

TREASURY BOARD
COMMONWEALTH OF VIRGINIA

April 20, 2011

9:00 a.m.

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

Members Present: Manju S. Ganeriwala, Chairwoman
K. David Boyer, Jr.
Thomas N. Chewning
David A. Von Moll
Craig Burns

Members Absent: Shaza L. Andersen
William W. Harrison, Jr.

Others Present:	Kristin Reiter	Department of the Treasury
	Connie Vaughan	Department of the Treasury
	Tim Wilhide	Department of the Treasury
	Robert Young	Department of the Treasury
	Evie Whitley	Department of the Treasury
	Rick Davis	Department of the Treasury
	Janet Aylor	Department of the Treasury
	Donald Ferguson	Attorney General's Office
	Nelson Bush	PFM Asset Management Group
	Michael Varano	PFM Asset Management Group
	Patrick Dixon	Wells Fargo
	Scott Luxton	Wells Fargo
	Josh Fox	Auditor of Public Accounts
	Charles Menges	McGuire Woods LLP
	Warren Greth	McGuire Woods LLP
	Arthur Anderson	McGuire Woods LLP
	John Lawson	Virginia Department of Transportation
	Laura Farmer	Virginia Department of Transportation
	Barbara Mack	Virginia Department of Transportation
	Treasury staff and others attended	

Call to Order and Approval of Minutes

Chairwoman Ganeriwala welcomed Board members and called the meeting to order at 9:02 a.m. She asked if there were any additions or revisions to the minutes of the March 16, 2011 meeting;

there being none, Mr. Boyer moved the approval of the minutes, Mr. Von Moll seconded, and the motion carried unanimously.

Public Comment

None

Mr. Burns arrived at 9:03.

Agenda Items

Resolution Approving the Plan of Finance for the Issuance and Sale by the Commonwealth Transportation Board of Virginia Transportation Capital Projects Revenue Bonds, Series 2011A

Ms. Aylor reviewed the preliminary financing summary for the Commonwealth Transportation Board of Virginia Transportation Capital Projects Revenue Bonds, Series 2011A. She stated it was anticipated that the bonds would be sold competitively. Ms. Whitley noted that, although current advice from the Financial Advisor for the transaction was to sell the Bonds competitively, the Treasury Board Resolution allowed for a negotiated sale should market conditions change.

Warren Greth from McGuire Woods LLP, Bond Counsel for the transaction, reviewed the Resolution approving the plan of finance for the issuance and sale of the Bonds. Mr. Chewning moved to adopt the Resolution approving the plan of finance for the issuance and sale by the Commonwealth Transportation Board of the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2011, and delegating authority to the State Treasurer to approve the final terms and structure of the Bonds (Attachment A); Mr. Boyer seconded, and the motion carried unanimously.

Resolution Approving the Terms and Structure of the VPSA School Educational Technology Notes Series XI

Mr. Davis reviewed the language in the Appropriation Act as it related to the process of how grants from the Technology Note issuance are paid to school divisions. He reviewed the preliminary financing summary and the Resolution approving the terms and structure of the financing. Mr. Chewning moved to adopt the Resolution of the Treasury Board of the Commonwealth of Virginia approving the plan of finance for the issuance of School Educational Technology Notes, Series XI by Virginia Public School Authority and delegating authority to the State Treasurer to approve the final terms and determine the final structure of the Notes to be issued by Virginia Public School Authority (Attachment B); Mr. Von Moll seconded, and the motion carried unanimously.

Motion to Procure a Line of Credit for the Energy Leasing Program

Ms. Whitley stated the Board's approval was being requested to procure a line of credit for the Energy Leasing Program. She stated the current contract expires at the end of June. Chairwoman

Ganeriwala asked what was the current amount of the line of credit and Ms. Whitley stated \$60 million. She stated the amount to be procured is based on the dollar amount of projects that have been submitted to Department of Mines Minerals and Energy for approval. Ms. Whitley stated they were currently looking to procure the new line at \$40 million but the contract would have provisions to increase the amount if necessary. Mr. Boyer moved that the Treasury Board authorize the State Treasurer to take all necessary steps to procure a line of credit for the Energy Leasing Program, to award a contract and to execute the Master Lease Agreement on behalf of the Treasury Board with such changes, insertions and omissions as shall be approved by the State Treasurer; Mr. Burns seconded, and the motion carried unanimously.

Motion to Approve Revised Public Deposit Security Agreement and New Master Custodial Agreement

Charles Menges from McGuire Woods LLP reviewed the changes that were made to the Public Deposit Security Agreement and the Master Custodial Agreement since the Board initially reviewed them. He stated comments were solicited from all qualified public depositories and escrow agents and their comments were instrumental in developing the changes. He noted that both a preliminary and a final draft of the Agreements had been provided to depositories and escrow agents for comment. Mr. Menges reviewed the significant changes made to the Agreements and the reasons for the changes and also discussed changes proposed in the comments received that were not made. Mr. Chewing moved to approve the revised Public Deposit Security Agreement and the new Master Custodial Agreement as presented to the Treasury Board; Mr. Boyer seconded, and the motion carried unanimously.

Staff Reports:

Debt Management

Ms. Whitley reviewed the Debt Calendar as of April 11, 2011, the Master Equipment Leasing Program and Virginia Equipment Leasing Program reports as of March 31, 2011.

Security for Public Deposits

Ms. Reiter reviewed the Security for Public Deposits report for the month ending February 2011. She reported that three banks were undercollateralized: Consolidated Bank & Trust, Richmond, VA; New Horizon Bank, N.A. Powhatan, VA; and, Oak View National Bank, Warrenton, VA. Ms. Reiter stated it was the first time in a twelve month period that each had been undercollateralized and that all three had pledged additional collateral. She also reported that MainStreet Bank of Herndon, VA had become a qualified public depository in February.

State Non-Arbitrage Program (SNAP)

Nelson Bush from PFM Asset Management LLC distributed a Quarterly Program Update for SNAP (Attachment C). He provided the Board with an overview of SNAP Program Activity.

Michael Varano from PFM Asset Management Group provided the Board with an overview of market conditions.

Investments

Mr. Wilhide reviewed the Investment Report for April 2011. He reviewed the Local Government Investment Pool (LGIP) Quarterly Newsletter and the LGIP reports as of March 2011.

Other Business:

Chairwoman Ganeriwala stated the next meeting of the Board would be on May 18, 2011. She asked if there was any further business to come before the Board. There being none, the Chairwoman asked for a motion to adjourn. Mr. Boyer moved the meeting be adjourned. Mr. Von Moll seconded, and the motion carried unanimously. The meeting adjourned at 10:15 a.m.

Respectfully submitted,

Manju S. Ganeriwala, Chairwoman
Commonwealth of Virginia Treasury Board

Attachments "A through C"

Documents are available for review at

The Department of the Treasury