

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

Board of Commissioners Meeting  
Fall Board Meeting – September 13, 2017, 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  
Cardell C. Patillo, Jr.  
Vik G. Murthy  
Manju S. Ganeriwala  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven Staples

Members Absent: Jay Bhandari, Vice Chairman  
Douglas Combs

Others Attending:	Thomas William Bruno	McGuire Woods LLP
	Anne Curtis Saunders	McGuire Woods LLP
	Ty Wellford	Davenport & Company LLC
	Leah C. Schubel	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
	Sandra E. Stanley	Department of the Treasury
	Kyle A. Laux	Davenport & Company LLC
	Biniam Tesfamariam	Office of the Attorney General

**Call to Order and Public Comment**

Ms. France called the meeting to order at 2:03 P.M. She stated the first order of business was to provide an opportunity for any public comment. Mr. Ferguson introduced Mr. Tesfamariam from the Office of the Attorney General. There was no public comment.

**Approval of Minutes**

Ms. France asked for a motion for approval of the minutes of the March 15, 2017 Board meeting. Mr. Murthy moved to adopt the minutes of the March 15, 2017 meeting as presented; Mr. Dickey seconded, and the motion carried.

**Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2017 Fall Bonds**

Mr. Mahone reviewed the Preliminary Financing Summary and the Cost of Issuance Budget and presented the Participant List for the proposed issuance of approximately \$122,565,000 School Financing Bonds (1997 Resolution) Series 2017 C. He stated the bonds are expected to be sold competitively on October 17, 2017 and the anticipated delivery date is on or about November 7, 2017.

Mr. Patillo moved that the Authority approve the list of applications for the participants in the VPSA 2017 Fall Bond sale as presented by staff and the submission of all items necessary to complete their respective VPSA pooled bond applications; Mr. Murthy seconded and the motion carried unanimously.

Mr. Bruno from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, presented the amended Series Resolution No. 17-05 (Attachment A) authorizing the issuance of the VPSA Fall Bonds for Board consideration.

Mr. Von Moll moved the adoption of Series Resolution No. 17-05 as amended; Mr. Murthy seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr.  
Vik G. Murthy  
Manju S. Ganeriwala  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

**Consideration of the Issuance of Special Obligation School Financing Bonds, King George County Series 2017**

Mr. Mahone reviewed the amended Preliminary Financing Summary and distributed the Cost of Issuance Budget (Attachment B) for the \$21,000,000 Special Obligation School Financing Bonds, King George County Series 2017.

Mr. Mahone introduced Mr. Laux from Davenport & Company LLC, King George County's Financial Advisor for the transaction.

Mr. Bruno reviewed Resolution No. 17-06 authorizing and securing the issuance of Special Obligation School Financing Bonds, King George County Series 2017. Mr. Dickey moved the adoption of Resolution No. 17-06; Mr. Patillo seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr.  
Vik G. Murthy  
Manju S. Ganeriwala  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

**Consideration of the Issuance of Special Obligation School Financing and Refunding Bonds, Prince William County Series 2018**

Mr. Mahone reviewed the amended Preliminary Financing Summary (Attachment C) and the Cost of Issuance Budget for the \$241,540,000 Special Obligation School Financing and Refunding Bonds, Prince William County Series 2018. He stated that \$126,540,000 of the bond proceeds will be issued to pay the cost of various capital school improvement projects for the County as well as to tentatively refund \$115,000,000 of the Authority bonds issued for the benefit of the County and other County obligations that financed capital school improvement projects and to pay the cost of issuance.

Mr. Bruno reviewed Resolution No. 17-07 authorizing and securing the issuance of Special Obligation School Financing and Refunding Bonds, Prince William County Series 2018. Mr. Murthy moved the adoption of Resolution No. 17-07; Mr. Patillo seconded, and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr.  
Vik G. Murthy  
Manju S. Ganeriwala  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

**Consideration of the Issuance of Special Obligation School Financing Refunding Bonds, Prince William County Series 2018**

Mr. Bruno reviewed the Series Resolution 17-08 authorizing Special Obligation School Financing Refunding Bonds Prince William County Series 2018.

Mr. Patillo moved the adoption of Resolution 17-08; Mr. Murthy seconded and the motion carried unanimously as shown below:

YEAS: Bonnie M. France, Chairman  
Cardell C. Patillo, Jr.  
Vik G. Murthy

Manju S. Ganeriwala  
David A. Von Moll  
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

### **Other Business**

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

**Series 2017 A School Financing Bonds** – Mr. Mahone reviewed the Final Financing Summary for the \$18,470,000 School Financing Bonds (1997 Resolution) Series 2017 A. He stated the Series 2017 A bonds sold competitively on May 2, 2017 at a true interest cost of 2.939788% to Citigroup Global Markets Inc. with a delivery date of May 16, 2017.

**School Technology and Security Notes Series V** – Mr. Mahone reviewed the Final Financing Summary for the \$66,135,000 School Technology and Security Notes Series V. He stated the bonds sold competitively on May 9, 2017 at a true interest cost of 1.267822% to TD Securities (USA) LLC.

**Series 2017 B School Financing Refunding Bonds** – Mr. Mahone reviewed the Final Financing Summary for the \$106,075,000 School Financing Refunding Bonds Series 2017 B. He stated that the Series 2017 B bonds sold competitively on August 8, 2017 at a true interest cost of 2.379098% to Morgan Stanley & Co. LLC with a delivery date of August 22, 2017. He stated that School Financing Refunding Bonds Series 2017 B resulted in \$7,661,511.41 in debt service savings or 5.797436% of the refunded bonds. Mr. Mahone stated that these savings will be distributed to the sixteen localities that were the participants in the outstanding issues that were refunded.

### **Adjournment**

There being no further business to be brought before the Board, Mr. Von Moll moved that the meeting be adjourned; Mr. Patillo seconded and the motion carried unanimously at 3:18 P.M.

Respectfully submitted,

---

James D. Mahone  
Assistant Secretary

## **ATTACHMENT A**

for redemption, and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur on such redemption date after a conditional notice is given due to an insufficient amount of funds on deposit with the State Treasurer, the corresponding notice of redemption shall be deemed to have been revoked prior to such redemption date.

(iv) If the Authority gives an unconditional notice of redemption, then on the redemption date the New Bonds called for redemption will become due and payable. If the Authority gives a conditional notice of redemption, and money to pay the Redemption Price of the affected New Bonds shall have been set aside in escrow with the State Treasurer or other Depository for the purpose of paying such New Bonds, then on the redemption date the New Bonds will become due and payable. In either case, if on the redemption date the State Treasurer holds money to pay the New Bonds called for redemption, thereafter, no interest will accrue on those New Bonds, and a Bondholder's right will be to receive payment of the Redemption Price, plus accrued interest, if any, upon surrender of those New Bonds.

(b) **Mandatory Redemption.** The term New Bonds, if any, shall be called for redemption, in part, in the principal amounts equal to the respective Amortization Requirements for such term New Bonds (less the principal amount of any term New Bond retired by purchase and otherwise subject to adjustment as provided in the Bond Resolution) from moneys in the 1997 Sinking Fund at a Redemption Price of par plus accrued interest thereon to the date fixed for redemption on each August 1 preceding their maturity for which there is an Amortization Requirement.

(c) **In General.** Any such redemption, either in whole or in part, shall be made in the manner and under the terms and conditions provided in the Bond Resolution.

**Section 5. Delegation and Standards.** The Board hereby delegates to the Delegates, each of whom may exercise the power with respect to each Series of New Bonds, to determine and carry out the following:

(a) **Method of Sale.** To determine whether any Series of the New Bonds shall be offered and sold via one or more of the following methods: (i) a competitive sale, or (ii) a negotiated sale. If the method of sale determined to be utilized is a negotiated sale, a Delegate is hereby authorized to negotiate the sale of any Series of New Bonds to one or more of the underwriters ~~to be selected by the Authority~~ from among the firms comprising the Authority's underwriting team, which shall be comprised of underwriters previously selected to provide underwriting services for the Commonwealth and its agencies and instrumentalities (the "Underwriters"), and to execute with the Underwriters a Bond Purchase Agreement in substantially the form on file with the Authority (the "Purchase Contract"), the terms of which Purchase Contract shall not conflict with the provisions of the Resolution, with such additions, substitutions and revisions as may be approved by a Delegate;

on a date or dates determined in consultation with the Financial Advisor to the Authority, but in no event later than December 31, 2017;

(ii) A Delegate is hereby authorized to sell the Refunding Bonds of each Series at a public sale, by electronic competitive bidding or other method deemed advisable in consultation with the Financial Advisor to the Authority on a date determined in consultation with the Financial Advisor when the objectives of the issuance of such Bonds and the criteria set hereby with respect to debt service savings can be met, but in no event later than the date of the first Board meeting in fiscal year ~~2017~~2019.

(iii) If the 2017 Fall New Money Bonds and the Refunding Bonds shall be sold on the same day, a Delegate shall divide them into separate Series.

(iv) The New Bonds of each Series shall be awarded at an aggregate price not less than 99.50% of the par amount of such Series. The New Bonds of each Series to be sold at competitive bidding shall be sold to the bidder whose bid for the New Bonds of such Series provides the lowest "true" interest cost rate to the Authority (each a "Purchaser"). Each Purchaser shall be required to submit its good faith deposit in the form of a wire transfer not later than 4:00 p.m. Richmond, Virginia Time on the next Business Day following the award.

(v) If the New Bonds of any Series are determined to be sold via a negotiated sale, there is hereby authorized the execution and delivery, pursuant to the provisions of Section 5(a)(ii) hereof, of the Purchase Contract, relating to the sale such Series of New Bonds to the Underwriters.

(vi) A Delegate is hereby authorized to accept an offer of the Underwriters, in the form of the Purchase Contract, pursuant to the provisions of Section 5(a)(ii) hereof, to purchase all of the New Bonds of any Series at a purchase price reflecting an underwriting discount not to exceed 1.00% of the par amount of such New Bonds, disregarding any original issue discount.

(d) **Official Statement.** The form of the Preliminary Official Statement (the "Preliminary Official Statement") is hereby approved and the distribution of the Preliminary Official Statement, in substantially the form presented at the meeting at which this Series Resolution is adopted, is hereby authorized; except that with respect to the Refunding Bonds, such form of Preliminary Official Statement is hereby approved with such modifications to reflect the issuance of the Refunding Bonds and the refunding of the Refunding Candidates. The use by each Purchaser and/or the Underwriters, as the case may be, for the purpose of making a bona fide public offering of the related Series of New Bonds, of the final Official Statement, dated the date of the sale and award (the "Official Statement"), in substantially the form of the Preliminary Official Statement, is hereby authorized, and the Chair or Vice Chairman and the Treasurer or an Assistant Treasurer are hereby authorized by and on behalf of the Authority to deem final the Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, approve the terms of and publish an Official Statement describing each Series of the New Bonds and sign and deliver an Official Statement to each Purchaser and/or the Underwriters, as the case may be.

## **ATTACHMENT B**



## PRELIMINARY FINANCING SUMMARY

**Virginia Public School Authority**  
**\$21,000,000\***  
**Special Obligation School Bonds,**  
**King George County Series 2017**  
**September 13, 2017**

**Title:** \$21,000,000\* Special Obligation School Bonds [MontgomeryKing George County Series 2017](#) (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 purchase \$ 21,000,000\* general obligation school bonds issued by King George County, Virginia (the “County”) to (i) pay the cost of various capital school improvement projects in the County and to (ii) pay 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 and (ii) the State Aid Intercept Provision. 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 via Parity.

**Sale Date:** TBD

**Dated Date:** TBD

**Delivery Date:** TBD

**Bond Structure:** Serial bonds maturing annually in years 2018 through 2037, paying current semiannual interest and annual principal.

**Payment Dates:** *Principal:* Annually on August 1, beginning August 1, 2018; with a final maturity of August 1, 2037.

*Interest:* Semi-annually on February 1 and August 1; beginning August 1, 2018.

**Optional Redemption Provision:** The Bonds due on and after August 1, 2028 may be redeemed prior to their respective maturities at the option of the Authority, in whole or in part, on

**ATTACHMENT C**

## PRELIMINARY FINANCING SUMMARY

**Virginia Public School Authority**  
**\$241,540,000\***  
**Special Obligation School Financing Bonds,**  
**Prince William County Series 2018**  
**September 13, 2017**

**Optional  
Redemption  
Provision:**

The Bonds due on and after March 1, 2029 may be redeemed prior to their respective maturities at the option of the Authority, in whole or in part, on any date beginning March 1, 2028, at a 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 via Competitive Sale

**Ratings:**

Fitch Ratings:	AAA
Moody's Investors Service:	Aaa
Standard & Poor's Rating Service:	AAA

**Underwriter:** ~~Raymond James & Associates, Inc.~~ [TBD via Competitive Sale](#)

**Bond Counsel:** McGuire Woods LLP, Richmond, Virginia as bond counsel for the Authority.  
Norton Rose Fulbright US LLP, Washington, D.C. as bond counsel for the County.

**Financial Advisor:** Davenport & Company LLC, Richmond, Virginia, as financial advisor for the Authority.  
Public Financial Management, Inc., Arlington, Virginia, as financial advisor for the County.

**Registrar/  
Paying Agent:** State Treasurer

**Estimated Costs  
Of Issuance:** TBD

\* Preliminary, subject to change.