

# FINAL

## VIRGINIA COLLEGE BUILDING AUTHORITY BOARD MEETING

May 21, 2020, 10:30 a.m.  
Treasury Board Conference Room, Third Floor  
James Monroe Building  
101 North 14th Street, Richmond, Virginia

Dial-in Participation Allowed

Members Present via

Physical Attendance: Lane B. Ramsey, Chairman  
Manju S. Ganeriwala

Members Present via

Conference Call: John G. Dane, Vice-Chairman  
Peter Blake  
Tiffany Boyle  
Stephanie Calliott  
Charles Mann  
Daniel S. Timberlake  
David Von Moll

Members Absent:

Corynne Arnett  
Shaheed Mahomed

Others Present via

|                      |                   |                            |
|----------------------|-------------------|----------------------------|
| Physical Attendance: | Janet Aylor       | Department of the Treasury |
|                      | Leslie English    | Department of the Treasury |
|                      | Debora Greene     | Department of the Treasury |
|                      | Richard Rhodemyre | Department of the Treasury |
|                      | David Swynford    | Department of the Treasury |

Others Present via

|                  |                           |                           |
|------------------|---------------------------|---------------------------|
| Conference Call: | Donald R. Ferguson, Esq.  | Attorney General's Office |
|                  | George Scruggs, Jr., Esq. | Kutak Rock LLP            |
|                  | Thomas William Bruno      | McGuire Woods LLP         |
|                  | Sean Ekiert               | Raymond James             |

# FINAL

## Call to Order

Pursuant to Sections 2.2-3707(D), 2.2-3708.2 (A)(3), and HB 29, 2020 Reconvened Session (Chapter 1283) of the Code of Virginia, the members of the Virginia College Building Authority met telephonically at 10:30 a.m. on Thursday, May 21, 2020. Pursuant to Section 2.2-3707(D) of the Code of Virginia, the minutes were recorded as required. Members of the public and those Members not in physical attendance witnessed and participated in the meeting by using a dial-in number and PIN. Votes taken during the meeting were recorded by name in roll-call fashion and included in the minutes.

Mr. Ramsey called the meeting to order at 10.33 a.m. He reviewed the Amendment that allows policy-making boards to meet virtually during emergency declaration. Ms. Greene took roll to establish a quorum.

Mr. Ramsey welcomed the new Board member, Ms. Boyle, Commissioner of the Revenue, for the City of Newport News. He ask Ms. Boyle if she would like to make any comments. Due to technical difficulties, she was unable to respond.

Mr. Ramsey then asked if there were any comments from the public. He then informed the Board that votes must be conducted by name in a roll-call fashion and included in the minutes. He also asked all participants to identify themselves before speaking.

Mr. Ramsey asked if there were any comments or corrections to the October 2, 2019 minutes. Hearing none, he requested a motion for approval of the minutes. Mr. Mann moved for approval of the minutes. Ms. Calliott seconded and the motion carried. The votes were as follows:

|                    |                  |
|--------------------|------------------|
| Peter Blake        | Yes              |
| Tiffany Boyle      | Audio Difficulty |
| Stephanie Calliott | Yes              |
| John Dane          | Yes              |
| Manju Ganeriwala   | Yes              |
| Charles Mann       | Yes              |
| Daniel Timberlake  | Yes              |
| David Von Moll     | Yes              |
| Lane Ramsey        | Yes              |

## **Consideration of Issuance of VCBA Educational Facilities Revenue and Federally Taxable Revenue Refunding Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2020AB**

Ms. English informed the Board that the meeting was being recorded. Ms. English then reviewed the Preliminary Financing Summary for the proposed issuance of \$657,800,000 of Virginia College Building Authority Educational Facilities Revenue and Refunding Bonds (21st Century College and Equipment Programs), Series 2020AB composed of \$393,485,000 in new money bonds and \$264,315,000 in refunding bonds. Ms. English informed the board that the bonds will be secured by funds appropriated by the General Assembly. Ms. English then reviewed the bond structure. She stated the estimated True Interest Cost for the aggregate of the two series is 2.216913%. The series 2020A new money bonds TIC is estimated at 2.432172% and Series 2020B refunding bonds TIC is estimated at 1.887042%. The net total savings on the refunded bonds is projected to be \$22.7 million. The net PV

savings is estimated at \$19.7 million and the ratio of net PV savings to refunded par is 8.060974%. Mr. Mann asked a question about BondLink. Ms. Aylor explained that BondLink is the Commonwealth of Virginia's investor relations website. BondLink includes websites for each of the Commonwealth's issuers and the Commonwealth of Virginia. The Issuers announce details of upcoming bond issues on the website. The website is a way to reach investors and for them to reach the Commonwealth. Mr. Mann then asked about COVID-19, and how it will affect the issuance of the bonds. Ms. Aylor stated that normally, this issuance would be a competitive sale. Since competitive sales this large are not currently attractive in the markets, it is better to go to the market with a negotiated sale and with a team of underwriters. She also stated that the Virginia Public Building Authority issued bonds successfully in April on a negotiated basis with a team of underwriters led by Wells Fargo Securities. Ms. Aylor explained that the Official Statement will have a section that talks about COVID-19 and its impact on the Commonwealth.

Mr. Scruggs, Bond Counsel to the Virginia College Building Authority then reviewed the Resolution before the Board.

Ms. Ganeriwala asked what was the final maturity of the 2020B refunding bonds. Ms. English responded that the final maturity of the 2020B refunding bonds is 2034 and provided the series of bonds that are being refunded.

The technical issue with Ms. Boyle was resolved. She thanked the Board for the welcome. She then informed the Board that she looks forward to learning and helping the Board.

Mr. Ramsey asked if there were any other questions or comments. Hearing none, he asked if any member wanted to make a motion to approve the resolution authorizing the issuance of the bonds. Mr. Von Moll moved approval of the motion of the Virginia College Building Authority authorizing the issuance of and sale of its Educational Facilities Revenue and Federally Taxable Refunding Bonds (21<sup>st</sup> Century College and Equipment Programs) Series 2020AB. Mr. Mann seconded, and the motion was carried. The votes were as follows:

|                    |     |
|--------------------|-----|
| Peter Blake        | Yes |
| Tiffany Boyle      | Yes |
| Stephanie Calliott | Yes |
| John Dane          | Yes |
| Manju Ganeriwala   | Yes |
| Charles Mann       | Yes |
| Daniel Timberlake  | Yes |
| David Von Moll     | Yes |
| Lane Ramsey        | Yes |

**Resolution Consenting to the Refunding of all or a Portion of the Outstanding Virginia Commonwealth University Notes issued in Connection with the VCBA Educational Facilities Revenue Refunding Bonds (Public Higher Education Financing Program) Series 2010B and Series 2012A and Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2011A and Series 2012B.**

Mr. Rhodemyre provided background information on the refunding. He informed the Board that Virginia Commonwealth University is a rated entity and they have the ability to refinance bonds on their own. He stated that the reasoning behind them asking for the consent to refinance these series is (i) potential debt

service savings should the markets allow them to do so, and (ii) provide added financial flexibility during the current financial times. The closing and escrow cost associated with the refinancing will be the responsibility of Virginia Commonwealth University. The Bank of New York Mellon will serve as Trustee for the escrow. The term of the Resolution expires on June 30, 2021. He stated that Mr. Ekiert with Raymond James is the Financial Advisor and asked if he had any comments to add.

Mr. Scruggs, Bond Counsel to the Virginia College Building Authority asked if he could provide the Board with additional information on the refunding. He wanted to clarify for the Board members that these bonds will be refunded under the Public Higher Education Program instead of the 21<sup>st</sup> Century College and Equipment Programs bonds that were just approved. The Public Higher Education Program issued the bonds and then loaned that money to the University to construct the project. The University pays back the loan from the Authority. The bond documents the Authority entered into with the University gives them the right to at any time for any reason to prepay these loans and this is what Virginia Commonwealth University is doing.

Mr. Bruno from McGuire Woods LLP then reviewed the resolution.

Mr. Ramsey asked under what circumstance would the Board not approve this type of transaction. Ms. Aylor responded, if the Board thought the transaction would go against Treasury Board guidelines, staff might question the refunding but what Virginia Commonwealth University is doing makes sense.

Mr. Ramsey asked if there were any other questions or comments. Hearing none, he asked if any member wanted to make a motion to approve the resolution consenting to the refunding of the bonds. Mr. Von Moll moved approval of the Resolution Consenting to the Refunding of all or a Portion of the Outstanding Virginia Commonwealth University Notes issued in Connection with the VCBA Educational Facilities Revenue Refunding Bonds (Public Higher Education Financing Program) Series 2010B and Series 2012A and Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2011A and Series 2012B. Ms. Calliott seconded, and the motion was carried.

The votes were as follows:

|                    |     |
|--------------------|-----|
| Peter Blake        | Yes |
| Tiffany Boyle      | Yes |
| Stephanie Calliott | Yes |
| John Dane          | Yes |
| Manju Ganeriwala   | Yes |
| Charles Mann       | Yes |
| Daniel Timberlake  | Yes |
| David Von Moll     | Yes |
| Lane Ramsey        | Yes |

**Resolution Consenting to the Refunding of all or a Portion of the Outstanding Virginia Polytechnic Institute and State University Notes issued in Connection with the VCBA Educational Facilities Revenue Refunding Bonds (Public Higher Education Financing Program) For the Series Listed in Schedule 1 of the Corresponding VCBA Resolution.**

Mr. Rhodemyre informed the Board that Virginia Polytechnic Institute and State University's refunding is similar to Virginia Commonwealth University's refunding. Virginia Polytechnic Institute and State University is a rated entity Aa1. They have the ability to refinance the bonds on their own. The institution is seeking approval to refinance all of their existing VCBA debt listed on schedule 1 of the Resolution.

The institution would like to have the financial flexibility to refinance or prepay bonds should market conditions provide them the opportunity to do so. The terms of the Resolution expires on June 30, 2021. Mr. Ekiert with Raymond James is the Financial Advisor and Mr. Bruno from McGuire Woods LLP is Bond Counsel. The Bank of New York Mellon will serve as Trustee for the escrow. The closing and escrow cost associated with the refinancing will be the responsibility of Virginia Polytechnic Institute and State University.

Mr. Bruno from McGuire Woods LLP then reviewed the resolution.

Mr. Ramsey asked if there were any other questions or comments. Hearing none, he asked if any member wanted to make a motion to approve the resolution consenting to the refunding of the bonds. Ms. Ganeriwala moved approval of the Resolution Consenting to the Refunding of all or a Portion of the Outstanding Virginia Polytechnic Institute and State University Notes issued in Connection with the VCBA Educational Facilities Revenue Refunding Bonds (Public Higher Education Financing Program) For the Series Listed in Schedule 1 of the Corresponding VCBA Resolution. Mr. Timberlake seconded, and the motion was carried.

The votes were as follows:

|                    |     |
|--------------------|-----|
| Peter Blake        | Yes |
| Tiffany Boyle      | Yes |
| Stephanie Calliott | Yes |
| John Dane          | Yes |
| Manju Ganeriwala   | Yes |
| Charles Mann       | Yes |
| Daniel Timberlake  | Yes |
| David Von Moll     | Yes |
| Lane Ramsey        | Yes |

### **Other Business**

Ms. Greene reviewed the Final Financing Summary for the \$37,090,000 VCBA Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2019A. She informed the Board that the bond issue priced competitively on November 6, 2019 and closed on December 4, 2019. She then reviewed the bond ratings followed by the Summary of Bids. Robert W. Baird & Co Incorporated submitted the winning bid with a TIC of 2.296951% and she stated the True Interest Cost based on final sizing is 2.2935%.

Ms. Greene reviewed the Financial Financing Summary for the \$363,990,000 VCBA Educational Facilities Revenue and Refunding Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2019BC. She informed the Board that the bond issue priced competitively on November 13, 2019 and closed on December 5, 2019. She then reviewed the Summary of Bids. For the Series 2019B bonds, Citigroup Global Markets Inc. submitted the winning bid with a TIC of 2.488228%. For the Series 2019C bonds, JP Morgan Securities LLC submitted the winning bid with a TIC of 1.617254%. The aggregate True Interest Cost based on final sizing is 2.050355%. For the Series 2019B bonds, the TIC is 2.484441% and for the Series 2019C bonds, the TIC is 1.617274%. The total savings on the refunding bonds was \$29,843,540 with PV savings of \$27,214,502. The ratio of PV savings to refunded par is 10.240448%. She then reviewed the bond ratings.

Mr. Ramsey asked if there were any questions. He informed the board that staff would contact them in September to schedule the fall Board meeting.

**Adjournment**

Having no other business to be brought before the Board, the meeting was adjourned at 11:16 a.m.

Respectfully submitted,  
Leslie M. English  
Assistant Secretary

/s/ Leslie M. English

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