

TREASURY BOARD
COMMONWEALTH OF VIRGINIA

September 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
Thomas N. Chewning
Shaza Anderson
David K. Boyer
David Von Moll

Members Absent: Craig Burns
William W. Harrison, Jr.

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
	Tracy Clemons	Department of the Treasury
	Judy Milliron	Department of the Treasury
	Leslie English	Department of the Treasury
	Sherwanda Cawthorn	Department of the Treasury
	Jeanine Black	Department of the Treasury
	Tracey Edwards	Department of the Treasury
	Debora Greene	Department of the Treasury
	Janet Aylor	Department of the Treasury
	Kathy Greene	Department of the Treasury
	Donald Ferguson	Attorney General's Office
	Nelson Bush	PFM Asset Management Group
	Mike Driscoll	Auditor of Public Accounts
	Patrick Dixon	Wells Fargo
	T.C. Wilson	Optimal Services Group
	Brian Moore	Optimal Services Group
	Evan Franks	Optimal Services Group
	Karen Hawkrigde	Optimal Services Group
	Eric Ballou	Christian Barton
	Christine Ilarina	Public Resources Advisory Group
	Janet Lee	Public Resources Advisory Group
	Steve Johnson	Troutman Sanders LLP
	Chuck Shimer	Kutak Rock LLP
	Megan Martz Gilliland	Christian Barton LLP

Call to Order and Approval of Minutes

Chairwoman Ganeriwala welcomed Board members and called the meeting to order at 9:03 a.m.

Chairwoman Ganeriwala asked if there were any changes or revisions to the Minutes of the August 17, 2011 meeting; there being none, Chairwoman Ganeriwala asked for a vote for approval, and the motion carried unanimously.

Public Comment

None

Agenda Items**Resolution of the Treasury Board of the Commonwealth of Virginia Providing for the Issuance of the Commonwealth of Virginia General Obligation Bonds, Series 2011A.**

Leslie English reviewed the preliminary financing summary for the issuance of the Commonwealth of Virginia General Obligation Bonds, Series 2011A. She stated the sale would be split into two series of bonds, with approximately \$75,000,000 of bonds sold on a negotiated basis on October 11 or 12, 2011 and \$82,310,000 sold competitively on October 13, 2011. Ms. Whitley noted that the negotiated sale is directed to the retail market to satisfy the request of Virginians who would like to be able to purchase Commonwealth Bonds. She also noted that this practice has recently been done by Maryland and Delaware. Ms. English distributed a handout showing the results of comparative issues (Attachment A). The bonds will provide funds to finance up to \$157.3 million for the costs of acquiring, constructing and equipping revenue-producing capital projects at institutions of higher learning and pay costs of issuing the Bonds.

Mr. Von Moll asked if there would be two different interest rates on the two sales. Ms. Whitley said it was likely since the sales would take place over separate days and would be structured to appeal to the respective investor groups. Mr. Chewning asked if there would be different underwriters involved. Ms. Whitley said the underwriting firms would be selected from a pool currently under contract to Treasury that seem best positioned to sell to Virginia retail investors.

Mr. Chewning left at 9:30.

Janet Lee and Christine Ilarina with Public Resources Advisory Group (provided the Board with a Municipal Market update and distributed a handout entitled "Presentation to the Commonwealth of Virginia" (Attachment B).

Steve Johnson, from Troutman Sanders, Bond Counsel for the transaction, reviewed the Resolution approving the plan of finance for the issuance and sale of the Bonds.

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

Resolution Approving a Plan of Finance for Issuance of Bonds by Virginia College Building Authority under Public Higher Education Financing Program.

Jeanine Black reviewed the preliminary financing summary for the issuance of Bonds by the Virginia College Building Authority under the Public Higher Education Financing Program. She stated that the \$158,625,000 issuance will be to finance the costs of specified capital projects at various public institutions of higher education in the Commonwealth of Virginia. The Bonds will be sold competitively on October 18, 2001 and will be delivered on November 16, 2011.

Jeanine distributed an updated resolution (Attachment C) which included a small change at the top of page 5. She noted that the VCBA had made the change after the Treasury Board package had been mailed.

Chuck Shimer of Kutak Rock, LLP reviewed the Resolution approving the plan of finance for the issuance and sale of the Bonds.

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

Resolution Approving a Plan of Finance for the Issuance by the Virginia Public Building Authority of its Public Facilities Revenue and Refunding Bonds, Series 2011.

Tracy Clemons reviewed the preliminary financing summary for the issuance of Bonds by the Virginia Public Building Authority of its Public Facilities Revenue and Refinancing Bonds, Series 2011. He stated that the issuance will be to finance the acquisition, construction, improvement, rehabilitation, furnishing and equipping of various public facilities for use by the Commonwealth and its agencies, finance the Commonwealth's share of the costs of certain regional jail and juvenile detention facility projects, and pay costs of issuing the Bonds. The resolution also provides for the issuance of bonds to refund certain maturities of its outstanding Public Facilities Revenue Bonds, Series 2004B and 2005C; however, at this point, the refunding does not appear likely. The Bonds will be sold competitively on September 29, 2001 and will be delivered on or about October 13, 2011.

Eric Ballou of Christian and Barton reviewed the Resolution approving the plan of finance for the issuance and sale of the Bonds.

Chairwoman Ganeriwala asked if there were any 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 the Tobacco Indemnification and Community Revitalization Endowment Portfolios for the Periods Ending June 30, 2011.

T.C. Wilson from Wells Fargo Advisors provided the Board with a review of the Tobacco Indemnification and Community Revitalization Endowment portfolios for the quarter ending June 30, 2011. Mr. Wilson also distributed a handout entitled "Fixed Income Weekly" (Attachment D).

Staff Reports:**Debt Management**

Evie Whitley reviewed the Debt Calendar as of September 12, 2011, the Master Equipment Leasing Program and Virginia Equipment Leasing Program reports as of August 31, 2011, and the Energy Lease Program as of August 31, 2011.

Security for Public Deposits

Ms. Reiter reviewed the Security for Public Deposits report for the month ending July 31, 2011 and stated that one bank (Grayson National Bank) was undercollateralized in July. Because the Bank was significantly undercollateralized, she stated that the Treasurer had contacted the Bank to get assurances that the Bank had reviewed the situation and taken steps to prevent another occurrence. She also stated that Consolidated Bank & Trust recently merged with Premier Bank. She reviewed updates to the IDC Rankings Report and the statistics reports for the month ending July 31, 2011.

Ms. Anderson noted that Alliance Bank of Chantilly had recently been purchased by EagleBank of Bethesda, Maryland. Ms. Reiter said that she would contact Alliance for additional information.

State Non-Arbitrage Program (SNAP)

Mr. Wilhide reviewed the SNAP report for the month ending August 31, 2011. He stated that Mr. Nelson Bush of PFM Asset Management was available for questions if needed. The Board had no questions.

Investments

Mr. Wilhide reviewed the Investment Report for September 2011. He also reviewed the Local Government Investment Pool reports as of August 31, 2011.

Other Business:

None.

Chairwoman Ganeriwala stated the next meeting of the Board would be on October 19, 2011. She asked if there was any further business to come before the Board. There being none, Mr. Harrison moved the meeting be adjourned at 10:33 a.m.; Mr. Burns seconded, and the motion carried unanimously.

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