

Texas Public Finance Authority

Board of Directors:
R. David Kelly, Chairman
H.L. Bert Mijares, Jr., Vice-Chairman
J. Vaughn Brock
Helen Huey
Daniel T. Serna
Barry T. Smitherman



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Kimberly K. Edwards
Executive Director

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TEXAS PUBLIC FINANCE AUTHORITY September 23, 2003

The Board of Directors (the "Board") of the Texas Public Finance Authority (the "Authority") convened in open meeting, notice duly posted pursuant to law (a copy of which notice is attached hereto as Exhibit "A") at 1:30 P.M., Tuesday, September 23, 2003, William P. Clements Building, TPFCA Conference Room, Suite 411, Austin, Texas. Present were: Mr. David Kelly, Chairman, Mr. Bert Mijares, Vice Chairman, Mr. Vaughn Brock, Secretary, and Ms. Helen Huey, Member.

Representing the Authority's staff were: Ms. Kimberly Edwards, Executive Director, Ms. Judith Porras, General Counsel, Ms. Pamela Scivicque, Business Manager and Ms. Paula Hatfield.

Present in their designated capacities were the following persons: Chris Allen, Paul Jack, PFM; Richard Ramirez, Goldman Sachs; Paul A. Braden, Esther Moreno, Delgado, Acosta, Braden & Jones; Art Morales, Michael Walker, Banc of American Securities; and Barron F. Wallace, Vinson & Elkins.

Item 1. Call to order.

Mr. Kelly called the meeting to order at 1:30 P.M. In the interest of time, Mr. Kelly requested to take Item 3 out of order and then return to the balance of the agenda as the schedule permits.

Item 3. Report on the sale of the Texas Workforce Commission Unemployment Obligation Assessment Revenue Bonds, Series 2003 and adopt an Amended and Restated Resolution.

Ms. Edwards stated the Board had adopted the original resolution on August 19 at the board meeting. However, as a result of subsequent meetings with the rating and insurance agencies, several changes were required. Barron Wallace, Vinson & Elkins, and Paul Braden, Delgado Acosta Braden & Jones, discussed the changes. Mr. Wallace provided a memo highlighting the major changes. The first major change was to the definition of "Bond Obligation," which was revised to specify how to determine the levy on the variable rate debt, how much of collections should be reserved for remaining debt service in the current year, and how

much could be determined to be excess assessments for prepayment of the variable rate debt. The second major change concerned the way the funds flow in order to trap enough dollars to cover interest rate spikes on the variable rate debt, pay the fixed rate debt and then pay off the variable rate debt, either before or at maturity. Other provisions were added to protect the Authority regarding future amendments to the Resolution and the insurance provisions.

Mr. Brock moved to adopt the Amended and Restated Resolution. Ms. Huey seconded. The motion passed unanimously.

Item 5. Staff report on the status of a proposed contract for property insurance, covering state property financed with revenue bonds.

Ms. Edwards stated that FM Global had been requested to provide another quote based on a higher deductible or smaller amount of coverage. Pam Scivicque responded to questions regarding the spreadsheet summary of the three options.

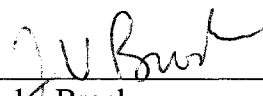
Option #1 had a policy limit of \$1,000,000,000 with a \$100,000 deductible for a premium of \$480,000; Option #2 had a policy limit of \$750,000,000 with a \$100,000 deductible for a premium of \$450,000; and Option #3 had a policy limit of \$750,000,000 with a \$500,000 deductible for a premium of \$415,000. The options provided all risk coverage, excluding wind and flood coverage for the Natural Resources Center and Boat Storage Facility located in Corpus Christi. Each option includes \$1,000,000 of Terrorism Coverage. Staff recommended Option #2 as it provided a sufficient layer of protection for the maximum probable loss factor for those facilities heavily concentrated within a five-mile radius of the Capitol.

Mr. Mijares moved to accept staff's recommendation to purchase Option 2 of the insurance policy options. Ms. Huey seconded. The motion passed unanimously.

Item 7. Adjourn.

The meeting adjourned at 1:42 P.M.

The foregoing minutes were approved and passed by the Board of Directors on October 21, 2003.



Vaughn Brock
Secretary, Board of Directors

ATTACHMENT: Posting Notice - Exhibit "A"



Open Meeting Submission

Success!
Row inserted

TRD: 2003008137
Date Posted: 09/11/2003
Status: Accepted
Agency Id: 113
Date of Submission: 09/11/2003
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Liaison Id: 3
Date of Meeting: 09/23/2003
Time of Meeting: 09:00 AM (###:## AM Local Time)
Street Location: 300 West 15th Street, Suite 411
City Location: Austin
State Location: TX
Liaison Name: Paula Hatfield
Additional Information Obtained From: If you need any additional information contact Paula Hatfield, 512/463-5544, 300 W. 15th Street, Suite 411, Austin, Texas 78701.

TEXAS PUBLIC FINANCE AUTHORITY
 Tuesday, September 23, 2003 -- 9 a.m.
 TPF A Conference Room, Suite 411
 Austin, Texas 78701

- Agenda:**
1. Call to order.
 2. Approval of minutes of the August 19, 2003 Board meetings.
 3. Report on the sale of the Texas Workforce Commission Unemployment Obligation Assessment Revenue Bonds, Series 2003 and adopt an Amended and Restated Resolution.
 4. Consider a Request for Financing from the Texas Department of Mental Health Mental Retardation for the financing of repairs and renovations of facilities in the amount of approximately \$35,000,000 through the issuance of general obligations, select a method of sale, and take other necessary related action.
 5. Staff report on the status of a proposed contract for property insurance, covering state property financed with revenue bonds.

6. Other Business/Staff Report.

7. Adjourn.

Persons with disabilities, who have special communication or other needs, who are planning to attend the meeting should contact Paula Hatfield or Donna Richardson at 512/463-5544. Requests should be made as far in advance as possible.

Certification: I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Kimberly K. Edwards, Executive Director, Certifying Official; Paula Hatfield, Agency Liaison.

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