- Bond Structure:** Serial bonds maturing annually in years 2022 through 2052*, paying current semiannual interest and annual principal and structured on a blended amortization basis to accommodate the schedules requested by the participants.
- Payment Dates:** *Principal:* Annually in years 2022 through 2052 on August 1, beginning August 1, 2022; with a final maturity of August 1, 2052*
- Interest:* Semi-annually on February 1 and August 1; beginning August 1, 2022*

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority \$304,575,000* School Financing Bonds (1997 Resolution) Series 2022 A

March 16, 2022

Optional Redemption Provision*: The Bonds due on and after August 1, 2033 may be redeemed prior to their respective maturities at the option of the Authority, in whole or in part at any time on any date beginning August 1, 2032, at the redemption price of par, together with interest accrued to the date fixed for redemption.

Denomination: \$5,000 or multiples thereof.

Registration Provisions: Book-entry only bonds.

Summary of Bids: TBD

Underwriter: TBD

True Interest Cost: TBD

Expected Ratings: Fitch Ratings: AA+
Moody's Investors Service: Aa1
Standard & Poor's Rating Service: AA+

Bond Counsel: McGuire Woods LLP, Richmond, Virginia.

Financial Advisor: Davenport & Company LLC, Richmond, Virginia.

**Registrar/
Paying Agent:** State Treasurer

Estimated Costs of Issuance: \$364,650~~TBD~~* excluding underwriters' discount.

*Preliminary, subject to change.

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority
\$304,575,000* School Financing Bonds (1997 Resolution) Series 2022 A

March 16, 2022

\$304,575,000

Cost of Issuance Budget

	Budget
Bond Counsel	\$89,150
Bond Counsel Expenses	5,000
Financial Advisor	100,000
Financial Advisor Expense	500
Official Statement Printer	1,500
Ratings*	151,000
Disclosure Counsel	7,500
Other Expenses**	10,000
Total	<u><u>\$364,650</u></u>

	Budget
* Ratings: <i>Fitch</i>	\$50,000
<i>Moody's</i>	\$66,000
<i>S&P</i>	<u>\$35,000</u>
	\$151,000

** *Other Expenses: CUSIP Issuance Service Fee, BondLink Posting and Contingency*

ATTACHMENT B

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority
\$68,110,000* School Technology and Security Notes Series X
March 16, 2022

- Title:** \$68,110,000* School Technology and Security Notes Series X (the “Notes”)
- Issuer:** Virginia Public School Authority (the “Authority”).
- Constitutional Reference:** Article X, Section 9(d).
- Legislative Reference:** Chapter 11 Title 22.1 of the *Code of Virginia*, as amended, and the 2019 Appropriation Act, Chapter 854 Acts of Assembly, Special Session I, as amended, Item 145(C)(12)(d) and Item 145(C)13(1).
- Purpose:** The proceeds of the Notes are being used primarily to make approximately \$68,110,000 of grants (i) to establish a computer-based instructional and testing system for the Standards of Learning (SOL) and to develop the capability for high speed Internet connectivity at high schools followed by middle schools followed by elementary schools and (ii) to help offset the costs associated with the purchase of appropriate security equipment.
- Security:** The Notes are limited obligations of the Authority payable from (i) appropriations by the Virginia General Assembly from the Literary Fund, a special trust fund established under the Constitution of Virginia and dedicated to the support of public education in Virginia and (ii) sum sufficient appropriations from the general fund of the Commonwealth. The Notes do not constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia.
- Method of Sale:** Competitive, using electronic bidding *
- Sale Date:** May 3, 2022*
- Dated Date:** Date of Delivery
- Delivery Date:** On or about May 24, 2022 *
- Bond Structure:** Serial notes maturing annually in years 2023 through 2027, paying current semiannual interest and annual principal and structured on a level debt service basis. *

* Preliminary, subject to change.

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority
\$68,110,000* School Technology and Security Notes Series X
March 16, 2022

Payment Dates: *Principal:* Annually on April 15, beginning April 15, 2023; with a final maturity of April 15, 2027.

Interest: Semi-annually on April 15 and October 15; beginning October 15, 2022.*

**Optional
Redemption
Provision:**

Not subject to redemption prior to stated maturities.

Denomination: \$5,000 or multiples thereof.

**Registration
Provisions:**

Book-entry only notes.

**Projected True
Interest Cost:** 1.27% based on market of March 8, 2022.*

Expected Ratings: Fitch Ratings: AA+
Moody's Investors Service: Aa1
Standard & Poor's Rating Service: AA+

Underwriter: TBD

Bond Counsel: McGuire Woods LLP, Richmond, Virginia.

Financial Advisor: Public Financial Management, Inc., Richmond, Virginia.

**Registrar/
Paying Agent:** State Treasurer.

**Estimated Costs
of Issuance:** \$185,941~~TBD~~* excluding underwriters' discount.

* Preliminary, subject to change.

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority
\$68,110,000* School Technology and Security Notes Series X
March 16, 2022

Cost of Issuance Budget

	Estimated
Bond Counsel	\$ 52,441
Bond Counsel Expenses	500
Financial Advisor	30,000
Financial Advisor Expenses	500
Official Statement Printer	1,500
Ratings*	89,000
Other Expenses**	12,000
Total	\$ <u>185,941</u>

Budget

* Ratings:	<i>Fitch</i>	\$28,000
	<i>Moody's</i>	\$26,500
	<i>S&P</i>	<u>\$35,000</u>
		\$89,000

* Other Expenses: *i-Deal Electronic Distribution of POS and BondLink Cost*

ATTACHMENT C

FINAL FINANCING SUMMARY

Virginia Public School Authority \$150,235,000 School Financing Bonds (1997 Resolution) Series 2021 C

March 16, 2022

Title:	\$150,235,000 School Financing Bonds (1997 Resolution) Series 2021 C (the “Bonds”).
Issuer:	Virginia Public School Authority (the “Authority”).
Constitutional Reference:	Article X, Section 9(d).
Legislative Reference:	Chapter 11 Title 22.1 of the <i>Code of Virginia</i> , as amended.
Purpose:	The proceeds of the Bonds will be used to (i) purchase \$150,235,000 general obligation school Bonds issued by certain Virginia localities that are to use the proceeds for capital projects for their public schools and (ii) pay a portion of the issuance cost of the bonds.
Security:	The Bonds will be secured by (i) principal and interest payments on the general obligation school bonds held by the Authority and pledged to the payment of the Bonds, (ii) the State Aid Intercept Provision and (iii) a state general fund sum sufficient appropriation. The Bonds do not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia.
Method of Sale:	Competitive, using electronic bidding.
Sale Date:	October 19, 2021
Dated Date:	November 9, 2021
Delivery Date:	November 9, 2021
Bond Structure:	Serial bonds maturing annually in years 2022 through 2041, paying current semiannual interest and annual principal and structured on a blended amortization basis to accommodate the schedules requested by the participants.
Payment Dates:	<i>Principal:</i> Annually on August 1, beginning August 1, 2022; with a final maturity of August 1, 2041 <i>Interest:</i> Semi-annually on February 1 and August 1; beginning August 1, 2022

FINAL FINANCING SUMMARY

Virginia Public School Authority \$150,235,000 School Financing Bonds (1997 Resolution) Series 2021 C

March 16, 2022

Optional Redemption Provision: The Bonds due on and after August 1, 2032 may be redeemed prior to their respective maturities at the option of the Authority, in whole or in part at any time on any date beginning August 1, 2031, at the redemption price of par, together with interest accrued to the date fixed for redemption.

Denomination: \$5,000 or multiples thereof.

Registration Provisions: Book-entry only bonds.

Summary of Bids:	J.P. Morgan Securities LLC	1.763364%
	Morgan Stanley & Co., LLC	1.769695
	Citigroup Global Markets Inc.	1.776237
	Robert W. Baird & Co., Inc.	1.856407
	Bank of America Merrill Lynch	1.929597
	Wells Fargo Bank, National Association	1.947007

Underwriter: J.P. Morgan Securities LLC

True Interest Cost: 1.762840% (based on final sizing)

Ratings:

Fitch Ratings:	AA+
Moody's Investors Service:	Aa1
Standard & Poor's Rating Service:	AA+

Bond Counsel: McGuire Woods LLP, Richmond, Virginia.

Financial Advisor: Davenport & Company LLC, Richmond, Virginia.

**Registrar/
Paying Agent:** State Treasurer

Costs of Issuance: \$304,391~~TBD~~ excluding underwriters' discount.

PRELIMINARY FINANCING SUMMARY

**Virginia Public School Authority
\$150,235,000 School Financing Bonds (1997 Resolution) Series 2021 C**

March 16, 2022

\$150,235,000

Cost of Issuance Budget

	Budget	Actual	Variance
Bond Counsel	\$81,808	\$81,808	0
Bond Counsel Expenses	5,000	100	4,900
Financial Advisor	100,000	100,000	0
Financial Advisor Expenses	500	33	467
Official Statement Printer	1,500	1,000	500
Ratings*	103,250	103,250	0
Disclosure Counsel	7,500	9,983	-2,483
Other Expenses**	10,000	8,217	1,783
Total	<u>\$309,558</u>	<u>\$304,391</u>	<u>\$5,167</u>

	Budget	Actual	Variance
* Ratings:			
<i>Fitch</i>	\$35,000	\$35,000	\$0
<i>Moody's</i>	\$35,750	\$35,750	\$0
<i>S&P</i>	\$32,500	\$32,500	\$0
	<u>\$103,250</u>	<u>\$103,250</u>	<u>\$0</u>

** *Other Expenses: CUSIP Issuance Service Fee, BondLink Posting and Contingency*