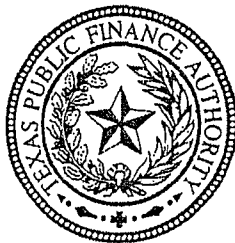


# Texas Public Finance Authority

## Board of Directors:

H.L. Bert Mijares Jr., Chair  
Ruth C. Schiermeyer, Vice Chair  
Linda McKenna, Secretary  
Gerald Alley  
D. Joseph Meister  
Robert T. Roddy, Jr.

Kimberly K. Edwards  
Executive Director



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## MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TEXAS PUBLIC FINANCE AUTHORITY

June 5, 2008

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 10:03 a.m., Thursday, June 5, 2008, Capitol Extension Hearing Room E2.028, Austin, Texas. Present were: Mr. Bert Mijares, Chair, Ms. Ruth Schiermeyer, Vice Chair, Ms. Linda McKenna, Secretary; Mr. Joe Meister, Member, and Mr. Gerald Alley, Member.

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

Present in their designated capacities were the following persons: Andy Bynam, Citigroup; Dale Lehman, Piper Jaffray; Art Morales, Ramirez & Co.; Crystal Kay Lafrie, Southwest Securities; Jim Niederle, Oppenheimer & Co.; Mark Kim, Depfa First Albany; Matt Boles, RBC Capital Markets; Steve Whiston, Scott Stover, Joseph Molis, Texas Parks & Wildlife Department; Tim Kelley, Coastal Securities; Tim Peterson, First Southwest Co.; Julie Houston, Nancy Hagquist, Winstead Sechrest & Minick; Richard Donoghue, McCall, Parkhurst & Horton; and Jerry Kyle, Andrews & Kurth.

### Item 1. Call to order.

Mr. Mijares called the meeting to order at 10:03 a.m.

### Item 2. Confirm meeting posting compliance with the Open Meetings Act.

Mr. Mijares confirmed the meeting had been duly posted in compliance with the Open Meetings Act.

**Item 3. Excuse board member absences.**

Mr. Alley moved to excuse board member absences. Ms. McKenna seconded. The motion passed unanimously.

**Item 4. Approve the minutes of the May 1, 2008 Board meeting.**

Ms. Schiermeyer moved to approve the minutes. Ms. McKenna seconded. The motion passed unanimously.

**Item 5. Consideration, discussion, and possible action to approve a Request for Financing from the Texas Parks and Wildlife Department to finance approximately \$17,000,000 of projects, pursuant to the Constitution, Art. III, Section 50-g, and \$27,120,000 of projects pursuant to Art. III, Section 50-f, select a method of sale, appoint outside consultants, and take other necessary related action.**

Ms. Edwards explained this request included authorizations of \$17,000,000 from Proposition 8 general obligation bonds and \$27,120,000 from Proposition 4 general obligation bonds. Steve Whiston, Director of the Infrastructure Division, Scott Stover, Deputy Director of Infrastructure and Joseph Molis, were introduced to discuss the projects.

Mr. Whiston stated that the 80<sup>th</sup> Legislature appropriated a total of \$69.12 million of GO bond proceeds to Texas Parks and Wildlife Department. The current request includes about \$44 million of the appropriation, which excludes \$25 million for the dry-berthing of the Battleship Texas located at the San Jacinto Battlegrounds near Houston. The Legislative Budget Board approved the 2008-09 business plan for the repair and construction of state park facilities statewide on May 20, but deferred approval of the Battleship Texas project. This request consists of funding for about 99 separate projects in about 44 different parks statewide, including projects such as extensive roofing repairs, replacement of deteriorated restrooms, replacement of screen shelters, water and wastewater systems renovation, and repair of historic sites.

Solicitations for design services are being obtained this summer so that once the money is available in late August, the agency will be poised to engage architects and engineers and proceed with the work expeditiously.

Messrs. Alley and Mijares inquired about the agency's procedures for selecting design professionals and construction contractors. Mr. Whiston stated they comply with applicable state procurement law which requires a two-step process for design professionals; qualifications are evaluated first, and the fee is negotiated subsequently with the selected most qualified firms. For contractors, a number of authorized methods are used including construction manager at risk, and competitive sealed proposals where negotiation with contractors would provide needed flexibility and competitive bidding is not required.

Ms. Schiermeyer asked whether the contractors are limited to in-state firms and Mr. Whiston responded that out-of-state firms are not excluded from consideration. Mr. Whiston also noted that they have given careful attention to including a sufficient reserve for contingencies and have given consideration to energy cost factors. Ms. Edwards added that the agency has flexibility in prioritizing the projects and if costs increased some project might not be completed. Further, interest earnings on the project funds would also be available for project costs.

Staff recommended this request be funded through the appropriate commercial paper programs. Mr. Alley moved to accept staff's recommendation. Ms. McKenna seconded. The motion passed unanimously.

**Item 6. Consider the adoption of a Resolution and approval of the Preliminary Offering Statement for the Midwestern State University Revenue Financing System Revenue & Refunding Bonds, Series 2008, designate a pricing committee and take other necessary related action.**

Ms. Edwards stated that this bond issue has four components, including a new apartment-style housing facility, refinancing of a housing project previously issued by a conduit issuer, a new music hall project and additional construction costs of the Ligon Coliseum Project. The pledge on the bonds is the University's Revenue Financing System.

She reported having attended the Fitch Ratings on-site rating visit. The staff of the University did an excellent job in presenting the University. The president of the University, Dr. Jesse Rogers, led the discussion that was well received. Additionally, the campus facilities are impressive and well-maintained.

Ms. Edwards introduced Matt Boles from RBC Capital and Tim Peterson, First Southwest Company. Mr. Peterson briefly updated the Board on market conditions.

Pricing is scheduled for June 17 at the offices of RBC Capital in Dallas. The Board designated Joe Meister, Gerald Alley and Bert Mijares, to serve as the Pricing Committee, with Linda McKenna, the alternate.

Ms. Schiermeyer moved to adopt the Resolution and approve the Preliminary Official Statement. Mr. Meister seconded. The motion passed unanimously.

**Item 7. Consider the adoption of a Resolution and approval of the Preliminary Offering Statement for the TPGA State of Texas General Obligation Refunding Bonds, Series 2008A, designate a pricing committee and take other necessary related action.**

Ms. Edwards reviewed the bond transaction. It includes the current refunding of the Authority's Series 1998B General Obligation Refunding Bonds, which may be called on

October 1, and \$40 million of new money to finance projects for the Texas Department of Criminal Justice and \$20 million for projects of the Department of Public Safety request.

Last week, the fixed rate component had a true interest cost of about 4.17% and the refunding had approximately \$7.7 million savings target. The pricing of the transaction will be in Minneapolis at the offices of the senior underwriter, Piper Jaffray in mid-July.

Tim Kelley, Coastal Securities, discussed market conditions briefly. Barron Wallace, Vinson & Elkins discussed the parameters of the sale information to be completed in the Resolution. Staff recommends a true interest cost of 4.75% or less on the new money component and positive net present value savings on the refunding.

The Board designated Bert Mijares, Linda McKenna and Ruth Schiermeyer to serve as the Pricing Committee, with Gerald Alley and Joe Meister, as alternates.

Ms. McKenna moved to adopt the Resolution and approve the Preliminary Official Statement. Ms. Schiermeyer seconded. The motion passed unanimously.

**Item 8. Consider the adoption of a Resolution and approval of the Preliminary Offering Statement for the TPFAs Building Revenue Refunding Bonds, Series 2008, designate a pricing committee and take other necessary related action.**

Ms. Edwards explained this transaction is also a current refunding of the Authority's Series 1997A Revenue Refunding Bonds that may be called on any date. Because of the small size and the relative complexity of the lease structure, staff recommended setting a threshold of at least \$600,000 present value savings.

Staff also recommended having the same pricing committee as for the General Obligation issue because the issues could be priced on consecutive days or the same day, by telephone. Ramirez and Co. is the senior underwriter.

Mr. Meister moved to accept staff's recommendation, adopt the Resolution and approve the Preliminary Official Statement. Mr. Alley seconded. The motion passed unanimously.


**Item 9. Other Business/Staff Report**

Ms. Edwards suggested the Board's July meeting be scheduled for July 10. At that meeting, the Board will be asked to approve the Strategic Plan, and the Legislative Appropriation Request, due in August, will be discussed preliminarily.

**Item 10. Adjourn.**

The meeting adjourned at 10:44 a.m.

The foregoing minutes were approved and passed by the Board of Directors on July 10, 2008.

A handwritten signature in cursive script, appearing to read "Linda McKenna", written over a horizontal line.

Linda McKenna  
Secretary

Attachment: Posting Notice - Exhibit "A"



## Open Meeting Submission

*Success!*  
Row inserted

**TRD:** 2008004217  
**Date Posted:** 05/27/2008  
**Status:** Accepted  
**Agency Id:** 0113  
**Date of Submission:** 05/27/2008  
**Agency Name:** Texas Public Finance Authority  
**Board:** Texas Public Finance Authority  
**Liaison Id:** 3  
**Date of Meeting:** 06/05/2008  
**Time of Meeting:** 10:00 AM ( ##:## AM Local Time)  
**Street Location:** Capitol Extension Hearing Room E2.208  
**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  
 THURSDAY, JUNE 5, 2008 10:00 A.M.  
 CAPITOL EXTENSION HEARING ROOM E2.028  
 AUSTIN, TEXAS 78701

**Agenda:**

1. Call to order.
2. Confirm meeting posting compliance with the Open Meetings Act.
3. Excuse board member absences.
4. Approve the minutes of the May 1, 2008 Board meeting.
5. Consideration, discussion, and possible action to approve a Request for Financing from the Texas Parks and Wildlife Department to finance approximately \$17,000,000 of projects, pursuant to the Constitution, Art. III, Section 50-g, and \$27,120,000 of projects pursuant to Art. III, Section 50-f, select a method of sale, appoint outside consultants, and take other

necessary related action.

6. Consider the adoption of a Resolution and approval of the Preliminary Offering Statement for the Midwestern State University Revenue Financing System Revenue & Refunding Bonds, Series 2008, designate a pricing committee and take other necessary related action.

7. Consider the adoption of a Resolution and approval of the Preliminary Offering Statement for the TPFA State of Texas General Obligation Refunding Bonds, Series 2008A, designate a pricing committee and take other necessary related action.

8. Consider the adoption of a Resolution and approval of the Preliminary Offering Statement for the TPFA Building Revenue Refunding Bonds, Series 2008, designate a pricing committee and take other necessary related action.

9. Other Business/Staff Report.

#### Closed Meeting

10. Pursuant to Texas Government, 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

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

12. 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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