

TREASURY BOARD  
COMMONWEALTH OF VIRGINIA

August 18, 2010

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.  
Craig Burns  
David A. Von Moll

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

Others Present:	Janet Aylor	Department of the Treasury
	Judy Milliron	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
	Robert Young	Department of the Treasury
	David Rasnic	Auditor of Public Accounts
	Vazyl Zuk	J.P. Morgan Chase
	J. W. Wood	Longwood University
	Tracy Nelson	Longwood University
	Nelson Bush	PFM
	Steve Johnson	Troutman Sanders
	Darrell Katovsich	Wells Fargo Inc. / Wachovia
	Bryce Lee	Wells Fargo, Inc.
	Joe Montgomery	Wells Fargo, Inc.
	Brian Moore	Wells Fargo, Inc.
	Robin Wilcot	Wells Fargo, Inc.
	Treasury staff and others attended	

**Call to Order and Approval of Minutes**

Chairwoman Ganeriwala welcomed Board members and called the meeting to order at 9:00 a.m. She asked if there were any additions or revisions to the minutes of the July 21, 2010 meeting. There being none, Mr. Von Moll moved the approval of the minutes as submitted, Mr. Boyer seconded, and the motion carried unanimously.

**Public Comment**

None

**Agenda Items****Resolution of the Treasury Board Approving the Transfer of Excess Bond Proceeds to Be Used By Longwood University**

Evie Whitley presented the action item to the Board. She stated that prior housing projects at the University financed with bonds issued pursuant to Article X, Section 9(c) of the Constitution had resulted in excess bonds proceeds. The University is requesting to redirect the excess proceeds to a third housing project that has also been authorized for 9(c) financing and represented the same auxiliary revenue system as the earlier projects.

Discussion ensued, after which Steve Johnson from Troutman Sanders reviewed the resolution with the Board.

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

Board Member Craig Burns left the Board meeting at 9:15 a.m.

**Staff Reports:****Debt Management**

Ms. Whitley reviewed the Debt Calendar as of August 9, 2010, and the MELP and VELP reports as of July 31, 2010.

**Security for Public Deposits**

Kristen Reiter reviewed the Security for Public Deposits Report for the month ending June 30, 2010. She indicated that the Report of "Bank Institutions Ranked Below Average by IDC" had been updated using IDC's first quarter 2010 bank rankings. She noted that three banks had been added to the Report. No banks were removed from the Report. However, there were four banks that are no longer ranked below average, but must continue to collateralize their public deposits at 100% under the new policy adopted by the Treasury Board in June 2010. This policy requires that a bank has to be ranked average or above for two consecutive quarters after being ranked below average before its collateral requirement can be reduced from 100%.

Ms. Reiter then reviewed the quarterly statistics reports for the quarter ended June 30, 2010. She commented that going forward the quarterly statistics information would be separately reported for pooled and opt-out depositories. At the end of June, 119 qualified public depositories held

\$5.081 billion in public deposits net of FDIC. Of the depositories, 79 were pooled banks and 40 were opt-out banks. Of our pooled banks, 39% are ranked below average by IDC and are required to pledge collateral at 100% of public deposits. Pooled banks held \$1.4 billion, 27%, in public deposits; opt-out banks held \$3.7 billion, 73%, of public deposit balances. Ms. Reiter handed out a revised report of public depositors by bank type (Attachment A).

### **Presentation**

Brian Moore and Bryce Lee of Optimal Services Group, Wells Fargo, reviewed the overall economic outlook and the portfolio for the Total Return Pool for the Quarter Ending June 30, 2010. A handout was provided to the Board called The Week (Attachment B), which is written by Wells Fargo staff. Mr. Boyer and Mr. Von Moll both requested to receive the publication.

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

Tim Wilhide reviewed the SNAP report for the month ending July 31, 2010.

### **Investments**

Mr. Wilhide reviewed the Investment Report for August 2010. Mr. Wilhide provided a revised General Account report (Attachment C) to replace the one in the Board packet. Mr. Wilhide also shared with the Board that a Credit Analyst would be starting with the Cash Management and Investments division in the next few days.

Mr. Wilhide also reviewed the Local Government Investment Pool and the new checklist of issues staff is monitoring per new GASB rules.

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. Boyer moved the approval of the moved adjournment, Mr. Von Moll seconded, and the motion carried unanimously.

### **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