

**VIRGINIA COLLEGE BUILDING AUTHORITY
BOARD OF COMMISSIONERS MEETING**

March 4, 2026, 3:00 p.m.

Treasury Board Conference Room
James Monroe Building
101 North 14th Street, 3rd Floor
Richmond, Virginia

Members Present: Gary Ometer, Chairman
William Clarke, Jr. Vice Chairman
Patrick Dixon
Scott Fleming
Michael Maul
Christine McIntyre
David Richardson
Craig Robinson
John Tull

Members Absent: Sharon Lawrence
Phyllis Palmiero

Others Present: George Scruggs Kutak Rock, LLP
Kevin Harber Office of the Attorney General
Jessica Minnis-McClain State Council of Higher Education (SCHEV)
Leslie English Department of the Treasury
Bradley Jones Department of the Treasury
Richard Rhodemyre Department of the Treasury
Sandra Stanley Department of the Treasury

Others Participating
by Phone: Christine Ilarina Public Resources Advisory Group
Janet Lee Public Resources Advisory Group
Angela Yungu Public Resources Advisory Group

Call to Order

Chairman Ometer called the meeting to order at 3:00 p.m.

Public Comments

Chairman Ometer asked for any public comments. No public comments were made. Scott Fleming introduced SCHEV staff member Jessica Minnis-McClain to the Board. Chairman Ometer welcomed her to the meeting.

Approval of Minutes of the October 28, 2025 Meeting

Chairman Ometer stated that there was one small correction, advising that the electronic meeting policy requires that the specific location of the member who is attending remotely be disclosed in the

minutes. He asked Leslie English if the correction has been made to the minutes. Leslie English confirmed that the correction had been made. Chairman Ometer asked if there was a motion to approve the revised minutes as presented. Patrick Dixon made the motion to approve the minutes as amended; Craig Robinson seconded the motion, and the motion was unanimously approved by all members present at the time of the vote, Michael Maul joined the meeting at 3:03p.m. at the onset of the discussion of the upcoming sale, but he was not present for the adoption of the minutes.

Chairman Ometer thanked Vice Chairman Clarke for conducting the October 28, 2025, meeting as he was unable to attend the meeting in person due to work related conflicts; however, he was able to participate in the meeting remotely.

Consideration of Issuance of Virginia College Building Authority Educational Facilities Revenue and Refunding Bonds (21st Century College and Equipment Programs), Series 2026AB

Ms. English reviewed the Preliminary Financing Summary and related documents for the proposed issuance of \$176,085,000 of VCBA Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2026A and \$262,510,000 of VCBA Educational Facilities Revenue Refunding Bonds (21st Century College and Equipment Programs), Series 2026B. The proceeds of the 2026A Bonds are being used to (i) finance approximately \$192.8 million of equipment for public institutions of higher education in the Commonwealth, and (ii) pay the cost of issuing the bonds. The proceeds of the 2026B Bonds are being used to (i) refund certain outstanding bonds or portions thereof of the Authority, and (ii) pay the cost of issuing the bonds. Issuance of the 2026B Bonds is subject to market conditions and the refunding will continue to be monitored.

Ms. English reported that the bonds will be issued under the Authority's 21st Century College and Equipment Programs and are secured by General Assembly appropriations. She noted that this issuance represents the fifty-sixth and fifty-seventh series of bonds under the program's Master Indenture of Trust. The bonds are scheduled to be priced competitively on April 21, 2026, with a delivery date of May 12, 2026. She provided an overview of the bond structure, noting that the Series 2026A Bonds will be a combination of serial bonds and term bonds amortized up to seven years maturing annually in the years 2027 through 2033. The Series 2026B Bonds will be amortized up to ten years maturing annually in the years 2027 through 2036. The Series 2026B final maturity will not exceed the original maturity of the bonds being refunded. Interest will be paid semiannually on February 1 and August 1, beginning August 1, 2026, and principal will be paid annually on February 1, beginning February 1, 2027. The bonds will not be subject to redemption prior to maturity. Anticipated ratings are Aa1 from Moody's Investors Services, Inc. and AA+ from Fitch Ratings, Inc. and Standard & Poor's. Ms. English reported True Interest Cost (TIC) estimates and savings figures. As of February 18, 2026, the estimated Aggregate All-in TIC of the two series is 2.48%. The Series 2026A new money bonds TIC is estimated at 2.39% and the Series 2026B refunding bonds TIC is estimated at 2.52%. The maximum All-in TIC incorporated in the VCBA Resolution is 3.50% for the Series 2026A Bonds and 3.50% for the Series 2026B Bonds. The Series 2026B projected total savings are \$14.2 million and the present value savings are \$12.5 million (4.34%). As of March 3, 2026, the Aggregate All-in TIC increased to 2.61%, and present value savings decreased to \$10.6 million (3.70%).

Mr. Tull asked what drives the present value savings, specifically, is the savings influenced by the rate differential of the refinancing structure. Mr. Jones explained that the savings is driven by the refunded par. The savings is based on the refunded par amount (bonds that the Authority will take out) and the refunding par amount (bonds that the Authority will issue) and the difference

determines the savings. He noted that significant shifts in the global environment over the past week have contributed to increased market uncertainty and widening rate differentials. Treasurer Richardson added that the primary driver is interest rates. He explained that, because the bonds are currently callable, the bonds are issued as Current Refunding.

Ms. English further noted that PRAG reported escalating tensions in the Middle East are contributing to increases in the MMD, rising between six to sixteen basis points for maturities from 2027 through 2036.

Leslie English introduced Janet Lee along with Christine Ilarina and Angela Yungu of Public Resources Advisory Group, VCBA's financial advisors, who joined the meeting by phone and were available to address any questions regarding the financing.

Mr. Robinson asked what contingencies are in place to pull the bond sale scheduled for April 21 if the bonds are sold competitively. Treasurer Richardson explained that the date is not a fixed commitment; if market conditions are unfavorable, the sale can be postponed. He added that this is why financial advisors are engaged—to help make financial and difficult timing decisions. If interest rate trends continue upward, it may be prudent to wait, though doing so, market conditions could worsen before they improve.

Mr. Dixon then asked whether the new money bond financing would proceed regardless. Mr. Jones and Ms. English confirmed that the VCBA has a Treasury Loan in place, and the Treasury Loan will be repaid with the bond proceeds at closing, therefore, the new money will need to move forward. Treasurer Richardson emphasized that the Treasury Loan drives the financing schedule, as it will be repaid with the bond proceeds, which allows less flexibility. He noted that the Commonwealth generally avoid issuing the new money separate from the refunding because standalone transactions are less efficient. The hope is that market conditions will allow both issuances to be financed simultaneously.

Ms. English stated that, based on PRAG's breakeven analysis, if rates rise to the 3.48% level, which is in line with the maximum TIC threshold incorporated in the Resolution of 3.5%, the present value savings would decrease to approximately \$3.3 million.

Discussion ensued.

Mr. Dixon inquired whether institutions are charged fees or interest on Treasury Loans. Mr. Jones clarified that Treasury Loans are interest-free for entities such as the VCBA and VPBA where the bonds are secured by General Assembly appropriations and when those entities intend to repay the Treasury Loan with bond proceeds.

Discussion ensued.

Janet Lee with PRAG reported that, regarding the refunding, the MMD, the benchmark for the tax-exempt index is holding steady after rising over the past few days. She noted that there is still significant uncertainty related to events in the Middle East, and PRAG will continue monitoring market conditions over the next six weeks as they prepare for the sale. She explained that they are monitoring the refunding and stated that PRAG evaluates the refunding candidates on a maturity-by-maturity basis. Currently, there are some maturities that provide stronger present-value savings, and there is flexibility, if interest rates increase, to take out the maturities from the refunding that result in negative savings. Therefore, the VCBA would only refund those maturities that generate positive savings. Under the 3.50% maximum TIC parameter included in

the Resolution and based on current rates, the estimated refunded par is approximately \$289 million. If market conditions were to remain volatile and the TIC approached the 3.50% maximum TIC parameter, the refunding amount would decrease to approximately \$164 million which results in the estimated 2% present value savings or estimated \$3.3 million in savings.

Chairman Ometer noted that one of the reasons for considering a negotiated sale is the current volatility in the market. He asked whether the Authority has evaluated pursuing a negotiated sale given these conditions and the short duration of the issuance. Treasurer Richardson responded that a negotiated sale is always taken into consideration and that the team will continue to closely monitor market conditions. He added that this resolution provides the authorization to proceed with a negotiated sale if market changes warrant such action.

Discussion ensued.

Mr. Scruggs of Kutak Rock, LLP, bond counsel to the Authority reviewed the Resolution before the Board. Mr. Scruggs reviewed the issuance parameters of Section 3 of the Resolution.

Chairman Ometer referenced paragraph 5 of the Resolution regarding the State Treasurer's authority to determine the final list of projects and asked whether any changes to the project list were anticipated. Mr. Maul stated that while changes are technically possible, none are expected, as the project list is set forth in the Appropriation Act which is law. Mr. Jones confirmed the projects are from last year's budget, and Mr. Maul noted that all revisions to that budget are final and the budget has been signed.

Chairman Ometer asked if there was a motion to adopt the Resolution as presented. Mr. Clarke made the motion; Mr. Robinson seconded the motion, and the motion was unanimously adopted by all members present.

Other Business

Consideration of a Motion to adopt VCBA Remote Meeting Policy Regarding Electronic Participation in Board Meetings

Ms. English asked the Board to consider approval of the policy governing electronic meetings. She explained that the policy outlines when the VCBA may conduct a public meeting electronically, when members may participate remotely, and the procedures that apply. Ms. English noted that the VCBA last adopted a remote meeting policy on August 6, 2025, and that an annual adoption is required under the Code. She stated that given the uncertainty of the next Board meeting date, it was determined to request the adoption of the Remote Meeting policy at this meeting. Ms. English noted that she had consulted with Kevin Harber, VCBA's representative at the Office of the Attorney General, and he recommended technical changes to the policy from the previously adopted policy. She then introduced Kevin Harber to provide an overview of the policy and brief the board on the updates. Mr. Harber reviewed the policy and highlighted updates to certain legal citations and code references. Hearing no further questions or comments, Chairman Ometer asked for a motion to approve the policy as presented. Ms. McIntyre made the motion to approve the policy; Mr. Richardson seconded the motion. The motion was unanimously approved.

Chairman Ometer reported that the VCBA received a clean audit for the fiscal year ended June 30, 2025. He then asked the Board whether there were any comments or questions regarding the VCBA's fiscal year 2025 audited financial statements or the APA's audit report, both of which were included in the Board package. No questions were raised.

Discussion ensued.

Adjournment

Having no other business to be brought before the Board, the meeting adjourned at 3:25 p.m.

Respectfully submitted,

Leslie M. English
Assistant Secretary

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

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