

TREASURY BOARD  
COMMONWEALTH OF VIRGINIA

April 18, 2012

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 Von Moll  
David K. Boyer  
Craig Burns

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

|                 |                     |                                      |
|-----------------|---------------------|--------------------------------------|
| Others Present: | Kristin Reiter      | Department of the Treasury           |
|                 | Margaret Layne      | Department of the Treasury           |
|                 | Robert Young        | Department of the Treasury           |
|                 | Evie Whitley        | Department of the Treasury           |
|                 | Michael Tutor       | Department of the Treasury           |
|                 | Tracey Edwards      | Department of the Treasury           |
|                 | Sherwanda Cawthorne | Department of the Treasury           |
|                 | Melissa Palmer      | Department of the Treasury           |
|                 | Janet Aylor         | Department of the Treasury           |
|                 | Judy Milliron       | Department of the Treasury           |
|                 | Tim Wilhide         | Department of the Treasury           |
|                 | Glenn Dellinger     | Department of the Treasury           |
|                 | Donald Ferguson     | Attorney General's Office            |
|                 | Brian Moore         | Optimal Service Group of Wells Fargo |
|                 | Evan Francks        | Optimal Service Group of Wells Fargo |
|                 | Frank Robinson      | Sidley Austin                        |
|                 | John Lawson         | VDOT                                 |
|                 | Michael Walsh       | VDOT                                 |
|                 | Laura Farmer        | VDOT                                 |
|                 | Nelson Bush         | PFM                                  |
|                 | Jeffrey Rowe        | PFM                                  |
|                 | Reid Andrews        | Wells Fargo                          |
|                 | Vasyl Zuk           | J.P. Morgan                          |
|                 | Scott Dahs          | J.P. Morgan                          |
|                 | David Rasnic        | Auditor of Public Accounts           |
|                 | Bryar Nettles       | Hunton & Williams                    |

**Call to Order and Approval of Minutes**

Chairwoman Ganeriwala welcomed Board members and called the meeting to order at 9:05 a.m.

Chairwoman Ganeriwala asked if there were any changes or revisions to the Minutes of the March 28, 2012 meeting; there being none, Chairwoman Ganeriwala asked for a vote for approval, Mr. Von Moll moved the approval of the Minutes, Mr. Boyer seconded, and the motion carried unanimously.

**Public Comment**

None

**Action Items**

**Resolution Approving Plan of Finance for Issuance and Sale by the Commonwealth Transportation Board of the Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 2012 (Route 28 Project).**

Janet Aylor presented the preliminary financing summary for the issuance of Bonds by the Commonwealth Transportation Board. She stated that the \$48,840,000 issuance of Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 2012 (Route 28 Project) will be used to redeem all or a portion of the outstanding principal balance of the Transportation board's Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 2012 (Route 28 Project), and Commonwealth of Virginia Transportation Contract Revenue Bonds, Series 2002 for debt service savings. The Bonds will be sold competitively on May 9, 2012 and will be delivered on May 23, 2012.

Bryar Nettles of Hunton & Williams reviewed the Resolution approving the plan of finance for the issuance and sale of the Bonds.

Chairwoman Ganeriwala asked what kind of premium is expected. Ms. Aylor stated that it could be around \$6.4 million with a bid price projected at 112%.

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

**Resolution Approving Plan of Finance for Issuance of School Educational Technology Notes, Series XII, by the Virginia Public School Authority.**

Evie Whitley reviewed the preliminary financing summary for the issuance of bonds by Virginia Pubic School Authority. She stated that the \$58,078,000 issuance will be used primarily to make approximately \$58,078,000 or \$57,168,000 in grants for computer-based instructional and testing system for the Standards of Learning, and to develop the capability for high speed internet connectivity at high schools followed by middle schools followed by elementary schools. The Bonds will be sold competitively on May 8, 2012 and will be delivered on or about May 24, 2012.

Ms. Whitley indicated that the final dollar amount of the issuance will be determined by the Virginia State budget that has not yet approved by the General Assembly.

Mr. Boyer asked how comfortable Treasury was with the submission knowing there was not yet a passed State budget. Ms. Whitley indicated that she was comfortable with the issuance of the lesser amount of \$57,168,000 as the budget would not affect this. The Bond Counsel, Frank Robinson of Sidley Austin indicated that if both the budget and the caboose bill is passed and signed by the Governor, then the entire amount of \$58,078,000 could be issued.

Mr. Robinson 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 resolution be adopted. Mr. Von Moll seconded, and the Motion carried unanimously.

#### **Motion to Approve the LGIP Investment Policy and Guidelines.**

Tim Wilhide reviewed the resolution and details of the proposed changes. He indicated that there was no need for LGIP to consider sovereign or sovereign guaranteed credits in the past, but with changes in the money market and type of issuances diminishing available options, the LGIP fund could gain some flexibility by adding such Aaa credits to the approved issuers list. Mr. Wilhide stated that Canada issues Treasury bills that trade four to five basis points higher than the United States Treasury Bills. He also noted that the rating agency, Standard and Poor's already permits the proposed changes. Treasurer Ganeriwala then stated that Treasury was much more conservative than the Standard and Poor's Guidelines.

Mr. Von Moll asked for an example of a company governed by sovereign government. Mr. Wilhide replied that the export bank of Canada was one. Belinda Blanchard added that the Export Development Corporation of Canada was also one that The Department of Treasury was interested in.

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

Craig Burns left at 9:35

#### **Board Briefing**

##### **PFM/SNAP - SNAP 1st Quarter Portfolio Performance review.**

Nelson Bush and Jeffrey Rowe of PFM Asset Management LLC gave a quarterly overview of the SNAP portfolio performance and discussed issues with the Money Fund Industry and the market as a whole. They distributed and reviewed a handout entitled SNAP Treasury Board Meeting Quarterly Program Update. (Attachment A).

#### **Staff Reports:**

**Debt Management**

Evie Whitley reviewed the Debt Calendar as of April 9, 2012, the Master Lease Program report as of March 31, 2012, and the Energy Lease Program as of March 31, 2012.

**Security for Public Deposits**

Ms. Reiter reviewed the Security for Public Deposits report for the month ended February 29, 2012 and stated that no banks were undercollateralized in February. Ms. Reiter then reviewed the monthly compliance statistics reports for February 2012.

**Investments**

Tim Wilhide reviewed the Investment reports for March 2012. He also reviewed the Local Government Investment Pool reports as of March 31, 2012.

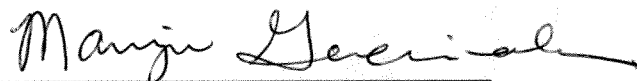
Mr. Wilhide indicated that one of the portfolio managers reported inadvertently reported incorrect information to Treasury, so he passed out the corrected investment reports to replace the ones that were distributed with the Board packet (Attachment B).

**Other Business:**

None.

Chairwoman Ganeriwala stated the next meeting of the Board would be on May 9, 2012. She asked if there was any further business to come before the Board. There being none, Mr. Boyer moved the meeting be adjourned at 10:10 a.m.; Mr. Von Moll seconded, and the motion carried unanimously.

Respectfully submitted,



Manju S. Ganeriwala, Chairwoman  
Commonwealth of Virginia Treasury Board