

Texas Public Finance Authority

Board of Directors:
R. David Kelly, Chairman
H.L. Bert Mijares, Jr., Vice-Chairman
J. Vaughn Brock, Secretary
Mark A. Ellis
Helen Huey
Ruth C. Schiermeyer
Daniel T. Serna



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Kimberly K. Edwards
Executive Director

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TEXAS PUBLIC FINANCE AUTHORITY February 3, 2005

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 1:00 P.M., Thursday, February 3, 2005, Travis Building, Room 1-111, Austin, Texas. Present were: Mr. David Kelly, Chairman; Mr. Vaughn Brock, Secretary; Mr. Mark A. Ellis, Member; Mr. Dan Serna, Member; Ms. Helen Huey, Member and Ms. Ruth Schiermeyer, Member.

Representing the Authority's staff were: Ms. Kimberly Edwards, Executive Director, Mr. John Hernandez, Deputy Director, Ms. Judith Porras, General Counsel, Ms. Gabriela Klein, Ms. Pamela Scivicque and Ms. Paula Hatfield.

Present in their designated capacities were the following persons: Keith Richard, John Daniel, Lehman Brothers; Allen Westerman, SAMCO Capital Markets; Dara Doneff, Dale Lehman, Piper Jaffray; Richard Donoghue, McCall, Parkhurst & Horton; Tom Mead, George Graham, Ramirez & Co.; Tim Kelley, Coastal Securities; Laura Powell, UBS; Art Morales, Banc of America Securities; Karl Kuykendall, Bank of America; Tim Peterson, Mike Bartolotta, First Southwest; Kathaleen Ford Smith, Bank of America; David Park, Depfa Bank; and Andy Bynam, Citigroup.

Item 1. Call to order.

Mr. Serna called the meeting to order at 1:16 P.M. Mr. Kelly arrived at 1:19 and began chairing the meeting.

Item 2. Approval of minutes of the January 6, 2005 Board meeting.

Mr. Kelly asked if there were any corrections or additions to the minutes of the Board meeting of January 6. Ms. Schiermeyer moved to approve the minutes. Mr. Ellis seconded. The motion passed unanimously.

Item 3. Select Liquidity Provider for the Texas Military Preparedness Commission Texas Military Value Revolving Loan Fund Program and take any other necessary action related thereto.

Ms. Edwards stated that First Southwest, Financial Advisor, sent out a RFP for liquidity to about 32 commercial banks on the Authority's behalf. Fifteen proposals from domestic and foreign banks were received. She referred the Board to the two evaluation matrices. The first summarizes and estimates only the fees; the second matrix summarizes all aspects of the proposals.

The most favorable proposal was submitted by Citibank. They offered three pricing schedules: 5 basis points for a 1 year, commitment, 5.75 basis points for a 3 year commitment, or 6.5 basis points for a 7 year commitment. Mike Bartolotta, First Southwest Co. and John Daniel, Lehman Brothers, the CP Dealer for this program also participated in reviewing the terms of the commitment. They commented that commercial paper backed by a liquidity facility from Citibank trades very well, and that the proposed fees, particularly for a 7 year commitment were very favorable compared to fees paid by comparable issuers.

Staff recommended accepting the 7 year commitment at 6.5 basis points from Citibank. Mr. Brock moved to accept staff's recommendation to use Citibank on the 7 year facility. Ms. Huey seconded. The motion passed unanimously.

Item 4. Legislative Update.

Ms. Edwards reported that Mr. Kelly testified on behalf of the Authority at the Senate Finance Committee meeting on Tuesday, February 1, and that Mr. Ellis and Ms. Schiermeyer were considered by the Senate Nominations Committee yesterday. They were not requested to appear. The appropriations bill as introduced provided full funding for all of TPFA's general obligation and revenue bond debt service, but did not include any new general obligation bonds authority or appropriation, except for \$40 million of GO bonds for the Texas Historical Commission county courthouse renovation program.

Item 5. Other Business/Staff Report

No other business was discussed. Mr. Kelly recessed the Board meeting into Executive Session at 1:30 p.m. to discuss personnel matters pursuant to Texas Government Code §551.074.

Item 6. Executive Session to consider personnel matters in accordance with Texas Government Code §551.074.

Item 8. Reconvene Open Meeting.

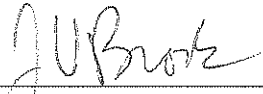
Mr. Kelly reconvened the Board meeting at 2:17 p.m. He stated the Board wished to consider and act on its expression of support to his letter forwarded to Senate Finance Committee concerning the Executive Director's compensation. In addition, Ms. Schiermeyer recommended that the Executive Director position be moved to Exempt Group V. Ms. Huey moved to support the letter

already forwarded by the Chair and add a request to change the pay classification to Exempt Group V. Ms. Schiermeyer seconded. The motion passed unanimously.

Item 7. Adjourn.

The meeting adjourned at 2:18 P.M.

The foregoing minutes were approved and passed by the Board of Directors on March 3, 2005.



Vaughn Brock
Secretary, Board of Directors

ATTACHMENT: Posting Notice - Exhibit "A"



Open Meeting Archive

Agency Name: Texas Public Finance Authority
Date of Meeting: 01/06/2005
Time of Meeting: 11:00 AM
Board: Texas Public Finance Authority
Street Location: Travis Building, 1701 N. Congress
City Location: Austin
State Location: TX
Status: Active
Date of Submission: 12/29/2004
Additional Information: If you need any additional information contact Paula Hatfield, 512/463-5544, 300 W. 15th Street, Suite 411, Austin, Texas 78701.
Obtained From:
Emergency Mtg: N
Agenda: TEXAS PUBLIC FINANCE AUTHORITY
 THURSDAY, JANUARY 6, 2005 11:00 A.M.
 TRAVIS BUILDING, ROOM 1-104
 AUSTIN, TEXAS 78701

1. Call to order.
2. Approval of minutes of the December 2, 2004 Board meeting.
3. Select Commercial Paper Dealer and Paying Agent for the Texas Military Preparedness Commission Texas Military Value Revolving Loan Fund Program.
4. Consideration and possible action regarding final adoption of administrative rule amendments, Title 34, Texas Administrative Code, Chapters 221 and 225.
5. Consider any need to request legislation in the upcoming Legislative Session.
6. Other Business/Staff Report
7. Executive Session to consider personnel matters in accordance with Texas Government Code §551.074.

Closed Meeting

8. Pursuant to Texas Government Code, Section 551.071(2), the Board may convene in closed session at any time during this meeting to obtain legal advice from its counsel concerning any matter, listed on this agenda, in which the duty of its attorney under the Texas Disciplinary Rules of Professional Conduct conflict with Texas Government Code, chapter 551.

Reconvene Open Meeting

9. The open meeting will be reconvened for final action of the Board concerning matters deliberated in the Closed Meeting, if such action is required.

10. 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.

TRD ID: 2004010913
Datestamp: 12/29/2004 10:15 AM
Archive Date: 01/08/2005

For comments and or questions about this website please contact *Texas Register*
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