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TREASURY BOARD
COMMONWEALTH OF VIRGINIA

February 18, 2026

10:00 a.m.

In-person Meeting
Richmond, Virginia

Members Present: David L. Richardson, Chairman
Kristin Collins
Sharon Lawrence
Neil Amin
Henry C. Eickelberg
Dr. Joshua Weed

Members Absent: None

Meeting Guests:	James Heo	Office of the Governor
	Kevin Harber	Office of the Attorney General
	Scott Fleming	PFM Asset Management LLC
	Jack Schnorbus	PFM Asset Management LLC
	Megan Gilliland	Kaufman & Canoles, P.C.
	Ben Wills	Kaufman & Canoles, P.C.
	Kathleen Bowe	Wells Fargo
	Mark Burns	Wells Fargo
	Terrill Armstrong	Dodge & Cox
	Ty Wellford	Davenport & Company
	Diane Klaiss	Frasca (via telephone)
	Anthia Ma	Frasca (via telephone)
	Chris Boukas	Frasca (via telephone)
	Sharon Liu	Frasca (via telephone)
	Brad Jones	Department of the Treasury
	Stuart Williams	Department of the Treasury
	Neil Boege	Department of the Treasury
	David Swynford	Department of the Treasury
	James Mahone	Department of the Treasury
	Cliff Lewis	Department of the Treasury
	Kathy Foote	Department of the Treasury
	Jay Conrad	Department of the Treasury
	Sherwanda Cawthorne	Department of the Treasury
	Richard Rhodemyre	Department of the Treasury



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Call to Order and Approval of Minutes

Chairman Richardson welcomed the Board members and called the meeting to order at 10:00 a.m.

Chairman Richardson called for a vote to approve the minutes of the January 21, 2026, meeting. Mr. Eickelberg moved for approval, Mr. Amin seconded the motion, and it was carried unanimously.

Public Comment

None.

Action Items and Board Briefings

Presentation by Debt Management Staff on the Debt Capacity Advisory Committee (DCAC) and Review of the 2025 DCAC Report

Richard Rhodemyre reviewed the 2025 Debt Capacity Advisory Committee (“DCAC”) Report. Mr. Rhodemyre provided the Board with background on the creation of the DCAC and its purpose, noting that the DCAC is vested with the power and duty to annually review the size and condition of the Commonwealth’s tax-supported debt and to submit to the Governor and the General Assembly, by January 1st of each year, an estimate of the maximum amount of new tax-supported debt that prudently may be authorized and issued for the next biennium. Mr. Rhodemyre then described the debt capacity model and the various inputs that are used by Treasury to calculate the Commonwealth’s debt capacity, noting that the Commonwealth's debt capacity limits tax-supported debt service to 5% of Blended Revenues.

Discussion ensued.

Finally, Mr. Rhodemyre outlined the other components of the DCAC Report, including analysis of the Commonwealth’s various types of outstanding debt, discussion of potential influencing factors that could impact debt capacity, review of the Commonwealth’s credit ratings, comparisons of the Commonwealth’s debt burden relative to other highly rated states, and sensitivity analyses that highlight the change in debt capacity as any number of inputs to the model are modified. Further discussion ensued. It was noted that the DCAC provided its recommendation through a report dated December 18, 2025, which contained guidance that the estimated annual capacity is approximately \$1.5 billion a year. It was further noted that across then-Governor Youngkin's introduced budget bill and a subsequent transportation funding bill, approximately \$1.6 billion of tax-supported debt has been proposed for the upcoming biennium.



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Resolution Approving the Plan of Finance for the Issuance by the Virginia Public Building Authority (VPBA) of its Public Facilities Revenue and Revenue Refunding Bonds, Series 2026

Jay Conrad presented the Preliminary Financing Summary for the following VPBA issuances:

- \$446,100,000 Public Facilities Revenue Bonds, Series 2026A;
- \$235,925,000 Public Facilities Revenue Refunding Bonds, Series B;
- \$85,490,000 Public Facilities Revenue Refunding Bonds, Series 2026C (AMT); and
- \$25,095,000 Public Facilities Revenue Bonds, Series 2026D (Federally Taxable)

These bond issuances have been approved by the Virginia Public Building Authority (VPBA) and introduced Megan Gilliland, with Kaufman & Canoles, bond counsel and Diane Klaiss, with Frasca as Financial Advisor to the transaction.

Financial Advisors to the Authority, Frasca & Associates LLC joined by telephone.

The proceeds of the 2026 Bonds will be used to (i) finance the acquisition, construction, improvement, rehabilitation, furnishing the equipping of various public facilities for use by or on behalf of the Commonwealth and its agencies, (ii) finance the Commonwealth's payment of the costs of certain grants and of regional and local jail and juvenile detention facility projects, and (iii) refund certain maturities of bond previously issued by the Authority (iv) pay costs of issuing the Series 2026 Bonds.

The 2026 Bonds are limited obligation of the Authority, anticipated to be payable solely from funds appropriated by the General Assembly of the Commonwealth of Virginia. The 2026 Bonds are scheduled for sale on April 1, 2026, with an anticipated delivery date of May 5, 2026.

VPBA 2026 Bond Structure:

- Series 2026A Bonds will be amortized up to 20 years with a final maturity between 2027 and 2046. Principal will be paid annually on August 1: beginning August 1, 2027. Interest will be paid semi-annually on February 1 and August 1; beginning August 1, 2026. The Series 2026A Bonds maturing on or before August 1, 2036, are not subject to redemption prior to maturity. The Series 2026A Bonds maturing on or after August 1, 2037 may be redeemed prior to their respective maturities at the sole option of the Authority on or after May 1, 2036, in whole or in part at any time, at a redemption price equal to 100% of the principal amount of the Series 2026A Bonds to be redeemed, plus accrued interest to the redemption date.
- Series 2026B Bonds, serial bonds paying current semi-annual interest and maturing annually or a combination of serial and term bonds paying current semi-annual interest with mandatory sinking fund provisions. The Series 2026B Bonds are currently expected to mature between 2027 and 2036.



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- Series 2026C Bonds, serial bonds paying current semi-annual interest and maturing annually or a combination of serial and term bonds paying current semi-annual interest with mandatory sinking fund provisions. The 2026C Bonds are currently expected to mature between 2027 and 2036.
- Series 2026D Bonds, serial bonds paying current semi-annual interest and maturing annually or a combination of serial and term bonds paying current semi-annual interest with mandatory sinking fund provisions. The 2026D Bonds can be amortized up to 20 years. The 2026D Bonds are currently expected to mature between 2027 and 2036.

As of January 23, 2026, the refunding of Series 2026B bonds is projected to generate total savings of approximately \$12.37 million, including net present value savings of \$10.90 million and the refunding of Series 2026C bonds is projected to generate total savings of approximately \$10.04 million, including net present value savings of \$8.2 million. The Bonds are expected to be rated AA+ from Fitch and S&P and Aal by Moody's.

Megan Gilliland, bond counsel to the VPBA, reviewed the resolution.

Discussion ensued.

Chairman Richardson asked for a motion to adopt the Resolution are presented. Henry Eickelberg moved that the Resolution be approved. Dr. Joshua Weed seconded, and the motion carried unanimously.

Presentation by Money Manager Dodge & Cox (Long Duration Portfolio)

Terrill Armstrong, Vice President and Client Portfolio Manager at Dodge & Cox, shared his professional background and experience since joining the firm. Founded in 1930, Dodge & Cox is an independent investment organization with 63 shareholders and 381 employees, including its UK subsidiary. The firm manages equity, debt, and balanced portfolios using a consistent investment approach and oversees total assets of approximately \$466.6 billion (\$250 billion in equities and \$215.6 billion in fixed income). Mr. Armstrong provided an overview of the General Account's current asset allocation, recent growth, and the Commonwealth's one-year relative return attribution, focusing on credit security selection and asset allocation. He concluded with insights on portfolio structure, thematic composition, credit sector holdings, U.S. interest rate outlook, inflation developments, and the broader economic environment.

Discussion ensued.



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Debt

Brad Jones provided a review of the Virginia Debt Calendar as of February 1, 2026, along with reports on the Master Equipment Leasing Program (MELP) and the Virginia Energy Leasing Program. He informed the Board of the new Debt Calendar format, which now includes municipal/financial advisors and underwriters for each bond sale financing. Additionally, the updated calendar will provide historical data on a fiscal year-end basis. Mr. Jones provided a recap on the Virginia Public Building Authority tentative bond sale planned for April, followed by various anticipated bond sales on the calendar. He further noted that Debt Management will come before the Board for the approval of the resolutions for Virginia College Building Authority and Virginia Public School Authority. Mr. Jones reported on the January leasing activity, noting \$5.1 million in equipment financing for fleet vehicle leases for the Department of General Services and the financing of a Bell Helicopter for the Department of State Police. Total leases funded to date amount to \$14.5 million, with \$34 million in outstanding equipment financing requests. No activity occurred under the Energy Leasing Program in January.

Discussion ensued.

Investments

Neil Boege presented the Investment Reports for the month ending January 31, 2026. General Account portfolio assets were mostly unchanged during the month while the Local Government Investment Pool (LGIP) experienced approximately \$320 million in net outflows during the month, broadly in line with normal seasonal trends. Assets of internally managed funds should continue to see tax-related outflows until mid-April at which point increased tax receipts will bolster assets through fiscal year-end June 30. The yield-to-maturity (YTM) of the PLP portfolio declined 6 basis points during the month, largely the result of reinvestment rates approximately 20 basis points below the yields of security positions that rolled off. On a composite basis, the General Account continued to yield approximately 4.00 percent. Both the LGIP and LGIP Extended Maturity Portfolios were compliant with applicable standards and guidelines with no active violations. LGIP yields declined 8 basis points during January because of the softening front end rates environment although continues to outperform the benchmark by approximately 20 basis points. LGIP Extended Maturity Portfolio assets were unchanged during the month while the fund's yield to maturity outperformed the benchmark by 47 basis points. EM portfolio duration was stable at little less than one year.

Chairman Richardson paused the investment presentation to introduce the newly appointed Deputy Secretary of Finance, James Heo to the Treasury Board meeting.

Discussion ensued.



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Security for Public Deposits

Cliff Lewis presented the SPDA report for December 2025 indicated that no depositories were undercollateralized. IDC's third-quarter 2025 ratings were used, with no changes to the list of qualified banks. Six pooled banks—Blue Grass Valley Bank, Primis Bank, Chesapeake Bank, Carter Bank & Trust, Movement Bank, and New Horizon Bank, N.A.—and two opt-out banks, Eagle Bank and Shore United Bank, were rated below average. If Shore United and Chesapeake Bank improve to average or above in the fourth-quarter ratings, they will be removed from the list. Supporting materials, including quarterly statistics, monthly reports, and the December 31st listing of qualified public depositories, were provided to the Board.

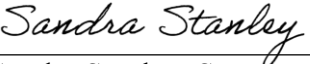
Discussion ensued.

Treasurer Richardson further announced that the next Treasury Board meeting will be held on March 18, 2026.

Other Business

The meeting adjourned at 11:30 a.m.

Respectfully submitted,



Sandra Stanley, Secretary
Commonwealth of Virginia Treasury Board