

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

Board of Commissioners Meeting  
Fall Board Meeting – September 12, 2018, 2:00 p.m.  
Treasury Board Conference Room, Third Floor  
James Monroe Building  
101 North 14<sup>th</sup> Street, Richmond Virginia

Members Present: Bonnie M. France, Chairman  
Vik G. Murthy  
Betty J. Burrell  
Manju S. Ganeriwala  
Kent C. Dickey, designee for Dr. James Lane

Members Absent: Jay Bhandari, Vice Chairman  
Cardell C. Patillo, Jr.  
David A. Von Moll

Others Attending:	Arthur E. Anderson II	McGuire Woods LLP
	Thomas William Bruno	McGuire Woods LLP
	Anne Curtis Saunders	McGuire Woods LLP
	Ty Wellford	Davenport & Company LLC
	Mitchell Crowder	Davenport & Company LLC
	Don Ferguson	Office of the Attorney General
	Janet A. Aylor	Department of the Treasury
	James D. Mahone	Department of the Treasury
	Melissa W. Palmer	Department of the Treasury
	Debora Greene	Department of the Treasury
	David Swynford	Department of the Treasury

**Call to Order and Public Comment**

Ms. France called the meeting to order at 2:07 P.M. She stated the first order of business was to introduce newly appointed Board of Commissioners Members: Dr. James Lane from the Department of Education and Ms. Betty Burrell from City of Richmond. Ms. France provided an opportunity for any public comment. There was no public comment.

**Approval of Minutes**

Ms. France asked for a motion for approval of the minutes of the March 15, 2018 Board meeting. Mr. Dickey moved to adopt the minutes of the March 15, 2018 meeting as presented; Ms. Ganeriwala seconded, Mr. Murthy abstained, and the motion carried.

**Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2018 Fall Bonds**

Mr. Mahone reviewed the amended Preliminary Financing Summary and the Cost of Issuance Budget (Attachment A) and presented the Participant List for the proposed issuance of approximately \$122,785,000 School Financing Bonds (1997 Resolution) Series 2018 B. He stated the bonds are expected to be sold competitively on October 16, 2018 and the anticipated delivery date is on or about November 6, 2018.

Ms. France stated that she is a retired partner with McGuireWoods, 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.

Dr. Lane left the meeting at 2:23 P.M.

Mr. Murthy moved that the Authority approve the list of applications for the participants in the VPSA 2018 Fall Bond sale as presented by staff and the submission of all items necessary to complete their respective VPSA pooled bond applications; Mr. Dickey seconded and the motion carried unanimously.

Mr. Bruno from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, presented the Series Resolution No. 18-04 authorizing the issuance of the VPSA Fall Bonds for Board consideration.

Ms. Ganeriwala moved the adoption of Series Resolution No. 18-04; Mr. Murthy seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Vik G. Murthy  
Betty J. Burrell  
Manju S. Ganeriwala  
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

## **Other Business**

### **Discussion of the Final Bond Counsel and Financial Advisor Selections**

Mr. Mahone reviewed the financial advisor and bond counsel selection process as delegated to staff for the procurement of financial advisory and bond counsel services at the March 15, 2018 Board meeting. He stated that the selected bond counsel is McGuire Woods LLP and financial advisors are Davenport & Company LLC, Public Resources Advisory Group, Inc., and PFM Financial Advisors LLC.

### **Results of Sale and Final Financing Summary**

**Series 2018 A School Financing Bonds** – Ms. Palmer reviewed the Final Financing Summary for the \$63,920,000 School Financing Bonds (1997 Resolution) Series 2018 A. She stated the Series 2018 A bonds sold competitively on May 1, 2018 at a true interest cost of 3.122314% to Citigroup Global Markets Inc. with a delivery date of May 15, 2018.

**School Technology and Security Notes Series VI** – Ms. Palmer reviewed the Final Financing Summary for the \$59,805,000 School Technology and Security Notes Series VI. She stated the bonds sold competitively on May 8, 2018 at a true interest cost of 2.017572% to Citigroup Global Markets Inc. with a delivery date of May 22, 2018.

**Prince William County Series 2018 Special Obligation Financing Bonds** – Mr. Mahone reviewed the Final Financing Summary for the \$115,895,000 Prince William County Series 2018 Special Obligation Financing Bonds. He stated that the bonds sold competitively on May 9, 2018 at a true interest cost of 2.968820% to Citigroup Global Markets Inc. with a delivery date of May 24, 2018.

### **Adjournment**

There being no further business to be brought before the Board, Mr. Dickey moved that the meeting be adjourned; Mr. Murthy seconded and the motion carried unanimously at 2:42 P.M.

Respectfully submitted,

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James D. Mahone  
Assistant Secretary

## **ATTACHMENT A**

## PRELIMINARY FINANCING SUMMARY

### Virginia Public School Authority \$122,785,000\* School Financing Bonds (1997 Resolution) Series 2018 B September 12, 2018

- Title:** \$122,785,000\* School Financing Bonds (1997 Resolution) Series 2018 B (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 \$122,785,000\* 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 16, 2018\*
- Dated Date:** November 6, 2018\*
- Delivery Date:** November 6, 2018\*
- Bond Structure:** Serial bonds maturing annually in years 2019 through 2039\*, 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 on August 1, beginning August 1, 2019; with a final maturity of August 1, 2039\*.  
*Interest:* Semi-annually on February 1 and August 1; beginning August 1, 2019.

\*Preliminary, subject to change.

## PRELIMINARY FINANCING SUMMARY

**Virginia Public School Authority**  
**\$122,785,000\* School Financing Bonds (1997 Resolution) Series 2018 B**  
**September 12, 2018**

**Optional  
Redemption  
Provision\*:**

The Bonds due on and after August 1, 2029 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, 2028, 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.

**True Interest Cost:** TBD

**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:** Davenport & Company LLC, Richmond, Virginia.

**Registrar/  
Paying Agent:** State Treasurer

**Estimated Costs  
of Issuance:** ~~\$281,475,302,475~~\* excluding underwriters' discount.

\*Preliminary, subject to change.

**VIRGINIA PUBLIC SCHOOL AUTHORITY**  
**School Financing Bonds (1997 Resolution)**  
**Series 2018 B**

**\$122,785,000**

**Cost of Issuance Budget**

	Budget
Bond Counsel	\$78,000
Bond Counsel Expenses	5,000
Financial Advisor	96,475
Financial Advisor Expenses	500
Official Statement Printer	1,500
Ratings*	95,000
Other Expenses**	5,000
Total	\$281,475

	Budget
* Ratings: <i>Fitch</i>	\$35,000
<i>Moody's</i>	\$30,000
<i>S&amp;P</i>	\$30,000
	\$95,000

\*\* *Other Expenses: CUSIP Issuance Service Fee*