

**VIRGINIA RESOURCES AUTHORITY**  
**BOARD OF DIRECTORS**  
**MINUTES OF THE REGULAR MEETING**

The Board of Directors of the Virginia Resources Authority met on Tuesday, March 3, 2015, in the Virginia Resources Authority Conference Room, Bank of America Building, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

**Members Present**

James H. Spencer, III, Vice Chair  
Steve Pellei, VDH Representative  
Cherry Evans on behalf of Randall P Burdette  
Manju Ganeriwala  
Dena Frith Moore  
Thomas L. Hasty, III  
John H. Rust, Jr.  
Valerie Thomson on behalf of David K. Paylor

**Members Absent**

William G. O'Brien, Chair  
David Branscome  
Barbara McCarthy Donnellan

**Staff Present**

Stephanie L. Hamlett, Executive Director, Secretary to the Board  
Jean Bass, Director of Policy & Intergovernmental Relations  
Shawn Crumlish, Director of Debt Management  
Peter D'Alema, Director of Program Management  
Michael Cooper, Director of Administration  
Jon McCubbin, Controller  
Joseph Bergeron, Senior Financial Analyst  
Stephanie Jones, Fiscal Analyst/Compliance Officer  
Rachael Logan, Administrative Manager

**Others Present**

Arthur Anderson, McGuire Woods, Bond Counsel  
Jamie Traudt, Davenport & Company LLC

**Call to Order**

Mr. James H. Spencer, III, Vice Chair, called the meeting to order on behalf of Mr. William G. O'Brien, at 9:33 a.m.

### **Approval of Agenda**

There were no additions or deletions to the agenda.

Motion by Ms. Ganeriwala, seconded by Mr. Pelli, to approve the agenda as submitted.

Motion carried.

### **Approval of Meeting Minutes**

The Vice Chair called for approval of the minutes of the Portfolio Risk Management Committee meeting held December 9, 2014; the Board of Directors meeting held December 10, 2014; and the Strategic Planning Committee meeting held February 6, 2015.

There were no corrections to the minutes.

Motion by Mr. Hasty, seconded by Mr. Rust, that the minutes of the Portfolio Risk Management Committee meeting held December 9, 2014; the Board of Directors Meeting held December 10, 2014; and the Strategic Planning Committee meeting held February 6, 2015, be approved.

Motion carried.

### **Executive Director's Report**

Ms. Stephanie L. Hamlett, Executive Director, Secretary to the Board, stated that a copy of her report has been distributed to the Board; therefore, she will call their attention to just a few items. She began by stating that Mr. Thomas L. Hasty, III was reappointed and confirmed as a member of the VRA Board of Directors.

Ms. Hamlett continued that VRA proposed legislation providing clarity regarding its ability to provide financing to localities for economic development projects was withdrawn at VRA's request. She said the bill was referred to the Appropriations Committee even though it did not have any fiscal impact and was not, as is the usual case, referred to a sub-committee for consideration. Instead, there appeared to be a misunderstanding of its intent although an attempt was made to work with Appropriations' staff, the misunderstanding could not be resolved. She and the VRA Chair will meet with the Vice Chair of the Appropriations Committee to determine if it will be beneficial to VRA to submit the bill next year.

Ms. Hamlett asked Mr. Shawn Crumlish, Director of Debt Management, to report on House Bill 18 pertaining to the Virginia Transportation Infrastructure Bank (VTIB). Mr. Crumlish stated that the bill directs interest earnings on bonds received by the existing Toll Road Revolving Fund and held by the Commonwealth Transportation Board (CTB) to now fund VTIB. In addition, the legislation eliminated the option of offering grants through the VTIB program. This change gives the CTB more flexibility in determining the types of projects to be funded through VTIB.

Mr. Joseph Bergeron, Senior Financial Analyst, continued the discussion on VTIB, explaining that an application was received for the City of Alexandria to construct the Potomac Metro Station. Staff worked with the city to devise a repayment plan which was subsequently approved by the VTIB Advisory Panel in January. The \$50 million loan is secured by special tax assessments on two thirds of the property with a 30-year term. Mr. Bergeron continued that the repayment plan includes a condition that requires any forthcoming revenue streams be used to reduce the amount of time for repayment of the loan. An additional condition is a moral obligation pledge of the City of Alexandria that will be in place until the City is generating enough revenue from specific revenue streams.

### **Committee Reports**

#### **Strategic Planning Committee**

Mr. John H. Rust, Jr., Chair, stated that the Committee in conjunction with staff and the Virginia Commonwealth University Performance Management Group (VCU-PMG), has completed a Strategic Plan for consideration by the Full Board. He shared the process for developing the Plan.

Mr. Rust stated the Mission, “VRA, working with its state agency partners, provides Virginia localities access to cost-effective, sustainable, and innovative financial solutions for projects that support vibrant and healthy Virginia communities.” The Vision statement reads, “To enhance the quality of life for the Commonwealth’s citizens through the projects VRA finances with Virginia’s localities and state agencies.” He continued that considerable discussion transpired relative to where VRA values lay and he elaborated on the following, “Customer Service, Collaboration, Consistency, Commitment and Creativity”. Mr. Rust stated that considerable time was spent on developing the five year goals as follows: 1) Enhance outreach; 2) Continue quality underwriting and monitoring; 3) Optimize technology and information systems; 4) Assure financial sustainability; and 5) Maintain qualified staff. He summarized objectives associated with each of the goals. In addition, Mr. Rust noted that the plan includes the projects eligible for VRA financing in 18 distinct areas.

Mr. Rust stated that staff will be working with PMG to establish an Action Plan for measuring the success of the goals and objectives. It is the intent that the Action Plan be shared with the Strategic Planning Committee before the Board’s June meeting.

Mr. Rust concluded that the Strategic Plan is a living document that should be reviewed and updated regularly as it will be publicly available and on the website. He stated that the Strategic Planning Committee recommends that the Strategic Plan be approved.

Motion by Mr. Rust, seconded by Ms. Ganeriwala, that the Strategic Plan be approved.

Motion carried.

**Personnel Committee**

Mr. Thomas L. Hasty, III, indicated it is necessary to go into closed session after consideration of the Policy Governing Electronic Participation in Meetings.

Policy Governing Electronic Participation in Meetings: Ms. Hamlett explained that the Freedom of Information Act now permits a member of the Board to call in for a meeting if they have an emergency or personal matter. She stated, however, that the Board must have a policy in place before allowing participation in the meeting through electronic means. Further, the member is limited to calling in only 25% of the time. This means that a Board member can take advantage of the call in only once a year because VRA has only four meetings a year.

Ms. Hamlett continued that the Policy will apply to Committee meetings, as well, particularly the Portfolio Risk Management Committee as it meets more frequently than other Committees.

Mr. Michael Cooper, Director of Administration, provided copies of the policy, as amended, changing the numbering in the Policy as discussed at the Personnel Committee meeting.

In response to Ms. Ganeriwala and Mr. Rust, Ms. Hamlett explained that this policy allows Board members to vote and participate in conversations of the Board and that a quorum is required at the physical location of the meeting.

Motion by Mr. Hasty, seconded by Ms. Ganeriwala, that the Policy Governing Electronic Participation in Meetings be approved.

The motion carried.

Closed Session: Mr. Hasty called for a motion to convene in closed session.

Motion by Mr. Rust, seconded by Ms. Moore, that the Directors of the Virginia Resources Authority, convene in closed session pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, for the purpose of discussion and consideration of the performance and compensation of specific public officers, employees or appointees.

Motion carried.

The closed session convened at 10:03 a.m.

Open Session: The open session reconvened at 10:14 a.m. The Executive Director read the following resolution.

**Resolution Certifying Closed Session in Accordance with Virginia Law**

Whereas, the Board of Directors of the Virginia Resources Authority has on the date of this resolution recessed in to closed session pursuant to a motion made and adopted in accordance with the Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed session was conducted in accordance with Virginia law;

Now, therefore, be it resolved that the Board does hereby certify that, to the best of each member's knowledge, only the public business matters that were identified in the motion by which closed session was convened, and that were lawfully exempted by the Freedom of Information Act from the Act's open meeting requirements, were heard, discussed or considered by the Board during the closed session.

Motion by Ms. Ganeriwala, seconded by Mr. Pellei, that the above-stated resolution certifying closed session, be approved.

A roll call vote on the motion resulted as follows:

Ayes: Ms. Evans, Ms. Ganeriwala, Ms. Moore, Mr. Pellei, Mr. Rust, Ms. Thomson, Mr. Spencer and Mr. Hasty.

Nays: None.

Absent during Vote: Mr. Branscome, Ms. Donnellan, and Mr. O'Brien.

Absent during meeting: Mr. Branscome, Ms. Donnellan, and Mr. O'Brien.

Mr. Hasty offered the following motion based on the discussion in closed session.

Motion by Mr. Hasty, seconded by Ms. Moore, that the position of Director of Administration be reclassified with additional responsibilities as Director of Administration and Operations with an upward salary adjustment/bonus to be made effective March 1, 2015 commensurate with start date of the new responsibilities. Additionally, the Controller salary shall be adjusted so that the positions are level effective the same date.

Further, that the Organizational Chart presented reflecting the current divisions be approved and delegate to the Executive Director the authority to make title adjustments to each division directors title, hire directors upon vacancies and to determine and hire the appropriate positions under the director level provided that at all times there is compliance with the Board approved full time employees (FTEs) and the budget established by the Board.

As reflected in VRA policy, staff is at-will and employment decisions are within the discretion of the Executive Director.

Motion carried.

#### **Portfolio Risk Management Committee**

Ms. Dena Frith Moore, Chair, asked Mr. Peter D'Alema, Director of Program Management, to provide an update, noting that action will be required on the Virginia Airport Loan Fund (VARF).

2015A (VPFP): Mr. D'Alema provided an update on the 2015A Virginia Pooled Financing Program (VPFP). He stated that applications were received from 11 local governments for the 2015A Virginia Pooled Financing Program (VPFP) in over \$125 million in requested proceeds. The requests cover six of VRA's authorized project areas. Due diligence calls have been completed; no applications require PRMC or Board approval; and up to 10 existing VRA borrowers are seeking to refund prior VPFP debt for debt service savings. Mr. D'Alema shared a chart of the active applicant list highlighting the requested proceeds, project areas and description, and anticipated security. He stated that Maury Service Authority has been moved to the Summer Pool and replaced with the City of Waynesboro. There is a good mix of General Obligation Revenue, and Lease Revenue pledges. Requested proceeds will be in the \$125-150 million range. The largest borrowers include four individual new exposure loan requests in excess of \$10 million and all meet VRA's lease revenue and/or tax supported underwriting guidelines. These are Frederick County, Louisa County, the City of Manassas Park and the City of Waynesboro. Mr. D'Alema elaborated on the details of the projects to be funded by the four localities noting that they all are strong credits.

Mr. D'Alema concluded with the financing calendar noting that credit analysis and underwriting of borrower applications will be completed by March 20, 2015, bond pricing is anticipated for May 13, 2015, and pre-closing and closing on May 27-28, 2015.

2015B VPFP: Mr. Peter D'Alema, Director of Program Management, stated that a Summer Virginia Pooled Financing Program (VPFP) bond issue will be offered in 2015. Mr. D'Alema stated at this time, six localities have expressed interest in participating in the summer transaction for both new money and refunding needs. He noted that interest rates continue to offer more refunding opportunities to localities and the summer schedule often fits well with new money construction schedules.

Mr. D'Alema shared the proposed financing calendar, explaining that the deadline for applications is May 1, 2015, the anticipated bond pricing is July 28, 2015, with the pre-closing and closing anticipated for August 11-12, 2015.

VARF Bond Redemption: Mr. Peter D'Alema, Director of Program Management, explained that VRA has worked with Davenport and Company over the last six months to review the existing Virginia Airport Revolving Fund (VARF) bonds outstanding. Based on current market rates, certain VARF bonds issued in the 2002, 2004 and 2005 series are showing debt service savings that could be passed on to local airport borrowers. All series are callable in 2015.

Mr. D'Alema continued that three options were analyzed regarding the bonds. The first option, status quo, does not take advantage of current low market interest rates nor does it provide debt service savings to existing airport borrowers. The second option is based on market rates as of the end of 2014 where the existing VARF bonds could be refunded and provide net present value savings that can be passed along to borrowers through interest rate deductions. The redemption option would use VARF equity to redeem Series 2002, 2004, and 2005 VARF bonds. Under this

option local borrower rates could be reduced and underlying local loans could be turned into direct loan investments of the VARF program.

Mr. D'Alema stated that staff is recommending the use of existing VARF program equity to redeem the VARF Series 2002B, 2002C, 2004 and 2005 bonds. Under this scenario, debt service savings can be passed on to seven different airport borrowers through reduced interest rates on nine loans. In addition, program equity would increase in the long-term and minimum annual program equity would exceed the average annual demand and maximum annual demand from FY2010 to FY2015.

Mr. D'Alema stated that the Virginia Aviation Board accepted VRA's recommendation and authorized the use of existing VARF program equity to redeem existing VARF 2002, 2004 and 2005 bonds subject to the VRA Board approval.

Motion by Ms. Moore, seconded by Ms. Ganeriwala, that redemption of the existing VARF 2002, 2004, and 2005 bonds using existing VARF equity, be approved.

Motion carried.

CWSRF Refunding: Mr. Shawn Crumlish, Director of Debt Management, provided an overview of the Clean Water State Revolving Fund (CWSRF) Series 2015 proposed refunding. He continued that VRA is considering refunding callable maturities of the CWSRF Series 2009. These bonds show potential savings for \$122,820,000 refunded par as of February 10, 2015. A 5% net present value savings is anticipated that is above the 3% threshold the Board approved in June 2014. The 2014 Board authorization will be used for this refunding. The intention is to pass the savings on to the 10 program participants with a total of 12 loans funded from the 2009 Clean Water Bonds, subject to the Department of Environmental Quality (DEQ) consent.

Mr. Crumlish concluded that the negotiated sale of the bonds is anticipated for March 31, 2015, with pre-closing and closing being April 13-14, 2015.

Loan Monitoring & Compliance Annual Report: Ms. Moore stated that Ms. Stephanie Jones, Fiscal Analyst/Compliance Officer, provided the Committee with an extensive update on the database. Ms. Moore continued that the database is reviewed by program and by red, green and yellow risk borrowers. There was overall improvement for all of the programs, with the red risk borrowers decreasing by 1.4%, and the combined green and yellow risk categories increasing by 3.3%. Ms. Moore concluded that the review is 15 months lagged behind on the data because of the time it takes to obtain information from the localities. Therefore, information provided in the report is based on 2013 data.

Municipalities Continuing Disclosure Corporation (MCDC): Mr. Peter D'Alema, Director of Program Management, stated that staff anticipated presenting the proposed MCDC Initiative Disclosure Policy to the Committee this month. However, staff decided to postpone a request to adopt the proposed MCDC Initiative Disclosure Policy in June in light of the fact that it may be necessary to incorporate specifics from the Securities Exchange Commission (SEC) in the Policy. There will be a MCDC Sub-committee meeting in June 2015 at which time the

Committee will decide whether the policy should be adopted and amended once VRA has been contacted by the SEC or hold off on approval until the SEC has contacted VRA.

**Old Business**

There was no old business.

**New Business**

There was no new business.

**Public Comment Period**

There was no public comment.

**Adjournment**

Prior to adjournment, Vice Chair Spencer stated that the new location for Board and Committee meetings works well. He further stated that Committee work is one of the biggest assets, other than VRA staff, as it expedites the Board meetings.

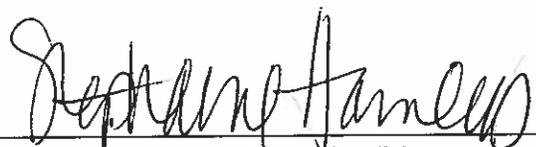
There being no further business to come before the Committee, the meeting was ordered adjourned at 10:38 a.m.

The next meeting of the Board will be held on June 2, 2015.



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James Spencer, III, Vice Chair



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Stephanie Hamlett, Executive Director  
Secretary to the Board

**VIRGINIA RESOURCES AUTHORITY**  
**PORTFOLIO RISK MANAGEMENT COMMITTEE**

**MINUTES OF THE REGULAR MEETING**

The Portfolio Risk Management Committee met on Monday, March 2, 2015, in the Virginia Resources Authority Conference Room, Bank of America Building, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

**Committee Members Present**

Dena Frith Moore, Chair

Manju Ganeriwala

Thomas L. Hasty, III

John H. Rust, Jr.

**Committee Members Absent**

David Branscome

William G. O'Brien, Ex Officio

**Other Board Members Present**

Howard Eckstein on behalf of John Aulbach

**Staff**

Stephanie L. Hamlett, Executive Director, Secretary to the Board

Jean Bass, Director of Policy & Intergovernmental Relations

Michael Cooper, Director of Administration

Shawn Crumlish, Director of Debt Management

Peter D'Alema, Director of Program Management

Jon McCubbin, Controller

Stephanie Jones, Fiscal Analyst/Compliance Officer

Rachael Logan, Administrative Manager

**Others**

Arthur Anderson, McGuire Woods

Jamie Traudt, Davenport & Company LLC

**Call to Order**

The meeting was called to order by Ms. Dena Frith Moore, Chair, at 3:00 p.m.

**Approval of Agenda**

There were no corrections or additions to the agenda.

Motion by Mr. Rust, seconded by Mr. Hasty, that the agenda be approved as submitted.

Motion carried.

### **Portfolio Risk Management Staff Update**

#### 2015A VPF

Mr. Peter D'Alema, Director of Program Management, stated that applications were received from 11 governments for the 2015A Virginia Pooled Financing Program (VPFP). The requests, he said, cover six of VRA's authorized project areas. Due diligence calls have been completed; no applications require PRMC or Board approval; and up to 10 existing VRA borrowers are seeking to refund prior VPFP debt for debt service savings. There is a good mix of General Obligation, Revenue, and Lease Revenue pledges with three loans having taxable components. Requested proceeds will be in the \$125-\$150 million range. Mr. D'Alema elaborated on the details of the projects to be funded by the four largest new exposure requests of the Spring 2015 VPFP applicants.

Mr. D'Alema concluded with the financing calendar noting that credit analysis and underwriting of borrower applications will be completed by March 20, 2015, bond pricing is anticipated for May 13, 2015, and pre-closing and closing on May 27-28, 2015.

#### 2015B VPF

Mr. Peter D'Alema, Director of Program Management, stated that the 2012-2014 Summer Virginia Pooled Financing Program (VPFP) transactions were successful. A summer bond issue will be offered in 2015 with six localities already expressing interest in participating in the summer transaction for both new money and refunding needs. He noted that interest rates continue to offer more refunding opportunities to localities and the summer schedule often fits well with new money construction schedules. Mr. D'Alema stated that one of the largest borrowers anticipated in the Summer Pool is Hanover County. He explained that Hanover County was included in the spring 2014 VPFP through a special revenue pledge loan for its courthouse project. Hanover County is looking to include the second half of the project in the summer pool.

Mr. D'Alema discussed the proposed financing calendar, explaining that the deadline for applications is May 1, 2015, the anticipated bond pricing is July 28, 2015 with the pre-closing and closing anticipated for August 11-12, 2015.

In response to the Committee, Mr. Jamie Traudt, Davenport and Company, stated that VRA has not done a summer issuance for less than \$25 million. Mr. D'Alema stated that as long as the locality is willing to take on the risk and cost associated with the issuance VRA is willing to work with the locality through a summer or off-cycle issuance of the VPFP.

### VARF Bond Redemption

Mr. Peter D'Alema, Director of Program Management, explained that VRA has worked with Davenport and Company over the last six months to review the existing Virginia Airport Revolving Fund (VARF) bonds outstanding. Based on current market rates, certain VARF bonds issued in the 2002, 2004 and 2005 series are showing debt service savings that could be passed on to local airport borrowers. All series are callable in 2015.

Mr. D'Alema continued that three options were analyzed regarding the bonds. The first option is status quo which does not take advantage of current low market interest rates nor provide debt service savings to existing airport borrowers. The second option is based on market rates as of the end of 2014 where the existing VARF bonds could be refunded and provide net present value debt service savings that can be passed along to borrowers through interest rate deductions. The redemption option would use VARF equity to redeem Series 2002, 2004, and 2005 VARF bonds. Under this option local borrower rates could be reduced and underlying local loans could be turned into direct loan investments of the VARF program.

In response to the Committee, Mr. D'Alema elaborated on the VARF program equity redemption option. He proceeded to share the historic VARF demand stating that there has not been significant demand for the program since 2007. Currently, there are no pending applications. Mr. D'Alema stated that staff is recommending the use of existing VARF program equity to redeem the VARF Series 2002B, 2002C, 2004 and 2005 bonds. Under this scenario debt service savings can be passed on to seven different airport borrowers through reduced interest rates on nine loans. In addition, program equity would increase in the long term and minimum annual program equity would exceed the average annual demand and maximum annual demand from FY2010 to FY2015.

There was discussion relative to interest rates for a refunding versus a redemption. Mr. D'Alema stated that the Virginia Aviation Board accepted VRA's recommendation and authorized the use of existing VARF program equity to redeem existing VARF 2002, 2004 and 2005 bonds subject to the VRA Board approval. Local airport borrower loan rates would be reduced based on market rates at the time of VARF bond redemption.

Motion by Mr. Rust, seconded by Mr. Hasty, that the Committee recommend to the Full Board approval of redemption of the VARF existing VARF 2002, 2004, and 2005 bonds using existing VARF equity.

Motion carried.

### CWSRF Refunding

Mr. Shawn Crumlish, Director of Debt Management, provided an overview of the Clean Water State Revolving Fund (CWSRF) Series 2015 proposed refunding. He noted that VRA and Davenport & Company have been monitoring callable maturities of the CWSRF Series 2009 since January 2015. A 5% net present value savings is anticipated that is above the 3% threshold the Board approved in June 2014. The 2014 Board authorization will be used for this refunding. The intention is to pass the savings on to the 10 program participants with a total of 13 loans funded from the 2009 Clean Water Bonds, subject to the Department of Environmental Quality consent. He noted that there will be at least a 50 basis point savings for each participant.

Mr. Crumlish concluded by discussing the calendar for the bond issuance, noting that the program is rated by all three rating agencies and AAA ratings are expected. The negotiated sale of the bonds is anticipated for March 31, 2015 with pre-closing and closing being April 13-14, 2015.

In response to Ms. Ganeriwala, Mr. Crumlish stated that the refunding will be an advanced refunding with a four year escrow.

### Municipalities Continuing Disclosure Corporation (MCDC)

Mr. Peter D'Alema, Director of Program Management, stated that staff anticipated presenting the proposed MCDC Initiative Disclosure Policy to the Committee in June. However, staff decided to postpone a request to adopt the proposed MCDC Initiative Disclosure Policy in June in light of the fact that it may be necessary to incorporate specifics from the Securities Exchange Commission (SEC) in the Policy.

Mr. Rust stated that in view of the fact that it is uncertain when information will be received from the SEC, staff should consider having the policy in place by the end of 2015 whether the SEC information is received or not. Mr. D'Alema added that the draft policy will be considered a working document.

### **Loan Monitoring & Compliance Update**

Ms. Jones discussed the risk categories of each program within VRA's portfolio beginning with the Clean Water Revolving Loan Fund Program (CWRLF), noting that it is predominately in the green risk category. The Drinking Water Revolving Loan Fund Program (DWRLF) was the only Revolving Fund to have an increase in portfolio balance outstanding in FY2013. Overall, she said, the red risk category decreased. She also noted that the Virginia Airport Revolving Fund Program (VARF) is very strong and, in the past four years, has been predominately within the

green category. In FY2013 there was only one borrower in the red risk category, the Winchester Airport Commission. VRA staff has been working with this Commission to develop a stronger financial path.

In response to Ms. Moore, Ms. Jones stated that the trend analysis chart shows the actual dollars outstanding for each program and is not necessarily the trend of the percentages. Ms. Moore suggested that a chart be added showing the percentage trend analysis for each portfolio program.

Ms. Jones continued with the Virginia Pooled Financing Program (VPFP) which had a very good year in FY2013. The green and yellow categories increased and the red category decreased. The Pool increased its balance outstanding in FY2013, and there was a large uptick in volume predominately distributed between green and yellow. The Pooled Loan Bond Program, which preceded the VPFP, continues to have its borrowers refunding into the VPFP. Its balance outstanding declined between FY2012 and FY2013.

Ms. Jones discussed the four Stand Alone Issuances, three of which have refunded. The one remaining, Goochland County Tuckahoe Creek Service District, is rated red. Continuing, Ms. Jones stated that no more loans are being issued in the Equipment and Term Financing Program and each of the risk categories declined as the loans were paid off.

She stated the overall VRA portfolio has seen increases in green and yellow categories and decreases in the red risk category. The overall portfolio is driven by the Pooled and Clean Water programs, the two largest programs in the portfolio.

Ms. Jones proceeded to review borrowers new to VRA across all programs. She stated that there are seven new borrowers in the Drinking Water program, nine new borrowers in the Clean Water program, and 11 new borrowers in the Pooled program. City borrowers continue to improve; County borrowers are 78% green which is a greater percentage green than that of the cities. Town borrowers had a slight improvement, with some yellow moving to green and red remaining almost the same. Authority borrowers have been very strong over the past three years, with 75% green in FY2013. Non-governmental borrowers show a 70% red risk category. However, non-governmental borrowers are less than one percent of the total portfolio and are only in the Clean Water and Drinking Water portfolios.

Mr. Hasty asked about the status of the Southeastern Public Service Authority (SPSA).

Ms. Jones explained that SPSA was upgraded from the red to the yellow category and is doing well since the restructuring of the organization including the sale of the waste-to-energy facility. The waste-to-energy facility sale led to the large decline in SPSA's balance outstanding. The VRA debt will be paid off in 2017.

Mr. Hasty asked that there be a discussion relative to debt service at a future meeting.

Ms. Moore thanked Ms. Jones for the thorough update.

**Old Business**

There was no old business.

**New Business**

There was no new business.

**Public Comment Period**

There was no one from the public to be heard.

**Adjournment**

There being no further business to come before the Committee, the meeting adjourned at 4:15 p.m.

The next meeting of the Committee will be held on June 1, 2015.



Dena Frith Moore, Chair



Stephanie Hamlett, Executive Director  
Secretary to the Board

**VIRGINIA RESOURCES AUTHORITY**

**PERSONNEL COMMITTEE  
MINUTES OF THE REGULAR MEETING**

The Personnel Committee of the Virginia Resources Authority met on Monday, March 2, 2015, in the Virginia Resources Authority Board Room, Bank of America Building, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

**COMMITTEE MEMBERS PRESENT:**

Thomas L. Hasty, III, Chair  
Cherry Evans on behalf of Randall P Burdette  
Valerie Thomson on behalf of David K. Paylor

**COMMITTEE MEMBERS ABSENT:**

Barbara McCarthy Donnellan  
William G. O'Brien, Ex Officio

**OTHER COMMITTEE MEMBERS PRESENT:**

None.

**STAFF:**

Stephanie Hamlett, Executive Director, Secretary to the Board  
Jean Bass, Director of Policy & Intergovernmental Relations  
Michael Cooper, Director of Administration  
Peter D'Alema, Director of Program Management  
Jon McCubbin, Controller  
Rachael Logan, Fiscal & Administrative Specialist

**OTHERS:**

None.

**Call to Order**

The meeting was called to order by Mr. Thomas L. Hasty, III, Chair, at 2:06 p.m.

**Approval of Agenda**

Motion by Ms. Evans, seconded by Ms. Thomson, to approve the agenda.

Motion carried

**Old Business**

There was no old business.

## **New Business**

### **Policy on Electronic Participation in Meetings**

Mr. Michael Cooper, Director of Administration, provided an overview on the proposed policy governing electronic participation in meetings. He explained that under certain circumstances, Virginia law permits members to participate in meetings through electronic means such as telephone and video conferencing. However, to do so, requires that a written policy governing electronic participation be adopted. The rules apply to both Board meetings and Committee meetings. The proposed policy, he said, is similar to the policy currently used in Arlington, Virginia which was shared with VRA staff by Board member Barbara Donnellan. Mr. Cooper said the proposed policy requires the member to notify the Chair on or before the day of the meeting, identifying the nature of the absence and the remote location from which the member will be participating. The request must be recorded in the minutes. In the case of VRA Board members, remote participation, he said, will be allowed only once a year per member provided VRA has four meetings per calendar year. A quorum must be physically assembled at the location of the meeting and the voice of the participant must be heard by all attending the meeting.

Discussion continued regarding the proposed policy. Motion by Ms. Thomson, seconded by Ms. Evans, to recommend to the Full Board approval of the Policy Governing Electronic Participation in Meetings, as amended.

Motion carried.

## **Closed Session**

Mr. Hasty stated that a closed session is needed to discuss a personnel matter.

Motion by Ms. Evans, seconded by Ms. Thomson, that the Personnel Committee of the Virginia Resources Authority, convene in closed session pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, for the purpose of discussion and consideration of the performance and compensation of specific public officers, employees or appointees.

Motion carried.

The Closed Session convened at 2:20 p.m.

## **Open Session**

The Open Session reconvened at 2:28 p.m. The Executive Director read the following:

**Resolution Certifying Closed Session in Accordance with Virginia Law**

Whereas, the Personnel Committee of the Virginia Resources Authority has on the date of this resolution recessed in to closed session pursuant to a motion made and adopted in accordance with the Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by the Committee that such closed session was conducted in accordance with Virginia law;

Now, therefore, be it resolved that the Committee does hereby certify that, to the best of each member's knowledge, only the public business matters that were identified in the motion by which closed session was convened, and that were lawfully exempted by the Freedom of Information Act from the Act's open meeting requirements, were heard, discussed or considered by the Committee during the closed session.

Motion by Ms. Thomson, seconded by Ms. Evans, that the above-stated resolution be approved.

A roll call vote on the motion resulted as follows:

Ayes: Ms. Evans, Ms. Thomson, and Mr. Hasty.

Nays: None.

Absent during Vote: Ms. Donnellan and Mr. O'Brien.

Absent during meeting: Ms. Donnellan and Mr. O'Brien.

**Public Comment Period**

There was no public comment.

**Adjournment**

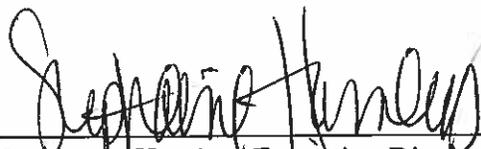
Motion by Ms. Thomson, seconded by Ms. Evans, that the meeting be adjourned.

Motion carried.

The meeting adjourned at 2:40 p.m.



Thomas L. Hasty, III, Chair



Stephanie Hamlett, Executive Director  
Secretary to the Board