

TREASURY BOARD  
COMMONWEALTH OF VIRGINIA

December 15, 2010

10:00 a.m.

Treasury Board Conference Room  
James Monroe Building  
101 N. 14th Street, 3rd Floor  
Richmond, Virginia

Members Present: Manju S. Ganeriwala, Chairwoman  
Shaza L. Andersen  
Thomas N. Chewning  
William W. Harrison, Jr.  
David A. Von Moll

Members Absent: K. David Boyer, Jr.  
Craig Burns

Others Present:	Janet Aylor	Department of the Treasury
	Harold Moore	Department of the Treasury
	Kristin Reiter	Department of the Treasury
	Kathi B. Scearce	Department of the Treasury
	Evie Whitley	Department of the Treasury
	Tim Wilhide	Department of the Treasury
	Kevin Larkin	Bank of America
	June Tomes	Bank of America
	Vanessa Hampton	BB&T
	Roger Lowe	BB&T
	Nelson Bush	PFM Assets Management Group
	Barbara Fava	PFM Assets Management Group
	Steve Jenkins	SunTrust
	Hattie Hamlin	SunTrust
	Pat Satterfield	VA Assoc of Community Bankers
	T.C. Wilson	Wells Fargo Advisors
	Bryce Lee	Wells Fargo Advisors
	Brian Moore	Wells Fargo Advisors
	Patrick Dixon	Wells Fargo
	Reid Andrews	Wells Fargo
	Treasury staff and others attended	

**Call to Order and Approval of Minutes**

Chairwoman Ganeriwala called the meeting to order at 10:00 a.m. She welcomed the Board and visitors then reviewed the accomplishments of the Treasury Board for the past year.

She asked if there were any additions or revisions to the minutes of the November 17, 2010 meeting. There being none, Mr. Harrison moved the approval of the minutes as submitted, Ms. Andersen seconded, and the motion carried unanimously.

### **Public Comment**

None

### **Agenda Items**

#### **Motion to Extend the Current Contract for Financing of Equipment Under a Master Lease Agreement for One-Year**

Evie Whitley reviewed the motion which will allow Treasury to extend the current contract an additional year.

Discussion ensued.

Chairwoman Ganeriwala asked if there were any further questions. There being none, the Chairwoman asked for a motion to approve the Resolution. Mr. Chewning moved that the Resolution be adopted. Ms. Andersen seconded, and the motion carried unanimously.

### **Staff Reports:**

#### **Debt Management**

Ms. Whitley reviewed the Debt Calendar as of December 6, 2010, the Master Equipment Leasing Program and Virginia Equipment Leasing Program reports as of November 30, 2010.

#### **Security for Public Deposits**

Ms. Reiter reviewed the Security for Public Deposits report for the month ending October 31, 2010.

Ms. Reiter indicated that there were two undercollateralized banks who pledged additional collateral. For both of these banks, October was the second month in the last twelve months that the banks had been undercollateralized. Letters were sent to the banks explaining the seriousness of being undercollateralized (Attachment A). Ms. Reiter also provided the Board an update on changes in IDC ratings since last month.

Ms. Reiter reminded the Board that the annual open enrollment period in which banks can change the method by which they collateralize their public deposit balances had just ended. The open enrollment period was extended from November 1<sup>st</sup> to December 1<sup>st</sup>. Three banks chose to switch their collateral method from pooled to opt-out for the calendar year 2011. Two opt-out

banks chose to re-enter the pool beginning January 1<sup>st</sup>. Banks not responding keep the same collateralization method for calendar 2011 as they have for calendar 2010.

Ms. Reiter also reminded the Board that Treasury Board counsel, McGuire Woods, was in the process of reviewing the current Public Deposit Security Agreement used by the SPDA Program. The Board had requested this review earlier in the year. The Agreement contractually outlines the responsibilities of the Treasury Board, the qualified public depository, and the depository's escrow agent under the SPDA and provides the Treasury Board a perfected security interest in the securities pledged as collateral. McGuire Woods is completing its review of the Agreement and should be in a position to report its findings to the Board in January or February

### **State Non-Arbitrage Program (SNAP)**

Mr. Wilhide reviewed the SNAP report for the month ending November 30, 2010.

### **Investments**

Mr. Wilhide reviewed the Investment Report for December 2010 and Local Government Investment Pool for November 30, 2010. Mr. Wilhide provided the Board with the Income Report for the General Account (Attachment B) and the Extended Duration Portfolio report. (Attachment C).

Ms. Andersen left the meeting at 10:25 a.m.

Chairwoman Ganeriwala asked if there was any further business to come before the Board. There being none, the Chairwoman asked for a motion to adjourn. Mr. Chewing moved the meeting be adjourned. Mr. Von Moll seconded, and the motion carried unanimously. Meeting adjourned at 10:35 a.m.

### **Other Business:**

None

Respectfully submitted,

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Manju S. Ganeriwala, Chairwoman  
Commonwealth of Virginia Treasury Board

**Attachment "A"**  
**Attachment "B"**  
**Attachment "C"**

Documents are available for review at

The Department of the Treasury