

# FINAL

## VIRGINIA COLLEGE BUILDING AUTHORITY BOARD OF COMMISSIONERS MEETING

October 12, 2018, 2:00 p.m.

Treasury Board Conference Room

James Monroe Building

101 North 14<sup>th</sup> Street, 3<sup>rd</sup> Floor

Richmond, Virginia

Members Present: Lane B. Ramsey, Chairman  
Charles Mann  
Stephanie Calliott  
Peter A. Blake  
Manju S. Ganeriwala  
Daniel S. Timberlake  
David A. Von Moll

Members Absent: John G. Dane, Vice-Chairman

Others Present:	Donald R. Ferguson, Esq.	Attorney General's Office
	George Scruggs, Jr., Esq.	Kutak Rock LLP
	Janet A. Aylor	Department of the Treasury
	James D. Mahone	Department of the Treasury
	Debora Greene	Department of the Treasury
	David Swynford	Department of the Treasury

### Call to Order

Mr. Ramsey called the meeting to order at 2:03 p.m. After welcoming visitors, he asked if there were any members of the public present that wished to express comments to the Board. There were no public comments.

Mr. Ramsey asked if there were any comments or questions about the minutes of the June 1, 2018 Virginia College Building Authority meeting. Hearing none, he requested a motion for approval of the minutes. Ms. Ganeriwala made the motion; Mr. Von Moll seconded and the motion was unanimously adopted by all members present and voting.

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## **Consideration of the Issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2018A and Virginia College Building Authority, Educational Facilities Federally Taxable Revenue Bonds (Public Higher Education Financing Program), Series 2018B**

Prior to review of the bond documents, Mr. Mahone introduced the newest member of the Board Ms. Stephanie Calliott, retired executive of Norfolk, Virginia.

Ms. Aylor informed the Board that Corynne Arnett, Vice President, Financial Services for the Power Generation Group at Dominion Energy Inc. has been appointed to the Board.

Ms. Ganeriwala informed the Board that Mr. Ramsey and Mr. Mann have been reappointed to the Board.

Mr. Mahone proceeded with the review of the Preliminary Financing Summary for the proposed issuance of \$206,990,000 Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2018A and Series 2018B. Mr. Mahone noted during his review that the S&P rating is now an AA+. A step up from the previous rating of AA.

Ms. Calliott asked why this Authority does not have an AAA rating.

Mr. Mahone explained that this program is not backed by the full faith and credit of the Commonwealth. A discussion ensued.

Mr. Mahone indicated that as of October 11, 2018, the estimated True Interest Cost (TIC) was 3.6176% for the Series 2018A and 4.4503% for the Series 2018B. The rates increased as of the October 2, 2018 True Interest Cost (TIC) reflected in the Preliminary Financing Summary. Mr. Mahone reviewed the Preliminary Official Statement and briefly discussed the James Madison University and VPISU taxable projects.

Ms. Calliott asked about the tax-exempt status for these projects.

Mr. Mahone explained the private business use associated with the projects.

Ms. Ganeriwala asked why the total amount of bonds issued is lower than the total amount of the projects.

Mr. Mahone explained that \$333,615,000 is the total amount authorized for each project. The institutions are only financing the amount needed at this time for their project. A discussion ensued.

Mr. Mahone continued his review of the Supplemental Indenture of Trust, and Loan Agreement.

Mr. Scruggs from Kutak Rock, bond counsel to the Authority, provided general information about the Virginia College Building Authority Program to Ms. Calliott. Mr. Scruggs then reviewed the Resolution.

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Ms. Calliott asked about the rate parameters and what happens if rates exceed what the Board has authorized.

Mr. Scruggs explained that we would have to come back to the Board for approval if rates exceed what is in the approved Resolution. Mr. Mahone informed the Board of the Administrative Fee: Cost of Issuance of 10 basis points included in the Resolution.

Mr. Ramsey then asked if there were any other questions or comments. Hearing none, he asked if any member wanting to make a motion to approve the resolution authorizing the issuance of the bonds.

Ms. Calliott moved approval of the motion of the Virginia College Building Authority authorizing the issuance of and sale of its Educational Facilities Revenue Bonds (Public Higher Education Financing Bonds) Series 2018A and Series 2018B. Mr. Mann seconded, and the motion was unanimously adopted by all members present and voting.

### **Other Business and Adjournment**

Ms. Mahone reviewed the final financing summary for the Virginia College Building Authority Educational Facilities Revenue Bonds (Randolph-Macon College) Series 2018.

Ms. Greene provided the Board an update regarding the selection of financial advisors to the Board. She informed the board that staff issued a Request for Proposal on May 23, 2018, eight bids were received, and two contracts were awarded. Hilltop Securities, Inc. will serve as financial advisor for the 21<sup>st</sup> Century College and Equipment and Public Resources Advisory Group will serve as financial advisor for the Pooled Bond program. The period of the contract is from August 2018 to July 2021 with two one-year renewal options.

Ms. Calliott asked if the financial advisors are required to be Virginia firms.

Ms. Greene responded no. Ms. Aylor explained that Davenport & Company is the only financial advisory firm in Virginia that provide the services that we require. The majority of the firms are in New York. A discussion ensued.

Ms. Aylor reviewed the new BondLink website with the Board.

Mr. Ramsey then asked the Board members and staff to introduce themselves to Ms. Calliott. He then asked if there were any additional comments or question from Board members. Hearing none. Mr. Ramsey requested a motion from Board members for dismissal. Mr. Mann made a motion for dismissal of the meeting. Mr. Timberlake seconded the motion, and the motion was unanimously adopted.

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Having no other business to be brought before the Board, the meeting was adjourned at 2:38 p.m.

Adjournment

Respectfully submitted,  
Janet A. Aylor  
Secretary

/s/ Janet A. Aylor

Exhibits may be obtained by contacting the Department of the Treasury at (804) 225-2142.