

*Presentation for*  
**2021 VML Annual Conference**  
*Breakout Session: Tools for Local Government Finance*

## **VML/VACo Finance**

*Accounting & Municipal Advisory Services*  
*Virginia Investment Pool*

**Steven C. Mulroy, Managing Director**  
**October 4, 2021**

# About VML/VACo Finance

- A non-profit corporation established by the Virginia Municipal League and Virginia Association of Counties in 2003.
  
- Services are offered to local governments in these areas:
  - **Municipal Advisory services:** Registered Municipal Advisor, Municipal Securities Rulemaking Board and SEC
  - **Governmental financing:** \$1.1B
  - **Investment management:** \$4.0B
  - **Accounting Services**
  
- *Administrator, Virginia Government Finance Officers' Association*

# VML/VACo Finance is Virginia Local Governments' Most Widely Used Financial Services Program



Abingdon	Chase City	Glade Spring	Loudoun Water	Petersburg	Southside PDC
Accomack County	Chatham	Glasgow	Louisa	Poquoson	Southwest Virginia Regional Jail
Accomack-Northampton PDC	Chesapeake	Gloucester County	Louisa County	Portsmouth	Spotsylvania County
Accomack-Northampton RHA	Chesapeake Public Schools	Goochland County	Louisa County Water Authority	Portsmouth Public Schools	Spotsylvania County Public Schools
Albemarle County	Chesterfield County	Gordonsville	Lovettsville	Powhatan County	Stafford County
Alexandria	Chesterfield County Public Schools	Grayson County	Lunenburg County Public Schools	Prince George County	Stafford County Public Schools
Alexandria City Public Schools	Christiansburg	Greene County	Madison County	Prince William Co. Service Authority	Staunton
Alexandria Renew Enterprises	Clarke County	Halifax	Manassas	Prince William County Public Schools	Suffolk
Alleghany County Public Schools	Colonial Beach	Halifax County	Manassas Park	Pulaski	Suffolk City Public Schools
Amelia County	Colonial Behavioral Health	Hamilton	Mathews Co. IDA	Pulaski County	Surry County
Amelia County Public Schools	Covington	Hampton Roads Crim Justice Acad	Mathews County	Purcellville	Sussex County
Amherst	Covington	Hampton Roads PDC	Mathews County Public Schools	Radford City Public Schools	Tappahannock
Amherst County	Craig County	Hampton Roads Regional Jail	Mecklenburg County	Rapidan Service Authority	Tazewell
Appalachia	Crater Criminal Justice Academy	Hampton Roads Sanitation District	Mecklenburg County	Rappahannock Area Community Svcs	Tazewell County
Appomattox County	Crewe	Harrisonburg Electric Commission	Mecklenburg Public Schools	Rappahannock County	Tazewell County Public Service Auth
Appomattox County Public Schools	Culpeper	Harrisonburg Rockingham CSB	Middle Peninsula Northern Neck CSB	Rappahannock Juvenile Center	Thomas Jefferson PDC
Arlington County	Culpeper County	Harrisonburg Rockingham RSA	Middle Peninsula Regional Airport	Rappahannock Rapidan CSB	University of Mary Washington
Ashland	Cumberland County	Haymarket	Middleburg	Rappahannock-Rapidan Reg Commiss	Urbanna
Bath County	Damascus	Health Care Commiss of Chesterfield	Middlesex County	Rappahannock Regional Jail Authority	Victoria
Bedford	Danville-Pittsylvania Comm Services	Henrico County	Middlesex County Public Schools	Region 2000	Vienna
Bedford Regional Water Authority	Dayton	Henry County	Montgomery County	Remington	Vinton
Big Stone Gap	Dickenson County Public Schools	Henry County Public Service Auth	Montgomery County Public Schools	Richmond	Virginia Beach
Big Stone Gap RHA	Dickenson County Social Services	Henry County Schools	Montgomery Reg Solid Waste Auth	Richmond Behavioral Health Authority	Virginia Beach City Schools
Blacksburg	Dinwiddie County	Henry County/Martinsville Social Svcs	Mt. Rogers Community Services Bd	Richmond County	Virginia Tech
Blackstone	Dinwiddie County Public Schools	Hemdon	Nelson County	Richmond County Public Schools	Virginia's First Reg Indus Fac Auth
Bland County Public Schools	Dublin	Highlands Community Services Board	Nelson County Public Schools	Richmond Metro Transportation Auth	Wachapreague
Bluefield	Dumfries	Hillsville	Nelson County Service Authority	Rivanna Water & Sewer Authority	Warren County
Boones Mill	EDA of Patrick County	Hopewell	New Kent County	Roanoke	Warrenton
Bowling Green	Elkton	Horizons Behavioral Health	New River Valley 911	Roanoke County	Warsaw
Boynton	Emporia	IDA of Stafford Co. and Staunton, VA	New River Valley Community Services	Roanoke County Public Schools	Washington County
Bridgewater	Exmore	IDA of Washington County	New River Valley Jail Authority	Roanoke Regional Airport Commiss	Washington Metro Area Transit Auth
Bristol	Fairfax County	Isle of Wight County	Newport News Public Schools	Rockbridge County	Waynesboro
Brunswick County	Fairfax County Public Schools	Isle of Wight Public Schools	Newport News Redevel & Housing	Rockingham County	West Piedmont PDC
Brunswick County Public Schools	Falls Church	Kenbridge	Northern Virginia Regional Commiss	Rocky Mount	Western Tidewater Regional Jail
BUV Authority	Fauquier County	Kilmarnock	Northern Virginia Transportation Auth	Round Hill	Western Virginia Water Authority
Campbell County	Floyd County	King & Queen County & Schools	Northumberland County	Rural Retreat	Westmoreland Co.
Cape Charles	Fluvanna County	King & Queen County EDA	Northumberland County Schools	Saint Paul	Westmoreland County Public Schools
Capital Region Airport Commission	Franklin	King George County Public Schools	Northwestern Community Services Bd	Salem	Williamsburg-James City County PS
Caroline County	Franklin City Schools	King William County	Norton	Salem City Schools	Winchester Parking Authority
Caroline County Public Schools	Franklin County	King William County Public Schools	Northern Shenandoah Co Reg Comm	Scott County Public Service Authority	Windsor
Carroll County	Frederick Water	Lancaster County	Occoquan	Scottsville	Wise
Central Shenandoah PDC	Fredericksburg	Lawrenceville	Onancock	Smithfield	Wise County
Central Virginia PDC	Fredericksburg City Schools	Lee County	Orange	Smyth Washington Indus Facil Auth	Wise County Public Service Authority
Central Virginia Regional Jail	Front Royal	Lee County Public Schools	Orange County	South Boston	Woodstock
Central Virginia Waste Mgmt Auth	Galax	Lee County Social Services	Page County	South Hill	Wythe County
Charles City County	Gate City	Leesburg	Patrick County	Southampton County	Wytheville
Charlotte County	Giles County	Lexington	Pearisburg	Southeastern Cooperative Educ Progs	York County
Charlottesville	Giles County Public Schools	Loudoun County	Pennington Gap	Southeastern Public Service Authority	York County School Division

# VML/VACo Accounting Services



- Currently have three employees and two contractors
- Provide quality, affordable accounting services
- Scope of work customized to meet your needs
- Examples of recent local government clients,
  - Bowling Green
  - Loudoun County
  - Leesburg
  - Stafford County

# VML/VACo Accounting Services



- Services include
  - Pre-audit assistance
  - On-going accounting work for staff vacancies
  - Special projects, such as accounting for CARES Act and ARPA funds
  - Backfilling staff positions for new system implementation

# Financing & Municipal Advisory Services



- VML/VACo registered as **Municipal Advisor** with SEC and MSRB. New rules entail:
  - Code of conduct, including a Fiduciary duty to Municipal Advisory Clients
  - Professional qualification standards – VML/VACo staff have passed the MSRB Series 50 examination
  
- NEW: VML/VACo Finance offers grants:
  - Up to \$5,000 per year for analytical reports
  - Up to \$6,000 per year for Towns

# Financing & Municipal Advisory Services

- **Financial Forecasts and Fiscal Policies**
- **Credit Benchmarks & Debt Capacity Report**
  - ✓ Examine credit profile and compare to industry standards and peer localities.
  - ✓ Assess debt capacity and make recommendations.
- **Plan of Finance**
  - ✓ Review outstanding debt issues for potential savings.
  - ✓ Prepare preliminary debt schedules for various financing scenarios, loan structures and terms, and modes of financing.
  - ✓ Evaluate alternatives for refundings and new money projects, including bank loans, pooled programs, Commercial Paper, etc.
- **Implement Plan of Finance**
  - ✓ Assist borrower in executing the selected financing option.

# Financing programs

- We can implement your chosen financing approach:
  - Short- and long-term bank loans for capital projects.
  - Coordinate the issuance of stand-alone bonds.
  - Arrange lease-purchase financing for equipment of any size.
  - Interface with the state's pooled bond programs (including VRA and VPSA) from application to closing.
  
- We also offer two No-Closing-Cost options unique to VML/VACo Finance:
  - **Fixed Rate Loan Program** – Capital projects and equipment leases of \$2 million+
  - **Commercial Paper** – Floating rate loans of \$500,000+



# Virginia Investment Pool (VIP)



- VIP - a service of VML/VACo Finance - offers two short-term, fixed income investment pools:

Portfolio	Designed for	Rating
VIP Stable NAV Liquidity Pool	Funds that may be needed immediately or for which maintaining a stable net asset value is important	AAAm
VIP 1-3 Year High Quality Bond Fund	Funds that are expected to be invested for one year or longer	AA+f/S1

# VIP is Local Governments investing jointly

- Benefits of our approach:
  - Consistent record of competitive returns
  - Highly-rated portfolios with continuous oversight
  - Designed by Treasurers & Investment Officers to be user-friendly
  - Establish separate accounts to track ARPA funds – at no additional cost
  
- Funds managed by Public Trust Advisors (PTA):
  - Registered investment advisor with the SEC.
  - Manages \$50+ billion in assets for state and local governments in CO, MI, NY, TX, FL and other states.
  - Focused solely on short-term, fixed income investments for local governments.

# VIP Background

- Created in 2013 by local Treasurers and investment officers.
- Legislation specifically recognizing jointly-administered investment pools was unanimously approved by the General Assembly in 2017.
- Organized as a governmental trust (IRC Section 115). Governed by a Board of Trustees elected by participants.
- *Not a “product.”* VIP is owned and controlled by local governments and authorities.

# VIP Board of Trustees – FY 2022

Fred W. Parker, MGT  
*Chairman*  
Washington County

Jody Acosta, MGT  
City of Falls Church

Barbara O. Carraway, CPA, MGT  
City of Chesapeake

Carla de la Pava  
Arlington County

Rebecca Longnaker, CPA  
Chesterfield County

Delores Smith, CPA, MGT  
Wise County

Dean A. Lynch, CAE  
Virginia Association of Counties (*ex officio*)

Evelyn W. Powers, MGT  
*Vice Chairman*  
City of Roanoke

Jay Bernas, P.E.  
Hampton Roads Sanitation District

Clark Case  
Town of Leesburg

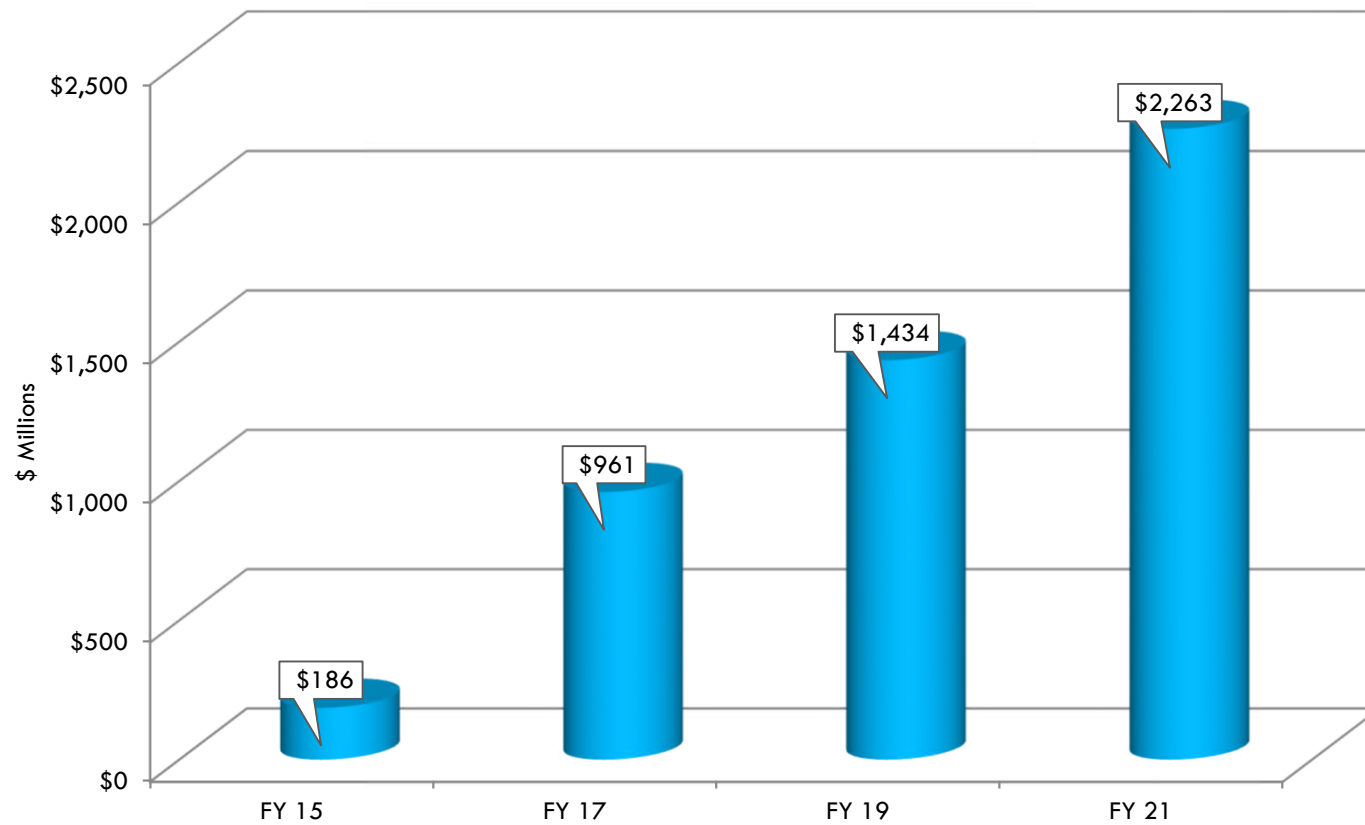
Leigh Henderson, CTP, MGT  
City of Virginia Beach

Patricia Richie-Folks, MGT  
City of Manassas

Valerie Tweedie, CPA  
Town of Christiansburg

Michelle Gowdy  
Virginia Municipal League (*ex officio*)

# VIP Assets exceed \$2.2 Billion



*Market values as of fiscal year-end 6/30.*

# Thank you!

**VML/VACo Finance**

[valocalfinance.org](http://valocalfinance.org)

804-648-0635