



Kristin Reiter  
 Sandra Stanley  
 David Swynford  
 Bill Watt  
 Tim Wilhide

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### **Call to Order and Approval of Minutes**

Chairwoman Ganeriwala welcomed Board members and called the meeting to order at 9:06 a.m.

Chairwoman Ganeriwala recognized Janet Lee from PRAG who is the Financial Advisor for three of the four proposed bond deals on the agenda. Chairwoman Ganeriwala brought to the Board members' attention that staff had distributed a revised meeting agenda. She explained that three new bond refunding resolutions had been added in response to the proposed provisions in the federal tax-reform proposals, which would eliminate the issuers' ability to conduct "advance" refundings on tax-exempt basis, effective January 1, 2018. Mr. Densmore moved for approval, Mr. Amin seconded, and the motion carried unanimously.

Chairwoman Ganeriwala asked if there were any changes or revisions to the Minutes of the October 18, 2017 meeting. No changes were noted. Chairwoman Ganeriwala asked for a vote of approval of the minutes. Mr. Densmore moved for approval, Mr. Carney seconded, and the motion carried unanimously.

### **Public Comment**

None

### **Action Items**

#### **Resolution Approving the Plan of Finance for the Issuance and Sale by the Commonwealth Transportation Board of the Commonwealth of Virginia Transportation Grant Anticipation Revenue and Refunding Notes. Series 2017**

Janet Aylor presented the Preliminary Financing Summary for the issuance of \$479.4 million of Commonwealth Transportation Board, Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue and Refunding Notes, Series 2017 (the "Notes"). It is expected that the Transportation Board will use the net proceeds of the 2017 Notes to (i) provide for the payment of certain costs of certain eligible transportation projects in the Commonwealth: (ii) refund a portion of the outstanding 2012A, 2012B and 2013A Notes: and (iii) pay certain costs related to the issuance of the 2017 Notes. The bonds are scheduled for a negotiated sale on November 21, 2017. The estimated true interest cost as of November 14, 2017 is 2.21%, with present value savings of \$22.4 million.

Discussion ensued.

George Scruggs, representing Kutak Rock as bond counsel, reviewed the Resolution.

Chairwoman Ganeriwala asked for a motion to approve the Resolution. Mr. Von Moll moved that the Resolution be adopted. Mr. Cary seconded, and the motion carried unanimously.

**Resolution Approving the Plan of Finance for the Issuance and Sale by the Commonwealth Transportation Board of Commonwealth of Virginia Capital Projects Revenue Refunding Bonds, Series 2017A.**

Janet Aylor presented the Preliminary Financing Summary for the issuance of a \$616.9 million of Commonwealth Transportation Board Capital Projects Revenue Refunding Bonds, Series 2017A. It is expected that the Transportation Board will use the net proceeds of the 2017 Refunding Bonds to (i) refund certain outstanding maturities of the Commonwealth of Virginia Transportation Capital Projects Revenue Refunding Bonds, Series 2011 and Series 20112 and: (ii) pay certain costs related to the issuance of the 2017 Refunding Bonds. The bonds are scheduled for a negotiated sale on December 5, 2017. The estimated true interest cost as of November 8, 2017 is 2.80%, with present value savings of \$58.7 million.

Discussion ensued.

George Scruggs, representing Kutak Rock as bond counsel, reviewed the Resolution.

Chairwoman Ganeriwala asked for a motion to approve the Resolution. Mr. Densmore moved that the Resolution be adopted. Mr. Amin seconded, and the motion carried unanimously.

**Resolution Approving the Plan of Finance for the issuance and Sale by the Virginia College Building Authority of Educational Facilities Revenue Refunding Bonds (21<sup>st</sup> Century College and Equipment Program) Series 2017E**

Janet Aylor presented the Preliminary Financing Summary for the issuance of a \$482.1 million of Virginia College Building Authority Educational Facilities Revenue Refunding Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2017E (the “Bonds”). The Bond proceeds will be used to (i) refund a portion of certain outstanding Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), and (ii) pay costs of issuing the Bonds. The bonds are scheduled for a negotiated sale during the week of December 11, 2017. The estimated true interest cost as of November 13, 2017 is 2.41%, with present value savings of \$25.1million.

Discussion ensued.

George Scruggs, representing Kutak Rock as bond counsel, reviewed the Resolution.

Chairwoman Ganeriwala asked for a motion to approve the Resolution. Mr. Densmore moved that the Resolution be adopted. Mr. Von Moll seconded, and the motion carried unanimously.

## **Resolution Approving the Plan of Finance for the Issuance and Sale by the Virginia Public Building Authority of Public Facilities Revenue Refunding Bonds Series 2017A**

Janet Aylor presented the Preliminary Financing Summary for the issuance of a \$154.8 million of Virginia Public Facilities Revenue Refunding Bonds, Series 2017A (the “2017 Bonds”). The Bond proceeds will be used to (i) refund certain maturities of its outstanding 2011A, 2013A, and 2014A Public Facilities Revenue Bonds, and (ii) pay costs of issuing the 2017 Bonds. The bonds are scheduled for a negotiated sale during the week of December 4, 2017. The estimated true interest cost as of November 14, 2017 is 2.52%, with present value savings of \$10.3 million.

Discussion ensued.

Mr. Von Moll left the meeting at 9:50 a.m.

Eric Ballou, representing Christian & Barton as bond counsel, reviewed the Resolution.

Chairwoman Ganeriwala asked for a motion to approve the Resolution. Mr. Densmore moved that the Resolution be adopted. Mr. Amin seconded, and the motion carried unanimously.

Chairwoman Ganeriwala left the meeting at 10:02 a.m. and requested Mr. Densmore to chair the remainder of the meeting.

### **Staff Reports**

#### **Debt Management**

Janet Aylor reviewed the Debt Calendar as of November 1, 2017. She gave information on the final financing summary for the \$137,680,000 Virginia College Building Authority Bonds that were sold on November 7, 2017. It was a competitive sale and the TIC was 2.7441%. Ms. Aylor noted that the Debt Calendar has several very recent changes resulting from today’s Board Actions.

Ms. Aylor also reviewed the leasing reports as of October 31, 2017. She informed the Board that a number of new purchases have been made under the new Master Lease contract. There was no activity with the Energy Lease Program.

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

Kristin Reiter reviewed the Security for Public Deposits (SPDA) Report for the month ended September 30, 2017. Ms. Reiter reported that no banks were undercollateralized for the month. Ms. Reiter noted that the IDC ratings have been updated using IDC’s 2<sup>nd</sup> quarter 2017 ratings. One bank, Highlands Union Bank, was removed from the below average list. Ms. Reiter noted that this is the fewest banks that have been ranked below average in the last ten years. She noted that this is partially due to the number of bank mergers in the last few years. There was discussion on the impact of this consolidation on the collateral pool.

The quarterly statistics were included in this month’s report. At Sept 30, 97 public depositories held public deposit balances (net of FDIC) of \$7.2 billion; \$5.0 billion of these deposits or 69%

were held by 32 opt-out depositories. \$2.2 billion, or 31%, of public deposits were held by 65 pooled depositories. Our 4 largest public depositories held \$3.8 billion or 53% of total public deposit balances net of FDIC. There were no significant changes in deposit balances of our largest depositories between June and September. There were no significant changes in the types of securities pledged as collateral between this quarter and last quarter.

### **State Non-Arbitrage Program**

Tim Wilhide reviewed the SNAP report as of October 31, 2017. The fund's assets were valued at \$3.5 billion. The monthly yield was 1.28%, one basis point more than the month prior. The weighted average maturity of the fund was 49 days. There were \$42 million in new bond issuances for the month.

### **Investments**

Mr. Wilhide reviewed the Investment reports for the month ended October 31, 2017. The General Account portfolio was \$5.9 billion, up \$300 million from the month prior. The average yield on the Primary Liquidity portion of the General Account was 1.23%, up two basis points from the month prior. The Extended Duration portion of the portfolio had a yield to maturity of 2.33 %. This resulted in the composite yield being 1.47% for the month.

Mr. Wilhide then reviewed the LGIP portfolio. The LGIP portfolio was in compliance for all measures for the month of October. The LGIP portfolio was down \$200 million from the month prior and is valued at \$3.8 billion. The average yield on the portfolio was 1.26%, up two basis points from the month prior. The average maturity was 39 days, down 11 days from the previous month.

Finally, Mr. Wilhide reviewed the LGIP Extended Maturity portfolio. The LGIP Extended Maturity portfolio was in compliance for all measures for the month of October. The net asset value yield to maturity was 1.39%, up two basis point from the month prior. The average duration was 1.00 year.

### **Other Business**

Mr. Densmore stated that the next meeting of Treasury Board would be held on December 20, 2017. The meeting adjourned at 10:18 a.m.

Respectfully submitted,

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Michael R. Tutor, Secretary  
Commonwealth of Virginia Treasury Board