

TREASURY BOARD
COMMONWEALTH OF VIRGINIA

December 21, 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
David K. Boyer
Craig Burns
David Von Moll
William W. Harrison, Jr.

Members Absent: Shaza Andersen
Thomas N. Chewning

Others Present:	Kristin Reiter	Department of the Treasury
	Tim Wilhide	Department of the Treasury
	Robert Young	Department of the Treasury
	Evie Whitley	Department of the Treasury
	Michael Tutor	Department of the Treasury
	Leslie English	Department of the Treasury
	Tracey Edwards	Department of the Treasury
	Glenn Dellinger	Department of the Treasury
	Harold Moore	Department of the Treasury
	Bill Watt	Department of the Treasury
	Janet Aylor	Department of the Treasury
	Donald Ferguson	Attorney General's Office
	Chris Lemons	Office of the Attorney General
	Bryce Lee	Optimal Service Group of Wells Fargo
	Brian Moore	Optimal Service Group of Wells Fargo
	Karen Hawkrigde	Optimal Service Group of Wells Fargo
	Evan Franks	Optimal Service Group of Wells Fargo
	T.C. Wilson	Optimal Service Group of Wells Fargo
	Joe Montgomery	Optimal Service Group of Wells Fargo
	Mike Driscoll	Auditor of Public Accounts
	Bill Zuk	J.P. Morgan
	Joette Levine	J.P. Morgan
	Rick Petillo	First Southwest
	Kayla MacEwen	First Southwest
	R. Hart Lee	Williams Mullen
	Mel Tull	Virginia Banker's Association
	Tom Howard	TD Bank, NA
	Chris Anabia	TD Bank, NA
	Lara Hanson	BB&T

Vanessa Hampton	BB&T
Megan Gilliland	Christian Barton
Eric Ballou	Christian Barton
Michael Walsh	Virginia Department of Transportation
Bryan Nettles	Hunton & Williams
Steve Schemmel	Bank of America Merrill Lynch
Scott Detar	Bank of America Merrill Lynch
John Lawson	Virginia Department of Transportation
Hart Lee	Williams Mullen
Rodney Oliver	Virginia Port Authority
JoAnne Carter	PFM
Kristy Choi	PFM
Chuck Shimer	Kutak Rock LLP
Kevin Rotty	Morgan Keegan
Arthur Anderson	McGuireWoods
Patrick Dixon	Wells Fargo
Reid Andrews	Wells Fargo
Richard Hurlbert, Jr.	Kaufman & Canoles
Kevin Larkin	Bank of America
June Tomes	Bank of America
Charles Peck	Morgan Stanley

Call to Order and Approval of Minutes

Chairwoman Ganeriwala welcomed Board members and called the meeting to order at 9:45 a.m.

Chairwoman Ganeriwala asked if there were any changes or revisions to the Minutes of the November 9, 2011 meeting; there being none, Chairwoman Ganeriwala asked for a vote for approval, Mr. Boyer moved the approval of the Minutes, Mr. Harrison seconded, and the motion carried unanimously.

Public Comment

None

Agenda Items

Resolution Approving the Plan of Finance for the Issuance and Sale by the Commonwealth Transportation Board of the Commonwealth of Virginia Federal Revenue Grant Anticipation Notes, Series 2012A.

Janet Aylor reviewed the package including the Preliminary Financing Summary, and introduced the Virginia Department of Transportation (VDOT) team and advisors. She explained the bonds would be used to finance a portion of the cost of widening the Downtown Tunnel in Portsmouth.

Arthur Anderson of McGuire Woods, Bond Counsel to the Commonwealth Transportation Board (CTB) for this issue reviewed the Treasury Board Resolution

Chairwoman Ganeriwala asked what the spread to MMD would be for the GARVEEs. Steven Schemmel from Bank of America/Merrill Lynch responded that the GARVEEs would likely price 50 basis points higher than the MMD scale.

Mr. Harrison asked since the resolution allowed for a 20 year amortization but the expectation is that the issue would mature in 15 years, what would make VDOT want to go to 20 years? John Lawson, CFO of VDOT responded that if somehow the anticipated federal reimbursements were not expected to be met, then the 20 year amortization would result in a smaller annual debt service. However, the current projections provide more than sufficient revenues to meet the debt service required for the 15 year amortization.

Chairwoman Ganeriwala asked if there were any further questions. There being none, she asked for a Motion to approve. Mr. Harrison moved that the Motion be adopted. Mr. Boyer seconded, and the Motion carried unanimously.

Resolution Approving the Plan of Finance for the Issuance and Sale by the Commonwealth Transportation Board of the Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 2012A (Northern Virginia Transportation District Program) and Series 2012B (U.S. Route 58 Corridor Development Program).

Janet Aylor reviewed the Preliminary Financing Summary along with the other documents in the package. She noted the bonds would be issued under a standing resolution adopted by the CTB in 2010.

Bryar Nettles of Hunton & Williams, Bond Counsel to the CTB for this issue, reviewed the Treasury Board Resolution.

Chairwoman Ganeriwala asked if the true interest cost exceeded 4.25 percent, would it still be within the parameter for savings. It was reported that it would.

Chairwoman Ganeriwala asked if there were any further questions. There being none, she asked for a Motion to approve. Mr. Boyer moved that the Motion be adopted. Mr. Von Moll seconded, and the Motion carried unanimously.

Resolution Approving the Plan of Finance for the Issuance by the Virginia Port Authority of Commonwealth Port Fund Revenue Refunding Bonds, Series 2012.

Mr. Harrison announced that he was abstaining from the discussion and vote on this issue as his firm is serving as bond counsel on the transaction.

Leslie English reviewed the Preliminary Financing Summary with the Board and introduced the VPA Financing team.

Mr. Von Moll pointed out that the Preliminary Financing Summary contained in the Board package did not have the net present value savings statistics in it. Ms. English announced that savings were currently estimated at \$10.6 million or 10.12%. Mr. Von Moll requested the Preliminary Financing Summary be revised to include the estimated savings for the official record of the Treasury Board. Hart Lee of Williams Mullen, Bond counsel to the Virginia Port Authority, reviewed the Treasury Board Resolution.

Chairwoman Ganeriwala asked if there were any further questions. There being none, the Chairwoman asked for a Motion to approve. Mr. Boyer moved that the Motion be adopted. Mr. Von Moll seconded, and the Motion carried unanimously.

Board Briefing

Optimal Service Group of Wells Fargo Advisors Review of the Tobacco Indemnification and Community Revitalization Endowment (Tax Exempt & Taxable) 3rd Quarter of 2011.

Karen Hawkrige and Bryce Lee from Wells Fargo Advisors provided the Board with a review of the General Account and Credit Portfolio evaluation for quarter ending September 30, 2011. Karen Hawkrige noted that the credit holdings of the General Account managers pulled down performance late in the 3rd quarter but that performance had recovered in October.

Staff Reports:

Debt Management

Evie Whitley reviewed the Debt Calendar as of December 9, 2011, the Master Equipment Leasing Program report as of November 30, 2011, and the Energy Lease Program as of November 30, 2011. She noted that the Invitation for Bids for the Master Equipment Leasing Program will be issued next month.

She informed the Board of the December 7, 2011 action by Moody's on the five states that were assigned a negative outlook. Of the five, Virginia, Maryland and New Mexico will remain on a negative outlook, while Tennessee and South Carolina were returned to a stable outlook. Mr. Boyer asked for a copy of Moody's Report.

Security for Public Deposits

Ms. Reiter reviewed the Security for Public Deposits report for the month ending October 31, 2011 and stated that no banks were undercollateralized in October. She also indicated that there were no changes in the IDC Rankings Report during October. The IDC rankings will be updated in the reporting for the month of December. She reviewed the monthly compliance statistics reports for the month ending October 31, 2011.

In accordance with the Treasury Board's Opt-out Guidelines, banks are annually between November 1st and December 1st given the option to switch from the collateral pool to the opt-out method to secure their Virginia public deposits for the next calendar year. Three banks will be leaving the collateral Pool effective January 1, 2012. They are Premiere, Regions and Toronto Dominion.

Chairwoman Ganeriwala inquired about why United Central Bank was late in the submission of their SPDA reporting 50% of the time. Ms. Reiter said that the bank does not currently have any Virginia public deposits. There has also been a change in the staffing assigned to SPDA reporting at the Bank.

State Non-Arbitrage Program (SNAP)

Tim Wilhide reviewed the Virginia State Non-Arbitrage Program report for the month ended November 30, 2011. He informed the Board that the current yield was up two basis points from the prior month. The Board had no further questions.

Investments

Mr. Wilhide reviewed the Investment Report for November 2011. He also reviewed the Local Government Investment Pool reports as of November 30, 2011.

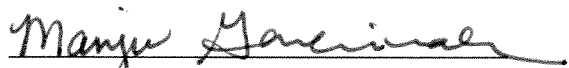
Mr. Craig Burns left the meeting at 10:58.

Other Business:

None.

Chairwoman Ganeriwala stated the next meeting of the Board would be on January 18, 2011. She asked if there was any further business to come before the Board. There being none, Mr. Boyer moved the meeting be adjourned at 10:58 a.m.; Mr. Von Moll seconded, and the motion carried unanimously.

Respectfully submitted,


Manju S. Ganeriwala, Chairwoman
Commonwealth of Virginia Treasury Board

Attachments "A through B"

Documents are available for review at

The Department of the Treasury