

**VIRGINIA RESOURCES AUTHORITY  
PERSONNEL COMMITTEE  
MINUTES OF THE REGULAR MEETING  
HELD MARCH 12, 2018**

The Personnel Committee of the Virginia Resources Authority met on Monday, March 12, 2018, in the Virginia Resources Authority Board Room, Bank of America Building, 19<sup>th</sup> Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Committee members were present and acting throughout the meeting: Mr. Reginald E. Gordon, Ms. Jennifer Bowles, Mr. Cecil R. Harris, Jr., Mr. Thomas L. Hasty, III, and Ms. Valerie Thomson on behalf of Mr. David K. Paylor. No Committee members were absent. Other Board members present included: Ms. Barbara McCarthy Donnellan and Mr. David Branscome. Staff present were Ms. Stephanie L. Hamlett, Ms. Jean Bass, Mr. Peter D'Alema, Ms. Catherine O'Brien, and Mr. Curtis Doughtie.

Mr. Gordon served as Chairman of the meeting and Ms. Hamlett as Secretary.

The meeting was called to order by Mr. Gordon at 12:58 p.m. Mr. Gordon gave brief remarks welcoming back Ms. Hamlett as Executive Director.

**Approval of Agenda**

The Committee meeting began with the approval of the agenda. There were no additions or deletions to the minutes. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Committee members noted above as being present, the agenda was approved.

**Closed Session**

Mr. Gordon called for a motion to convene in closed session to discuss a personnel matter. Motion by Mr. Hasty, seconded by Mr. Branscome, to go into closed session in accordance with Section 2.2-3711(A)(1) of the Code of Virginia, as amended, for purposes of discussion and consideration of the performance, compensation, promotion and resignation of specific public officers, employees or appointees of VRA. Motion carried. The closed session convened at 1:00 p.m.

**Open Session**

The open session convened at 1:06 p.m. Mr. Doughtie, Director of Administration and Finance, read the following resolution certifying closed session.

## RESOLUTION

**WHEREAS**, the Personnel Committee of the Board of the Virginia Resources Authority (the "Committee") has on March 12, 2018 convened a closed session pursuant to an affirmative recorded vote and in accordance with the provisions of 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 meeting 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, (i) only the public business matters that were identified in the motion by which the closed session was convened and that were lawfully exempted by the Virginia Freedom of Information Act were discussed in the closed session to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed, or considered by the Committee.

Motion by Mr. Harris, seconded by Mr. Hasty, that the above-stated resolution certifying closed session be approved. A roll call vote on the motion resulted as follows. Ayes: Ms. Bowles, Mr. Harris, Mr. Hasty, Ms. Thomson, and Mr. Gordon, Chair. Nays: None. Motion carried.

### *Compensation Management Plan Update*

Mr. Doughtie updated the Committee on the implementation of the market adjustment and finalization of the compensation plan for future merit increases. VRA implemented phase one of the plan, effective January 1, 2018, which made market price adjustments and developed a pay grade structure. Phase two of the plan provides structured employee advancement within pay grades with the fiscal year 2019 budget including a one-step adjustment for all staff who meet the annual performance evaluation criteria. He stated that the June presentation to the Committee will include the impact of these implemented adjustments on VRA. The Committee then discussed how often these market adjustments and compensation plans need to be reexamined, with discussions ranging from every three to seven years. The Committee recommended to Mr. Doughtie and Staff that the compensation management plan should be reviewed every four years.

### *Retirement Health Care Update*

Mr. Doughtie discussed with the Committee VRA's desire to allow qualifying retirees to stay on VRA's health care plan. According to Mr. Doughtie, Staff examined the feasibility of providing a health care benefit to retirees and consulted with actuaries, financial advisors and health administrators regarding the potential impact to VRA. Such impact includes the recognition of OPEB liability in VRA's financial statements, actuarial evaluation every two years (costing approximately \$3,000 per evaluation), and a blended health care rate for employees and retirees. Discussions ensued regarding the proposed plan structure including: who qualifies and consequences of retiree failing to pay health care premium. Ms. Thomson

asked whether this would significantly increase VRA's liability to which Mr. Doughtie responded that advisors say this is unlikely due to the blended rate for employee and retirees. Ms. Bowles inquired as to the consequences of the retiree not paying the health premium, and the Committee agreed that quarterly advance payments or a grace period would help ensure payment of premiums. The Committee recommended to amend the resolution to give VRA more latitude. Mr. Doughtie then introduced the following two resolutions: (1) an amended resolution concerning participating by retirees not eligible for Medicare, and (2) a resolution electing to provide health insurance coverage for retirees and dependent retirees:

#### **RESOLUTION**

##### **Concerning participating by retirees not eligible for Medicare in health insurance program**

**WHEREAS** the Virginia Resources Authority (the Authority) provides all full time employees with medical health insurance through a health insurance plan "the Plan" and

**WHEREAS** the Authority has the option to provide employees retiring from the Authority with the ability to purchase health care insurance through the Authority's plan until such time as they become eligible for Medicare health coverage as determined by the federal government. At that time retiree coverage will end, and

**WHEREAS** only those employees retiring who meet the eligibility requirements retiring after 50 years of age and ten years of service with the Authority or 55 years of age and five years of service with the Authority may participate in this plan. Age and service requirements are waived if the retiring employee is documented to be disabled and

**WHEREAS** the participating former employee will pay all of the premium cost at regular intervals as determined by the Plan. Failure to timely pay the premium due may result in the immediate cancellation of the former employee's plan at the sole discretion of VRA and

**WHEREAS** the option is available only to those retiring on or after July 1, 2018, and

**WHEREAS** the Board of Directors of the Authority reserves the right to modify or discontinue health care plans and third party providers at its discretion.

**NOW THEREFORE BE IT RESOLVED** that the Virginia Resources Authority does hereby extend the option for retired employees not eligible for Medicare to purchase health care insurance coverage through the Plan.

#### **RESOLUTION**

##### **Electing to Provide Health Insurance Coverage For Retirees and Dependents of Retirees**

**WHEREAS** the Virginia Resources Authority (the Authority) is a participant in The Local Choice Health Benefits Program, and

**WHEREAS** the Authority offers health insurance to its eligible employees and their dependents, and

**WHEREAS** the Authority has in place a policy to provide coverage to retirees and their dependents not eligible for Medicare; and

**WHEREAS** the Authority does not have in place a policy to provide coverage to retirees and their dependents eligible for Medicare;

**NOW THEREFORE BE IT RESOLVED** that the Virginia Resources Authority does hereby elect to provide coverage to Medicare Eligible Retirees and their dependents effective on July 1, 2018. Our choice of Medicare Supplemental coverage is Advantage 65 with Dental/Vision.

Motion by Mr. Hasty, seconded by Mr. Branscome, that the above-stated resolutions be approved. A roll call vote on the motion resulted as follows. Ayes: Ms. Bowles, Mr. Harris, Mr. Hasty, Ms. Thomson, and Mr. Gordon, Chair. Nays: None. Motion carried.

There were no items of new business or any further business to come before the meeting. Motion by Ms. Thomson, seconded by Mr. Hasty, that the meeting be adjourned.

Motion carried, and the meeting adjourned at 1:37 p.m.



Stephanie L. Hamlett, Executive Director  
Board Secretary

APPROVED:

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Reginald E. Gordon, Chairman

2289243

**VIRGINIA RESOURCES AUTHORITY  
PORTFOLIO RISK MANAGEMENT COMMITTEE MEETING  
MINUTES OF THE REGULAR MEETING  
HELD MARCH 12, 2018**

The Portfolio Risk Management Committee of the Virginia Resources Authority met on Monday, March 12, 2018, in the Virginia Resources Authority Board Room, Bank of America Building, 19<sup>th</sup> Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Committee members were present and acting throughout the meeting: Ms. Barbara McCarthy Donnellan, Mr. David Branscome, Ms. Janet Aylor on behalf of Manju Ganeriwala, Ms. Valerie Thomson on behalf of David K. Paylor, and Mr. Thomas L. Hasty, III. No Committee members were absent. Other Board members present included: Mr. Cecil R. Harris and Ms. Jennifer Bowles. Also present was Mr. Bradley Jones of the Department of Treasury, Mr. Howard Epstein of the Virginia Department of Health, Mr. Arthur Anderson of McGuireWoods, Mr. Ty Wellford and Mr. Mitchell Crowder of Davenport & Company, and the Department of Treasury's intern, Mr. Nathan Conquest. Staff present included: Ms. Stephanie L. Hamlett, Ms. Jean Bass, Mr. Peter D'Alema, Mr. Shawn B. Crumlish, Mr. Curtis Doughtie, Ms. Kimberly S. Adams, Ms. Stephanie Jones, Ms. Catherine O'Brien, and Mr. Jonathan Farmer.

Ms. Donnellan served as Chair of the meeting, and Ms. Hamlett as Secretary.

The Chair called the meeting to order at 2:01 p.m. and asked if there were any additions or deletions to the minutes to which there were none.

The Committee meeting began with a brief overview by Mr. D'Alema of the various VRA programs. Mr. D'Alema updated the Committee on the Virginia Pooled Financing Program 2018A bond issue and plans of VRA to offer a Virginia Pooled Financing Program 2018B bond issue in the Summer. Though 11 applications were received for spring pool consideration according to Mr. D'Alema, the VPFP 2018A bond issue has 5 active applications anticipated to move forward, approximately \$105 million in requested bond proceeds, and all loan requests meet existing underwriting guidelines. Mr. D'Alema stated that there were four individual loan requests in excess of \$10 million, with the Northern Virginia Transportation Commission and City of Winchester being the largest loan requests. In terms of the VPFP 2018B bond issue, Mr. D'Alema reported that VRA is expected to have sufficient demand for the Summer pool. Ms. Bowles asked what amount of requested proceeds is required in the pool for VRA to make the loans, to which Mr. D'Alema responded that at least \$25 million in bond proceeds should be requested. Ms. Hamlett then added that VRA will do individual loans of a lesser amount outside of the pool or as a single borrower issuance of the VPFP if the localities cover costs of issuance.

Mr. D'Alema next provided the Committee with a brief overview of the VPFP portfolio and updates on the BVUA and Peterburg loans. According to Mr. D'Alema, about three-fourths of the portfolio has a rating of at least "A-" or "A1" from S&P and Moody's, respectively. In terms of the BVUA, VRA continues to monitor developments related to BVUA and the pending sale of the Opti-net system to Sunset Digital Communications. All federal regulatory approvals

have been received, the final sale terms are being negotiated, and the sale is scheduled to close July 2018. Importantly, BVUA continues to make its payments to VRA on its VPFP 2010C financing. Mr. D'Alema then updated the Committee on the status of the City of Petersburg, noting that Petersburg is current on its VRA debt, and VRA continues to monitor the financial distress of Petersburg. He added that the Petersburg City Council voted unanimously against the privatization of the City's water and sewer system.

Mr. D'Alema provided a brief overview of the new Tax Cuts and Jobs Act of 2017 on the municipal market and to VRA. According to Mr. D'Alema, the biggest impacts on the municipal market included the elimination of advance refunding of tax-exempt bonds, the elimination of issuance of tax credit bonds, a change in tax brackets, and a change in state and local tax deductions. In terms of the impact to VRA, there is a potential that VRA will see a reduced issuance in the remainder of fiscal year 2018 and fiscal year 2019 due to the elimination of advance refunding of tax-exempt bonds. Additionally, VRA may seek shorter call periods, underwriters may focus more on sales effort on retail buyers, and yields on bank placements may increase generating higher demand for VRA financings of new money projects. Ty Wellford, as financial advisor to VRA, added that shorter call periods will likely be the biggest change to the municipal market. The Committee did not have any questions on Mr. D'Alema's presentation.

Mr. D'Alema next presented to the Committee an overview of the VirginiaHELPS program. He stated that the program was created in order assist local government financings that may not qualify for financing under existing VRA programs. The program was created as a means of managing risk to help financially distressed localities while not increasing the risk to the Commonwealth of Virginia. Mr. D'Alema stated that VRA has not received a loan request for this program to date. Ms. Hamlett stated that this program was developed due to the former administration's concern with distressed localities and provided that this program adds value to VRA. Mr. D'Alema informed the Committee that the VRA Board has authorized the VirginiaHELPS program for fiscal year 2018 with up to \$50 million in issuance capacity, and that VRA staff will request Board approval for this program as part of the fiscal year 2019 shelf resolutions at the June 2018 meeting.

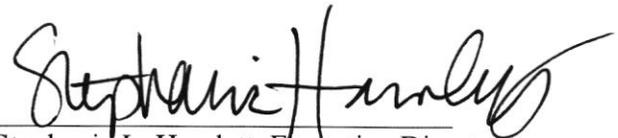
Mr. Shawn Crumlish, Director of Financial Services, gave a brief update on the Hampton Roads Sanitation District stating that HRSD provides wastewater treatment services to 18 localities totaling about 1.7 million people in the Commonwealth of Virginia. VRA's Subordinate Debt Policy requires VRA Board approval for loans not on parity with the senior obligations of a borrower. In December 2015, the VRA Board approved migrating existing VRA held senior debt to a subordinate position provided certain conditions are met. Additionally, the VRA Board approved new money loans to HRSD subject to certain parameters. Since this approval, HRSD has submitted applications totaling approximately \$90 million. After pending loans are closed and assuming no change in portfolio size, HRSD is slightly under 15% of VRA's portfolio, which gives HRSD about \$17 million in additional application capacity. He noted that this will likely come up at the June 2018 meeting. Mr. Crumlish then discussed the HRSD debt portfolio as of March 2018 and provided some credit highlights on HRSD. Mr. Crumlish concluded his presentation with a discussion on the SWIFT Project. According to Mr. Crumlish, the SWIFT Project is expected to save an estimated \$1.5 billion for localities because it will offset storm water requirements in Virginia's Watershed Implementation Plan. Mr. Crumlish expects HRSD will be

at the June 2018 meeting regarding additional projects for financing through VRA's CWRP program.

Ms. Jones, Senior Program Manager/Compliance Officer, presented to the Committee an update on loan monitoring and compliance. Ms. Jones explained that the Annual Report on Loan Monitoring and Compliance is completed and shows the status of the portfolio as of fiscal year end 2016. She then distributed a copy of the Annual Report to the Committee members. Ms. Jones next discussed with the Committee her analysis of each program offered by VRA as well as her analysis of existing borrowers. Ms. Hamlett says VRA has undertaken a new policy regarding struggling Towns incorporated in Counties and encourages Counties to help these struggling Towns.

Ms. Donnellan thanked Mr. D'Alema, Mr. Crumlish and Ms. Jones for their presentations to the Committee and asked if there were any other items to discuss.

As there were no new items of business or any further business to come before the meeting, the meeting was adjourned at 3:20 p.m.



Stephanie L. Hamlett, Executive Director  
Board Secretary

APPROVED:



Barbara McCarthy Donnellan, Chairman

2290792

**VIRGINIA RESOURCES AUTHORITY  
BOARD MEETING  
MINUTES OF THE REGULAR MEETING  
HELD MARCH 13, 2018**

The Board of Directors of the Virginia Resources Authority met on Tuesday, March 13, 2018, in the Virginia Resources Authority Board Room, Bank of America Building, 19<sup>th</sup> Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Directors were present and acting throughout the meeting: Directors Hasty, Bunting, Donnellan, Branscome, Bowles, Gordon, Harris, Flynn, Ms. Valerie Thomson on behalf of David K. Paylor, and Ms. Janet Aylor on behalf of Manju Ganeriwala. Director Levine and her designee were absent. Also present were Mr. Ty Wellford and Mr. Mitchell Crowder of Davenport & Company, and Mr. Nathan Conquest, intern with the Department of Treasury. Staff present were Ms. Hamlett, Ms. Bass, Mr. D'Alema, Mr. Doughtie, Mr. Bergeron, Ms. Jones, Ms. Adams, Mr. Panos, and Mr. Crumlish.

Mr. Hasty served as Chairman of the meeting, and Ms. Hamlett as Secretary.

The Chairman called the meeting to order at 9:00 a.m., and upon motion duly made by Mr. Branscome and seconded by Mr. Hasty, the agenda as presented was approved.

The Board considered the first item on the agenda, which was approval of minutes. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors noted above as present, the minutes of the Personnel Committee meeting on December 11, 2017, the Portfolio Risk Management Committee meeting on December 11, 2017, and a regular meeting of the Board of Directors held on December 12, 2017, were approved as previously distributed.

Mr. Hasty welcomed Ms. Hamlett back as the Executive Director of VRA. Ms. Hamlett introduced new Board member Mr. Mark K. Flynn, Director of the Virginia Department of Aviation.

Ms. Hamlett, Executive Director, presented the Executive Director's Report to the Board, and she encouraged the Board to review the report. Ms. Hamlett provided brief introductory remarks on the status of certain legislation and the Governor's Infrastructure Conference in December. Ms. Hamlett stated that the current administration has expressed interest in having the Infrastructure Conference again this December 2018. Motion by Mr. Branscome, seconded by Mr. Flynn, to approve the conference in December. Motion carried.

## **Committee Reports**

### ***Personnel Committee Report***

Mr. Gordon, Chair of the Personnel Committee, thanked those Committee members in attendance at the Personnel Committee meeting and brought a few key items to the Board's attention. First, Mr. Gordon stated that the Committee recommended to the Board to designate Ms. Hamlett as General Counsel of the Authority and give her beginning leave balance of 80 hours effective February 12, 2018. Motion by Mr. Hasty motion, seconded by Mr. Branscome, to approve. Motion carried.

Mr. Gordon next updated the Board on the Compensation Management Plan and the Health Care Plan to provide health care benefits to qualified retirees. Mr. Gordon said the Committee recommended that the Board take action on the following two resolutions:

#### **RESOLUTION**

#### **Concerning participating by retirees not eligible for Medicare in health insurance program**

**WHEREAS** the Virginia Resources Authority (the Authority) provides all full time employees with medical health insurance through a health insurance plan "the Plan" and

**WHEREAS** the Authority has the option to provide employees retiring from the Authority with the ability to purchase health care insurance through the Authority's plan until such time as they become eligible for Medicare health coverage as determined by the federal government. At that time retiree coverage will end, and

**WHEREAS** only those employees retiring who meet the eligibility requirements retiring after 50 years of age and ten years of service with the Authority or 55 years of age and five years of service with the Authority may participate in this plan. Age and service requirements are waived if the retiring employee is documented to be disabled and

**WHEREAS** the participating former employee will pay all of the premium cost at regular intervals as determined by the Plan. Failure to timely pay the premium due may result in the immediate cancellation of the former employee's plan at the sole discretion of VRA and

**WHEREAS** the option is available only to those retiring on or after July 1, 2018, and

**WHEREAS** the Board of Directors of the Authority reserves the right to modify or discontinue health care plans and third party providers at its discretion.

**NOW THEREFORE BE IT RESOLVED** that the Virginia Resources Authority does hereby extend the option for retired employees not eligible for Medicare to purchase health care insurance coverage through the Plan.

## **RESOLUTION**

### **Electing to Provide Health Insurance Coverage For Retirees and Dependents of Retirees**

**WHEREAS** the Virginia Resources Authority (the Authority) is a participant in The Local Choice Health Benefits Program, and

**WHEREAS** the Authority offers health insurance to its eligible employees and their dependents, and

**WHEREAS** the Authority has in place a policy to provide coverage to retirees and their dependents not eligible for Medicare; and

**WHEREAS** the Authority does not have in place a policy to provide coverage to retirees and their dependents eligible for Medicare;

**NOW THEREFORE BE IT RESOLVED** that the Virginia Resources Authority does hereby elect to provide coverage to Medicare Eligible Retirees and their dependents effective on July 1, 2018. Our choice of Medicare Supplemental coverage is Advantage 65 with Dental/Vision.

Motion by Mr. Harris, seconded by Ms. Bowles, to approve the above-stated resolutions. Motion carried.

### ***Portfolio Risk Management Committee Report (PRMC)***

Mrs. Donnellan, Chair of the Portfolio Risk Management Committee, thanked all PRMC members for attending the Committee meeting yesterday. She stated that there were no action items on the agenda and asked Mr. D'Alema, Director of Program Management, to begin the presentation on behalf of the PRMC.

Mr. D'Alema updated the Board on the Virginia Pooled Financing Program 2018A bond issue and plans of VRA to offer a Virginia Pooled Financing Program 2018B bond issue in the Summer. According to Mr. D'Alema, the VPFP 2018A bond issue has 5 active applications, approximately \$105 million in requested bond proceeds, and all loan requests meet existing underwriting guidelines. In terms of the VPFP 2018B bond issue, Mr. D'Alema reported that VRA is expected to have sufficient demand for the Summer pool; however, he will know more in May when the applications are due.

Mr. D'Alema next provided the Board with a brief overview of the VPFP portfolio and updates on the Bristol Virginia Utilities Authority (BVUA) and Petersburg loans. According to Mr. D'Alema, the VRA portfolio totals about \$2.37 billion and has a strong credit quality. In terms of BVUA, VRA continues to monitor developments related to BVUA and the pending sale of the Opti-net system scheduled to close July 2018. He stated that BVUA continues to make its payments to VRA on its VPFP 2010C loan. Mr. D'Alema noted that even if the sale falls through, BVUA management has indicated that it plans to have enough cash to pay off the VPFP 2010C loan by the call date of the 2010C VPFP bonds. Mr. D'Alema then updated the Board on the status of the City of Petersburg noting that Petersburg is current on its VRA debt, and VRA continues to

monitor the financial distress of the City. He added that the Petersburg City Council voted unanimously against the privatization of the City's water and sewer system. He further noted that there is new management in place and things appear to be improving. He anticipates Petersburg might request financing in the future and will keep the Board abreast of such requests.

Mr. D'Alema provided a brief overview of the new Tax Cuts and Jobs Act of 2017 on the municipal market and to VRA. He noted that the biggest impact to VRA is found in the elimination of tax-exempt advance refundings and the elimination of tax credit bonds. He added that there is a potential that VRA will see a reduced issuance in the remainder of fiscal year 2018 and fiscal year 2019; however, he does not think it will be a significant impact. VRA may seek shorter call periods, underwriters may focus more on sales effort on retail buyers, and yields on bank placements may increase generating higher demand for VRA financing of new money projects.

Mr. D'Alema next presented to the Board an overview of the VirginiaHELPS program. He stated that the program was created as a means of managing risk to help financially distressed localities while not increasing the risk to the Commonwealth of Virginia. Mr. D'Alema noted that VRA has not received a loan request for this program to date. Mr. D'Alema stated that the Board has authorized the VirginiaHELPS program for fiscal year 2018 with up to \$50 million in issuance capacity, and that VRA Staff will request Board approval for this program at the June 2018 meeting as part of the fiscal year 2019 shelf resolutions.

Mr. Shawn Crumlish, Director of Financial Services, gave a brief update on the Hampton Roads Sanitation District and previous Board approvals regarding its subordinate debt. VRA's Subordinate Debt Policy requires VRA Board approval for loans not on parity with the senior obligations of a borrower. In December 2015, the VRA Board approved migrating existing VRA held senior debt to a subordinate position provided certain conditions are met. Additionally, the VRA Board approved new money loans to HRSD subject to certain parameters. Since this approval, HRSD has submitted applications totaling approximately \$90 million. After pending loans are closed and assuming no change in portfolio size, HRSD is slightly under 15% of VRA's portfolio, which gives HRSD about \$17 million in additional application capacity. He noted that this will likely come up at the June 2018 meeting. Mr. Crumlish then discussed the HRSD debt portfolio as of March 2018 and provided some credit highlights on HRSD. Mr. Crumlish concluded his presentation with a discussion on the SWIFT Project. According to Mr. Crumlish, the SWIFT Project is expected to save an estimated \$1.5 billion for localities because it will offset storm water requirements in Virginia's Watershed Implementation Plan. Mr. Crumlish expects HRSD will be at the June 2018 meeting asking for financing of additional projects through VRA's CWRP program.

Ms. Jones, Senior Program Manager/Compliance Officer, presented to the Board an update on loan monitoring and compliance. Ms. Jones distributed a copy of the Annual Report on Loan Monitoring and Compliance to the Directors and explained that the Annual Report is completed and shows the status of the portfolio as of fiscal year end 2016. Ms. Jones next discussed with the Board her analysis of each program offered by VRA as well as her analysis of existing borrowers. Discussion by the Board ensued regarding VRA's internal policies for measuring the viability of borrowers.

There were no matters of old business to come before the Board. Ms. Hamlett brought one matter of new business to the Board. She introduced Mr. Bergeron to present the Board with VRA's investment performance and proposed changes to VRA's investment policy. Mr. Bergeron provided a brief overview of VRA's investment performance noting that VRA held \$715 million of cash equivalents and investments with \$271.3 million related to Bond Funds and \$443.7 million related to General Fund and Program Fund dollars governed by VRA's Investment Policy. He noted that the majority of the General Fund investments are rated "AA" or higher. Mr. Bergeron recommended that the Board amend VRA's investment policy in two ways. First, he recommended the policy to allow for the securities of a single issuer to no greater than 4% of the portfolio across all permitted investments. He stated that the current policy contains an issuer limit by permitted investment type. Second, he proposed to add a new permitted investment in the form of the Virginia LGIP EM to the VRA profile. He noted that this provides VRA with another tool to do a better job of matching up the cash flows. The Board did not have any questions.

Motion by Mr. Branscome, seconded by Mr. Hasty, to accept the proposed changes to the VRA Investment Policy. Unanimous approval by the Board, except Ms. Donnellan was not present for the vote.

#### **Adjournment**

Motion by Mr. Hasty, seconded by Mr. Branscome, that the meeting be adjourned.

Motion carried, and the meeting adjourned at 10:06 a.m.

  
Stephanie L. Hamlett, Executive Director  
Board Secretary

APPROVED:

  
Mr. Thomas Hasty, III, Chairman