VIRGINIA COLLEGE BUILDING AUTHORITY BOARD MEETING

March 31, 2021, 2:00 p.m.
Treasury Board Conference Room, Third Floor
James Monroe Building
101 North 14th Street, Richmond, Virginia

Dial-in Participation Allowed

Members Present via Physical Attendance:	Lane B. Ramsey, Chairman	
	Manju S. Ganeriwala	
Members Present via Conference Call:	John G. Dane, Vice-Chairman	
	Corynne Arnett	
	Peter Blake	
	Stephanie Calliott	
	Charles Mann	
	Jerrell Saunders	
	Daniel S. Timberlake	
	David Von Moll	
Members Absent:	Tiffany Boyle	
Others Present via Physical Attendance:	Janet Aylor	Department of the Treasury
	Leslie English	Department of the Treasury
	Debora Greene	Department of the Treasury
	Richard Rhodemyre	Department of the Treasury
	David Swynford	Department of the Treasury
	Bradley Jones	Department of the Treasury
Others Present via Conference Call:	Donald R. Ferguson, Esq.	Attorney General's Office
	George Scruggs, Jr., Esq.	Kutak Rock LLP
	Thomas William Bruno	McGuire Woods LLP
	David Richardson	McGuire Woods LLP
	Anne Curtis Saunders	McGuire Woods LLP
	Kevin White	Butler Snow LLP
	Sean Ekiert	Raymond James
	Ron Tillett	Raymond James
	Steven Johnson	Hilltop Securities Inc.
	Janet Lee	Public Resources Advisory Group
	Christina Ilarina	Public Resources Advisory Group
	Andrew Evanchik	Public Resources Advisory Group

Bjorn Reigle	PFM Financial Advisors, LLC
Steven Bruce	Regent University
Lou Isakoff	Regent University
Paul Davies	Randolph Macon College
Troy Paino	University of Mary Washington
Paul Messplay	University of Mary Washington
Jean Motley	SCHEV

Call to Order

*Due to the Governor's Declared State of Emergency due to COVID-19, it is impracticable and unsafe for the Authority to assemble in a single location, so this meeting is being held electronically, pursuant to Section 4-0.01 of the 2020 - 2022 Appropriations Act; the purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Authority and the discharge of its lawful purposes, duties, and responsibilities. The public is welcome to use the number (530) 871-9513 PIN: 301026539 to attend the meeting electronically. The Authority will make available a recording or transcript of the meeting on its website in accordance with the timeframes established in Sections 2.2-3707 and 2.2-3701.1 of the Code of Virginia.

Mr. Ramsey called the meeting to order at 2:03 p.m. He reviewed the Amendment that allows policy-making boards to meet virtually during emergency declaration. Ms. Greene took roll to establish a quorum.

Mr. Ramsey asked if there were any comments from the public.

Mr. Ramsey asked if there were any comments or corrections to the November 9, 2020 minutes. Hearing none, he requested a motion for approval of the minutes. Mr. Timberlake moved for approval of the minutes. Ms. Calliott seconded and the motion carried. The votes were as follows:

Corynne Arnett	Abstain
Peter Blake	Yes
Stephanie Calliott	Yes
John Dane	Yes
Manju Ganeriwala	Yes
Charles Mann	Yes
Jerrell Saunders	Yes
Daniel Timberlake	Yes
David Von Moll	Yes
Lane Ramsey	Yes

Consideration of Financing Application of Regent University

Mr. Rhodemyre reviewed the Preliminary Financing Summary for the proposed issuance of

$95,000,000 of Virginia College Building Authority Educational Facilities Revenue Bonds (Regent University Project), Series 2021. The purpose is to refund all or a portion of the VCBA Regent University outstanding Series 2006 bonds. The proposed financing will restructure that existing debt to provide level debt service. Right now the debt service is set to increase significantly in FY2022. He informed the Board that the Series 2021 Bonds are secured by payments made by Regent University under a Loan Agreement with the VCBA. To evidence those obligations, the University will deliver a promissory note to the VCBA. He informed the Board the bonds will be sold on a negotiated basis on May 5 and close on May 19, 2021. The anticipated rating by S&P Global Ratings is BB+. Mr. Rhodemyre reviewed the bond structure. He stated the estimated True Interest Cost is 4.262012% as of February 2021. Mr. Rhodemyre then introduced Mr. Steve Bruce, Vice President of Business Administration at Regent University to speak to the Board.

Mr. Bruce thanked the Board for their consideration of their application. He stated that this is an important project for the University, one which in the near term will provide some debt service savings to the University. Without the proposed refunding, debt service is increasing from its present level of about $5 million to $9.3 million. This refunding takes it down to $5.3 million level debt service over the 25-year term of the new issue, which will aid for long-term stability and keep them in line with their current trajectory, which is balanced for better budgeting and zero endowment draw.

Mr. Ramsey asked if there were any questions or comments.

Public Hearing

The public hearing was opened at 2:14 p.m. and closed at 2:15 after no members of the public asked to speak regarding the financing. The minutes of the public hearing are attached hereto as Attachment A.

Mr. T.W. Bruno from McGuire Woods then reviewed the Resolutions before the Board. He informed the Board they have two resolutions to consider. Part of that is because of Section 147(f) of the Internal Revenue Code. He stated that there is a resolution that provides for the initial approval of the issue. This is the resolution they will work with VCBA staff to forward to the Governor’s Office for the Governor’s approval, which is required under that statue for the issuance of the bonds. The second resolution is the more typical bond resolution that approves the financing terms & structure. Mr. Bruno then reviewed both resolutions.

Mr. Ramsey asked if there were any other questions or comments. Hearing none, he asked if any member wanted to make a motion to approve the first resolution. Mr. Von Moll moved approval of the motion of the Resolution of the Virginia College Building Authority, Providing Initial Approval of the Issuance Of Up To $95,000,000 Of Revenue Bonds For The Benefit of Regent University. Ms. Calliott seconded, and the motion was carried. The votes were as follows:

Corynne Arnett	
Peter Blake	Yes
Stephanie Calliott	Yes
John Dane	Yes
Manju Ganeriwala	Yes
Charles Mann	Yes
Jerrell Saunders	Yes
Daniel Timberlake	Yes
David Von Moll	Yes

Lane Ramsey	Yes

Mr. Ramsey asked if any member wanted to make a motion to approve the second resolution. Mr. Ramsey moved approval of the motion of the Resolution of the Virginia College Building Authority, Authorizing the Issuance and Sale of Revenue Bonds in an Amount Not to Exceed $95,000,000 For The Benefit of Regent University By Public Sale. Mr. Dane seconded, and the motion was carried. The votes were as follows:

Corynne Arnett	Yes
Peter Blake	Yes
Stephanie Calliott	Yes
John Dane	Yes
Manju Ganeriwala	Yes
Charles Mann	Yes
Jerrell Saunders	Yes
Daniel Timberlake	Yes
David Von Moll	Yes
Lane Ramsey	Yes

Consideration of Financing Application of Randolph Macon College

Mr. Rhodemyre reviewed the Preliminary Financing Summary for the proposed issuance of $33,000,000 of Virginia College Building Authority Educational Facilities Revenue Bonds (Randolph Macon College). The purpose is to (i) Finance capital projects of the College, including the Theatre Addition and Renovation, Construction of Duke Hall, Renovation of Estes Dining Hall, Steam Line Replacement, and Kappa Alpha Theta House, (ii) current refunding of existing debt of the College, (iii) pay issuance costs. The bonds will be sold on a negotiated public sale basis the week of April 19 and close on or about May 12. He then reviewed the bond structure. He informed the Board the estimated True Interest Cost is not-to-exceed 4.00%. The current market estimate is 3.25%. The anticipated rating by S&P Global ratings is A. Mr. Rhodemyre then asked if there were any questions on the Preliminary Financing Summary or related bond documents.

Ms. Calliott wanted to know why the College's name does not appear in the title of the Preliminary Financing Summary of anywhere on the Summary. Mr. Rhodemyre responded the financial advisor to the College did not have the information on the summary when they put the information together and we did not catch it. Ms. Ganeriwala informed Ms. Calliott that we normally have that information in the title and it was an oversight on our part.

Mr. Rhodemyre then introduced Mr. Paul Davies, Vice President of Administration and Finance at Randolph Macon College to speak to the Board.

Mr. Davies stated that it was his 11th year at Randolph Macon College. He stated he was here today to ask the Board once again to help the college and thanked them for their consideration for financing these important projects and refinancing of existing debt for savings where appropriate. He then stated that he would be happy to answer any questions and thanked the Board for the consideration.

Ms. Calliott stated that it looked like expansions were large except for the dining hall. She asked why this was such a small addition. Mr. Davies responded that they just needed to handle about 300 more students so it's just a refresh and they are not doing a total overhaul to the dining hall just a add on to the length that they need to meet their current student and future demand.

Mr. Ramsey asked if there were any questions.

Public Hearing

The public hearing was opened at 2:26 p.m. and closed at 2:27 after no members of the public asked to speak regarding the financing. The minutes of the public hearing are attached hereto as Attachment A.

Mr. Kevin White from Butler Snow, bond counsel to RMC then reviewed the resolution and asked if anyone had any questions.

Mr. Ramsey asked if there were any other questions or comments. Hearing none, he asked if any member wanted to make a motion to adopt the resolution. Mr. Von Moll moved approval of the Resolution of The Virginia College Building Authority Regarding the Issuance of Its Educational Facilities Revenue Bonds For The Benefit of Randolph-Macon College. Ms. Calliott seconded, and the motion was carried. The votes were as follows:

Corynne Arnett	Yes
Peter Blake	Yes
Stephanie Calliott	Yes
John Dane	Yes
Manju Ganeriwala	Yes
Charles Mann	Yes
Jerrell Saunders	Yes
Daniel Timberlake	Yes
David Von Moll	Yes
Lane Ramsey	Yes

Consideration of Issuance of VCBA Educational Facilities Revenue and Federally Taxable Refunding Bonds (21st Century College and Equipment Programs), Series 2021AB

Ms. English reviewed the Preliminary Financing Summary and related documents for the proposed issuance of $807,985,000 of Virginia College Building Authority Educational Facilities Revenue and Refunding Bonds (21st Century College and Equipment Programs), Series 2021AB composed of $540,995,000 in new money bonds and $266,990,000 (Federally Taxable) refunding bonds. The proceeds of the 2021A Bonds are being used to (i) finance certain capital projects and acquire equipment for public institutions of higher education in the Commonwealth and (ii) pay the cost of issuing the bonds. The proceeds of the 2021B Bonds are being used to (i) refund a portion of certain of the Authority's outstanding Educational Facilities Revenue Bonds, and (ii) pay the cost of issuing the bonds. Ms. English informed the board that the bonds will be secured by funds appropriated by the General Assembly. The bonds are scheduled to be priced competitively on May 19, 2021 with a delivery date of June 9, 2021. Ms. English then reviewed the bond structure. The Series 2021A Bonds will be serial bonds maturing annually in the years 2022 through 2041. The Series 2021B Bonds will be serial bonds maturing annually in the years 2022 through 2035. Interest will be paid semiannually on February 1 and August 1, beginning August 1, 2021. Principal will be paid annually on February 1, beginning February 1, 2022. She stated the estimated True Interest Cost (TIC) for the aggregate of the two series as of March 16 is 1.821471%. The series 2021A new money bonds TIC is estimated at 1.835363% and Series 2021B refunding bonds TIC is estimated at 1.750378%. The net total savings on the refunded bonds is projected to be $27.9 million. The net Present Value savings is estimated at $24.7 million and the ratio of net PV savings to refunded par is 10.34%. The anticipated ratings are Moody's Investors Services, Inc. Aa1 and Standard & Poor's and Fitch Ratings, Inc., AA+.

Mr. Scruggs, Bond Counsel to the Virginia College Building Authority then reviewed the Resolution before the Board.

Ms. Calliott asked a question regarding some of the entities that receive funding from the Equipment Program Allocation. She asked if the New College Institute and Institute for Advanced Learning and Research are actual schools or are they cooperatives. Mr. Mann responded the New College Institute is a university located in Martinsville. Mr. Blake further explained the New College Institute is a higher education extension and it does not confer degrees. Mr. Blake then provided additional details about the institutes.

Ms. Calliott then asked why the funding would come through the Virginia College Building Authority if it is a political subdivision. Mr. Scruggs responded that the VCBA is only authorized to provide financing for public colleges and institutions that are deemed eligible institutions under the VCBA Act, the code that authorizes the financing. When you look at the code and you look at what an eligible institution is, in addition to the traditional colleges and universities that you would expect to find, you also find some entities you would not think of as colleges and universities. In addition, before the Authority is authorized to finance the project, the financing has to be approved by the General Assembly.

Mr. Ramsey asked if there were any other questions or comments. Hearing none, he asked if any member wanted to make a motion to adopt the resolution. Mr. Blake moved approval of the Virginia College Building Authority Resolution Authorizing Educational Facilities Revenue Bonds (21^{st} Century College and Equipment Programs). Ms. Ganeriwala seconded, and the motion was carried. The votes were as follows:

Corynne Arnett	Yes
Peter Blake	Yes
Stephanie Calliott	Yes
John Dane	Yes
Manju Ganeriwala	Yes
Charles Mann	Yes
Jerrell Saunders	Yes
Daniel Timberlake	Yes
David Von Moll	Yes
Lane Ramsey	Yes

Consideration of Issuance of VCBA Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2021C

Ms. Aylor informed the Board that she will start by reviewing the financing summary and then Ms. Ganeriwala will make a few remarks followed by the team from the University of Mary Washington (UMW). Ms. Aylor then continued with her review of the preliminary financing summary. She started by saying this is a regular VCBA Pooled deal but we are doing a stand-alone pool of one for UMW in the approximate amount of about $80,500,000. The proceeds of the VCBA bonds will be used to (i) finance the costs of the acquisition of the Eagle Landing and UMW Apartments dormitory/housing projects from the University of Mary Washington Foundation (UMWF) (ii) pay the fee for the termination of swaps on the existing UMWF bonds and (iii) pay costs of issuing the Bonds. The bonds will be secured by payments by UMW from their general revenues and UMW will provide VCBA a promissory note. She stated that the bonds are scheduled to price on May 11, 2021 with a delivery date at the end of May. The structure is expected to be serial bonds and have a 10-year par call. Ms. Aylor informed the board that we are expecting our usual ratings of AA+, Aa1 and AA+ based on the State Aid Intercept. The bonds are expected to be sold on a competitive basis. The True Interest Cost as of March 23, 2021 is 2.7029% with a maximum of 4.00%. Ms. Aylor reviewed the estimated costs of issuance and stated that this bond deal is a little more complicated than our normal deal and that Ms. Ganeriwala will make a few marks about the underlying complications of this deal.

Ms. Ganeriwala addressed the Board and stated that she hoped the board members had a chance to read a comprehensive chronology that UMW provided and the power point presentation the UMW advisors provided. She then informed the Board that, as Ms. Aylor had stated, this deal is more complicated. It has certain features to it or certain aspects of it that normally, as an Authority, has not undertaken. The two aspects of this financing that gave Treasury concern were the substantial swap termination fee and the duration for which these bonds are being issued. Ms. Ganeriwala went on to say that, all of the Resolutions approved for the most part for dorm financing provided through the VCBA are done on a 20 to 25 year period where as this financing is being proposed for an overall 40-year period. The original term was 30 years. Treasury retained its own financial advisor and bond counsel to do some review for Treasury and look at options.

First, with regards to the swap termination fee, Treasury recognizes that this is the worst time, to terminate a swap, because when the interest rates are so low, the termination fee/penalty will be at its highest. When the UMW advisors first started doing their calculations in early February, the estimate of the swap termination fee was about $24 million. It had declined to $21 million when she and Ms. Aylor started looking at the transaction over a month ago. She was informed that in the last few weeks, the swap termination fee may have come down from $21 million to around $20 million. Ms. Ganeriwala stated that this fee is still a substantial amount on an outstanding debt of $74 million for UMW to have to finance. She informed the Board that Treasury had its financial advisors to look into the alternative of leaving the swap in place while allowing the UMW to only acquire the assets, the two apartment style dormitory buildings from the UMWF, and continue to pay on the swap until a time when interest rates are rising and the termination fee will be much lower. Janet Lee with Public Resources Advisory Group (PRAG), financial advisor to the VCBA Pooled bond program, looked into this option and PRAG's analysis indicated that while leaving the swap may be beneficial, if everything were to stay equal, the problem is these properties along with other properties are all cross-collateralized in one single financing with one single bank. Without the underlying buildings that are the collateral to this, the swap would no longer be a hedging instrument but more of an investment instrument on the books of the UMW. An additional risk with leaving the swap would be, as most know, all the swap transactions back in the 80's and 90's had been based on Libor. Libor is transitioning to SOFR and that could present interest risks associated with the transition. She also stated that we do not know if the financing institution that currently holds all the debt for the UMWF will agree to release the collateral and keep a swap that does not have collateral attached to it. With all these things, leaving the swap outstanding did not seem to be the best option for UMW.

With regards to the 10 year extension to an overall 40 year financing for the acquisition of the housing, the financial advisors ran various scenarios with 3,5 and 7 year extensions, but none of those would be financially feasible for the UMW. As can be seen in the chronology presented by UMW, this current financing was initiated back in 2007 – 2010 timeframe. Ms. Ganeriwala explained that the current staff and leadership at UMW are not the same people as when these transactions took place and that the current staff are trying their best to move forward and do what they have to do. If this were to go into default, which is what could happen if we do not undertake this financing, the UMWF will not have the funds to make their payment due in July and a default would become public knowledge. She informed the Board that the Governor's office has heard from President Paino, she has had discussions with the Governor's office and Secretary Layne, and they are supportive of this proposal. We are moving forward knowing no parties will come out whole in this situation. Based on our analysis, Treasury recommends moving forward with the VCBA bond issue for UMW. Ms. Ganeriwala concluded by informing the Board that Dr. Paino, President of the University would like to make a few comments.

Dr. Paino thanked Ms. Ganeriwala for doing a good job summarizing the complicated factors related to this transaction. He stated that he provided a memo that went through the chronology of this project that he hoped the Board had a chance to review. He informed the Board that he started working at UMW in 2016 and inherited this situation. He figured out a few years ago that this was going to be a challenge for UMW and that it has come to the point that it needs to be resolved. Dr. Paino then stated that the pandemic accelerated what he knew was coming with regard to the UMWF housing properties and that a VCBA financing will help the University in a significant way. It does not solve all problems but the acquisition of the housing from the UMWF provides a significant number of beds for the UMW total housing stock. Dr. Paino then provided information about the stock of residence halls at UMW. He stated the bigger challenge facing the University is that many of their residence halls are at or near the end of their useful lives. Acquisition of these UMWF owned properties will allow UMW to raze about five of the older residence halls so that UMW will not have to invest in the renovation or maintenance of them. This acquisition of UMWF properties will reduce their cost over the course of the next decade as it relates to many of the aging residence halls. Dr. Paino stated that this helps UMW both in terms of flattening their debt service, and keeping the revenue from the properties to be acquired on the UMW side of the ledger. This will be helpful in terms of managing the housing resources. Having more affordable financing allows UMW to increase their liquidity and invest in auxiliary reserve funds that will help them deal with the ongoing maintenance of all their residence halls. Dr. Paino informed the Board that the UMW has contracted with Sean Ekiert from Raymond James as their financial advisor and their bond counsel is Dave Richardson from McGuire Woods. He stated that their CFO, Paul Messplay, is at the meeting and is available to address questions the Board members may have. He then thanked the Board for consideration of this matter.

Mr. Ramsey then asked if any Board members had any comments or have questions.

Ms. Ganeriwala said that she wanted to make one more comment. It is the expectation from Treasury and the Administration that there would be vigorous negotiations with the financing institution, on the swap termination fee.

Mr. Blake asked Dr. Paino if he would comment on the impact on student housing fees with the action before the board today versus if no action was taken. Dr. Paino responded that one of the troubling aspects is that the current debt service is escalating and over the course of this next decade, it escalates considerably. It has put the UMWF in a position where they have to do, minimally, a 3% annual increase in housing fees on this particular housing. They have been trying to hold the overall cost of attendance at UMW steady. What they are experiencing right now is a fairly significant gap in the cost of living in the housing to be acquired from the UMWF verses the cost of living in the University's owned residence halls. The acquisition of the UMWF owned housing will allow the University to take more control over the pricing of the housing units and not have to pass that cost to the students, which is of great concern to him and the board.

Ms. Calliott asked about the current relationship between the Board of Visitors of UMW and the Board of the UMWF and how that impacts the operations of the UMW. Dr. Paino responded that the relationship is not great between the two entities. He explained that the Board of Visitors transitions quicker than the UMWF Board members so the current Board of Visitors where not around when any of these dealings were made back in 2008 – 2009. Many, not all, of the Foundation Board were there at the time of the initial financing and are still there presently, including the leadership of the UMWF. Over the course of the last few years when his concern about the risk the current situation with the UMWF posed to the UMW hit a certain level, he felt that it was his responsibility to bring his boards into the loop and he tried to bring them together.

Mr. Von Moll stated that he understands the rock and the hard place aspect of this and extending the maturity is highly unusual and asked if Dr. Paino could give the board some idea of the extent to which VCBA financing is giving UMW some breathing room. Dr. Paino responded, if you look out into the future, especially as it relates to that escalating debt service, he does not think the current situation is sustainable. He projected, a probable default would occur somewhere around mid-decade. The UMW entered into a support agreement with the UMWF that requires them to reach 95% occupancy in the UMWF housing, requires a 1.2x debt coverage ratio and contains an escalating debt service component. Dr. Paino said that the changing demographics of higher education, the pricing model, financial needs of the students, and the impact of trying to redirect students into student housing at ever escalating cost that are already considered to be fairly high cost, was just not sustainable. He thinks what this VCBA financing does is creates a little more self-sufficiency on the part of the UMW in creating a financial model that will allow them to manage the debt service. Dr. Paino then stated that Sean Ekiert with Raymond James can tell the VCBA exactly how much they will be saving in the form of debt service over the course of the next decade. He concluded by saying this helps them in the immediate term and puts them on a more sustainable path over the next decade and into the future.

Mr. Dane had a couple questions and stated the first question was for Ms. Ganeriwala. He asked if the unwinding of the swap was being included in the bond issue. The response was yes. He then asked, when the advisor came up with the 40 year amortization, were they trying to back into a different type of debt service for like a maintenance reserve that was put in place. Dr. Paino asked Mr. Ekiert if he would respond to Mr. Dane's question. Mr. Ekiert responded that what they have been solving for in trying to determine the debt service for this financing going forward has been to identify a level that will be sustainable and payable for the net income of these projects based upon how they have been performing in the several years prior to the impact of Covid. Assuming UMW will get back to normal campus life in the future, they were looking for an annual debt service schedule that could be pulled from the project revenues without the need to have to increase the student-housing fee. Based on the structure that is proposed, annual debt service will be at a level that would be payable from project revenues, about $4.5 million per year. In order to achieve that, it was necessary to extend the debt out 10 years beyond the maturity of the existing UMWF debt. Mr. Dane asked if there was a maintenance reserve in place. Is there any allocation from the debt service savings towards that? Mr. Ekiert responded that there is an existing debt service reserve in place in the UMWF financing structure that would be applied to reduce the amount of new debt that needs to be issued. There is also an existing maintenance reserve associated with these facilities and would be a subject of negotiation in determining the final terms for the acquisition of the facilities from the UMWF and the agreement of the bank to the release of the collateral. Moving forward, each of these facilities will be part of the UMW's overall student housing enterprise and they would not have their own separate maintenance reserve bucket. Maintenance would be covered by the University's overall student housing auxiliary enterprise. Mr. Dane then asked if Bank of America was the swap provider and the underwriter. Mr. Ekiert responded that was correct. Mr. Dane then asked if the bank would consider a substitution of collateral on the swap as opposed to an unwind? Mr. Ekiert responded that this has not been a topic they had considered. He is not sure that either the UMW or the UMWF has facilities that would be available for a collateral substitution.

Mr. Ramsey asked if the transaction would take the Foundation out of the management of these facilities? Dr. Paino responded yes it would.

Ms. Arnett asked if after the unwind is UMW dependent on any revenues from the UMWF either through raising money or any other type of structure. Dr. Paino responded that the Foundation manages the endowment as well as other areas of real estate holdings including these student housing facilities. The UMW receives revenue off the endowment for scholarships and other types of support. The UMWF support to the UMW outside of the endowment will be very limited after the UMW acquires these housing facilities.

Mr. Ramsey asked if there any more questions.

Ms. Calliott said she had a question for Ms. Ganeriwala. She stated that Ms. Ganeriwala said the she had received a call from the Secretary of Finance office and they have reviewed all this information. She asked if this was correct. Ms. Ganeriwala confirmed that she had conversations with Secretary Layne and he has had conversations with the Governor's office and Dr. Paino had briefed Secretary Layne directly. Ms. Ganeriwala' s understanding is, given that this is the only option to move this forward and to get them out of this bind, yes, they are supportive of this. Ms. Calliott asked if Treasury is supportive. Ms. Ganeriwala responded that based on the analysis provided by our advisors, yes, we are supportive of this. That is why we have brought this to the board.

Mr. Ramsey asked if there were any other questions.

Ms. Ganeriwala then informed that there might be a few years during which the UMW will have to put a hold on any new capital construction. It is likely that UMW will have to communicate to the UMWF that they cannot enter into swaps or any type of derivative financing on existing debt.

Mr. Scruggs from Kutak Rock, bond counsel to the Authority, then reviewed the Resolution. Following this review, Mr. Ramsey then asked if there were any other questions or comments. Hearing none, he asked if any member wanted to make a motion to approve the issuance of the bonds. Ms. Calliott moved approval of the Issuance of VCBA Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2021C. Mr. Saunders seconded and the motion was carried:

The votes were as follows:

Corynne Arnett	Yes
Peter Blake	Yes
Stephanie Calliott	Yes
John Dane	Yes
Manju Ganeriwala	Yes
Charles Mann	Yes
Jerrell Saunders	Yes
Daniel Timberlake	Yes
David Von Moll	Yes
Lane Ramsey	Yes

Motion Related to the Request for Proposal for Financial Advisor to the Authority.

Ms. English reviewed the motion for Request for Proposal for Financial Advisor to the Authority's 21st Century College and Equipment Programs. She informed the Board that the contract was awarded to Hilltop Securities Inc. on July 31, 2018 for a 3-year period beginning August 1, 2018 and the contract will expire on July 31, 2021. Ms. English explained the motion before the board will allow staff to (i) develop and issue a Request for Proposal, (ii) authorize staff to review proposals and select the firm that is most qualified and responsible and (iii) direct staff to negotiate and select one or more firms for final approval by the Board. She stated that the Request for Proposal will be issued by the end of May with responses due back by mid-June. Ms. English then asked if there were any questions.

Mr. Ramsey wanted to know what date staff anticipate needing the Board to act on the selection of the Financial Advisor. Ms. English responded prior to the expiration in June and explained that we will not call another meeting. Staff will report to the Board.

Mr. Ramsey then asked if there were questions for Ms. English. Hearing none, he asked if any member wanted to make a motion. Mr. Timberlake moved approval of the Motion Related to the Request for Proposal for Financial Advisor to the Authority. Mr. Dane seconded, and the motion was carried. The votes were as follows:

Corynne Arnett	Yes
Peter Blake	Yes
Stephanie Calliott	Yes
John Dane	Yes
Manju Ganeriwala	Yes
Charles Mann	Yes
Jerrell Saunders	Yes
Daniel Timberlake	Yes
David Von Moll	Yes
Lane Ramsey	Yes

Other Business

Mr. Rhodemyre reviewed the Final Financing Summary for the $386,710,000 VCBA Educational

Facilities Revenue Refunding Bonds (Public Higher Education Financing Program), Series 2021AB composed of $29,315,000 in Tax-Exempt bonds and $357,395,000 in Federally Taxable bonds. He informed the Board that this was the debt service relief restructuring issuance. Mr. Rhodemyre stated that the proceeds were used to (1) refund and/or restructure certain maturities of prior bonds and (ii) pay costs of issuance. He informed the Board that 126 projects were included in the restructuring and 45 projects were included in the traditional refunding for savings. Mr. Rhodemyre then stated that the bond issue priced competitively on January 13, 2021 and closed on February 9, 2021. He then reviewed the bond structure, redemption provisions and bond ratings followed by the Summary of Bids. For the Series 2021A bonds, FHN Financial Capital Markets submitted the winning bid with a TIC of 1.208364%. For the Series 2021B bonds, TD Securities (USA) LLC submitted the winning bid with a TIC of 1.729115%. The maximum aggregate All-In True Interest Cost is 3.75%. For the Series 2021A bonds, the TIC is 1.2564% and for the Series 2021B bonds, the TIC is 1.7370%. The debt service relief on refunded bonds for FY 2020 is $68,068,869 and $52,472,545 for FY 2023. The aggregate debt service difference is $5,847,195. The PV debt service difference is $22,033,016 (6.13% of refunded par)

Mr. Ramsey asked if there were any questions.

Adjournment

Having no other business to be brought before the Board, the meeting was adjourned at 3:38 p.m.

Respectfully submitted,
Leslie M. English
Assistant Secretary

/s/ Leslie M. English

Exhibits may be obtained by contacting the Department of the Treasury at (804) 225-2142.