

TREASURY BOARD
COMMONWEALTH OF VIRGINIA

August 17, 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
William W. Harrison, Jr.
Thomas N. Chewning
Craig Burns

Members Absent: Shaza Anderson
David K. Boyer
David Von Moll

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
	Judy Milliron	Department of the Treasury
	Leslie English	Department of the Treasury
	Jeanine Black	Department of the Treasury
	Tracey Edwards	Department of the Treasury
	Glenn Dellinger	Department of the Treasury
	Belinda Blanchard	Department of the Treasury
	Debora Greene	Department of the Treasury
	Janet Aylor	Department of the Treasury
	Donald Ferguson	Attorney General's Office
	Nelson Bush	PFM Asset Management Group
	Eric Sandridge	Auditor of Public Accounts
	Mike Driscoll	Auditor of Public Accounts
	Patrick Dixon	Wells Fargo

Treasury staff and others attended

Call to Order and Approval of Minutes

Chairwoman Ganeriwala welcomed Board members and called the meeting to order at 9:01 a.m.

In regard to the Minutes of the July 20, 2011 Board meeting, Chairwoman Ganeriwala noted several corrections that were needed. On page 3, strike "to" in the second sentence. Under the Resolution approving the terms and structure of the Life Sciences Lab Project, in the third paragraph, strike "to" in the second sentence. The last correction was to add a period at the end of the fourth paragraph. She asked if there were any additional changes or revisions to the Minutes of the June

20, 2011 meeting; there being none, Mr. Harrison moved the approval of the Minutes, Mr. Burns seconded, and the motion carried unanimously.

Public Comment

None

Agenda Items

Motion to Extend the Current Contracts for Financial Advisors

Evie Whitley reviewed the current contracts for financial advisors that were originally approved in a 2008 RFP for a three year contract, with two one-year renewals allowable. The Motion is to extend the contracts for one additional year. Ms. Whitley recommended that the contracts be extended. This will be the first of two possible one-year extensions.

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

Board Briefing

Optimal Service Group of Wells Fargo Advisors Review of the General Account External Manager's Investment Performance for the 2nd Quarter of 2011.

T.C Wilson, Brian Moore, and Karen Hawkrige from Wells Fargo Advisors provided the Board with a review of the General Account Extended Duration and Credit Portfolio evaluation for the quarter ending March 31, 2011. Mr. Wilson distributed two handouts. One entitled, Commonwealth of Virginia Department of the Treasury Extended Duration and Credit Portfolio Evaluation for Period Ending June 30, 2011, (Attachment A) and the other entitled Commonwealth of Virginia-Extended Duration and Credit Portfolio (Attachment B).

Staff Reports:

Debt Management

Evie Whitley reviewed the Debt Calendar as of August 8, 2011, the Master Equipment Leasing Program and Virginia Equipment Leasing Program reports as of July 31, 2011, and the Energy Lease Program as of July 31, 2011. She also reviewed the Financing Summary for the Commonwealth Port Fund Revenue Bonds, Series 2011 (Non-AMT) bond issuance and the Virginia College Building Authority, Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2011A bond issuance. Ms. Whitley pointed out that the sale was completed on August 4, 2011. This was the same day that Moody's downgraded Virginia's Aaa economic outlook to negative. Despite this, the sale went well. Treasury received six bids and sold the issue with a TIC of 3.27%. Also reviewed was the Final Financing Summary for the Tax Exempt Revenue Bonds (George Mason University Foundation Prince William Life Sciences Lab LLC Project), Series 2011AA and Taxable Revenue Bonds (George Mason University Foundation Prince William Life Sciences Lab LLC Project), Series 2011BB.

Security for Public Deposits

Ms. Reiter reviewed the Security for Public Deposits report for the month ending June 30, 2011 and stated that no banks were undercollateralized. She stated that the IDC Rankings Report had been updated using IDC's preliminary 1st quarter 2011 data. She stated that four additional banks are required to increase their collateral to one hundred percent of public deposit balances (net of FDIC) until their ratings no longer fall into the below average category.

Ms Reiter reviewed the quarterly statistics reports for the quarter ended June 30. She indicated that there were no significant changes between the last two quarters. In reviewing the monthly compliance reports, she noted a new compliance reporting of depositories failing to submit their 2011 audit certification to the Board on a timely basis. She explained that annually depositories must have a SPDA compliance audit performed by their internal or external auditors. She reminded the Board that public deposit balances are provided by the depositories without cross verification with local governments so an independent verification of public deposits is needed. Until last year, there was a lack of verification of balances by local governments and authorities. If a public depository made an error in reporting its public deposit balances, their balances could be undercollateralized. Last year, Treasury created a web based system to allow local governments to verify the public deposit balances reported by public depositories. She indicated that this is a first step to require local governments to review and confirm the balances reported by public depositories.

State Non-Arbitrage Program (SNAP)

Mr. Wilhide reviewed the SNAP report for the month ending July 31, 2011. He asked Mr. Nelson Bush of PFM Asset Management if he had anything further to add, and he answered no.

Investments

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

Other Business:

None.

Chairwoman Ganeriwala stated the next meeting of the Board would be on September 21, 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 9:52 a.m.; Mr. Burns 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