

TREASURY BOARD  
COMMONWEALTH OF VIRGINIA

July 18, 2012

9:00 a.m.

Treasury Board Conference Room

James Monroe Building

101 N. 14<sup>th</sup> Street, 3<sup>rd</sup> Floor

Richmond, Virginia

Members Present: Manju S. Ganeriwala, Chairwoman  
David Von Moll  
K. David Boyer  
Thomas N. Chewning

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

Others Present:	Kristin Reiter	Department of the Treasury
	Robert Young	Department of the Treasury
	Evie Whitley	Department of the Treasury
	Sherwanda Cawthorn	Department of the Treasury
	Kathy Green	Department of the Treasury
	Leslie English	Department of the Treasury
	Janet Aylor	Department of the Treasury
	Tracey Edwards	Department of the Treasury
	Tracy Clemons	Department of the Treasury
	Judy Milliron	Department of the Treasury
	Margaret Layne	Department of the Treasury
	Glenn Dellinger	Department of the Treasury
	Belinda Blanchard	Department of the Treasury
	Donald Ferguson	Attorney General's Office
	Nelson Bush	PFM
	Michael Varano	PFM
	Vasyl Zuk	J.P. Morgan
	Brian Moore	Optimal Service Group of Wells Fargo
	Reid Andrews	Wells Fargo
	Patrick Dixon	Wells Fargo

### **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 asked if there were any changes or revisions to the Minutes of the June 20, 2012 meeting; there being none, Chairwoman Ganeriwala asked for a vote of approval. Mr. Von Moll moved the approval of the Minutes, Mr. Boyer seconded, and the motion carried unanimously.

### **Public Comment**

None

### **Action Items**

#### **Motion to Extend Current Contacts for Financial Advisor**

Evie Whitley reviewed the resolution to extend the current Financial Advisory contracts with Public Resources Advisory Group and First Southwest Company for one year to September 30, 2013.

She informed the board that a contract was signed three years ago that included two-one year renewal options. This will be the last renewal.

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

### **Board Briefing**

#### **PFM/SNAP – SNAP 2<sup>ND</sup> Quarter Portfolio Performance Review**

Michael Verano and Nelson Bush reviewed the performance of the SNAP portfolio for the second quarter. Overall comments were that the portfolio was at an all time high at \$4.26 billion.

They presented to the board a brief overview of the economy. Interest rates have fallen further, yields in Europe are now negative, and the economy is still growing slowly.

#### **Briefing on LIBOR Fixing Situation**

Tim Wilhide briefed the Board on the LIBOR fixing situation. He informed the Board that there were several class action lawsuits that are seeking damages. Mr. Wilhide said that until we know more information, we could not calculate how exactly the Commonwealth's LIBOR based floating rate investments were affected by this situation because the dates and the amount of basis points that the LIBOR rates were fixed is still unknown.

Mr. Chewning asked why the banks would do what they did. Mr. Wilhide responded that the banks were probably trying to show lower borrowing costs. Higher borrowing costs might that there could be problems with the banks' finances.

### **Resolution in Recognition and Appreciation of Thirty Years of Service by Margaret H. Layne.**

On behalf of the Treasury Board, Chairwoman Ganeriwala presented a Resolution entitled "Resolution in Recognition and appreciation of thirty years of service" (attachment A) to Margaret Layne commending and thanking her on her 30 years of service as the Commonwealth's Investment Manager.

## **Staff Reports**

### **Debt Management**

Evie Whitley reviewed the Debt Calendar as of July 9, 2012.

Ms. Whitley indicated that the sale of the Commonwealth Transportation Bonds have been pushed back a few days due to a lawsuit. The mid-town tunnel was to get a portion of the proceeds from the sale. The lawsuit was brought to deny this. Additional information needed to be disclosed notifying the public.

Ms. Whitley reviewed the leasing reports.

### **Security for Public Deposits**

Ms. Reiter reviewed the Security for Public Deposits Report for the month ended May 31, 2012. She stated that one bank Manufacturers & Traders Trust Company was under-collateralized during April and May 2012. A letter included in the Board package was sent out to the bank explaining the nature of the under-collateralization and the impact on the bank's collateral requirement.

Ms. Reiter indicated that were no changes to the IDC rankings in the month of May 2012.

### **Investments**

Mr. Wilhide reviewed the Investment reports for the month ended June 30, 2012.

### **Other Business**

None.

Chairwoman Ganeriwala stated the next meeting of the Board would be on August 15, 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,

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Manju S. Ganeriwala, Chairwoman  
Commonwealth of Virginia Treasury Board