

Texas Public Finance Authority

Board of Directors:

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Ruth C. Schiermeyer, Vice Chair
Gerald Alley, Secretary
Billy M. Atkinson, Jr.
Mark W. Eidman
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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TEXAS PUBLIC FINANCE AUTHORITY

August 4, 2011

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 10:30 a.m., Thursday, August 4, 2011, Capitol Extension Hearing Room E2.028, Austin, Texas. Present were: Mr. Joe Meister, Chair; Ms. Ruth Schiermeyer, Vice Chair; Mr. Gerald Alley, Secretary; Mr. Rodney Moore, Member; Mr. Billy Atkinson, Member; and Mr. Mark Eidman, Member.

Representing the Authority's staff was: Ms. Susan K. Durso, Interim Executive Director and General Counsel; Mr. John Hernandez, Deputy Director; Ms. Pamela Scivicque, Business Manager; Ms. Gabriela Klein and Ms. Paula Hatfield.

Present in their designated capacities were the following persons: Jim Buie, Raymond James; George Eure, State Auditor's Office; Nora Chavez, Marisol Warneke, Stifel Nicolaus; Duncan M. Morrow, Frost Bank; Heath Barber, Tim Peterson, JP Morgan; Art Morales, Siebert Brandford Shank & Co.; Barron Wallace, Amanda Edward, Vinson & Elkins; Crystal Kaylakie, Southwest Securities; Bill Gimson, Heidi McConnell, CPRIT; Patrick Scott, Barclays Capital; Robin Redford, Ramirez & Co.; Dalton Smith, Curt Shelmire, Bank of America/Merrill Lynch; Jennie Zhao, Jefferies; Debi Jones, Morgan Keegan; Tim Kelley, Piper Jaffray; Carol Polumbo, McCall, Parkhurst & Horton; Louis Edwards, Texas Southern University; Jorge Rodriguez, Coastal Securities; and Mike Bartolotta, Chris Allen, Drew Masterson, First Southwest Co.

Mr. Meister called the meeting to order at 10:30 a.m.

Item 1. Confirm meeting posting compliance with the Open Meetings Act.

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

Item 2. Excuse absences of board members.

Mr. Eidman moved to excuse the absence of Mr. Roddy. Ms. Schiermeyer seconded. The motion passed unanimously.

Item 3. Approve the minutes of the July 7, 2011, Board meeting.

Mr. Meister asked if there were any corrections or additions to the minutes of the Board meeting of July 7, 2011. Mr. Eidman moved to approve the minutes as presented. Ms. Schiermeyer seconded. The motion passed unanimously.

Item 4. Consideration, discussion and possible action on TPFA Policy regarding underwriter contact with Board and staff and the Board's Underwriting Policy regarding management and structuring fees.

Ms. Durso summarized the policy regarding vendor contact with Board members and staff. Ms. Schiermeyer asked why the policy regarding vendor contact directed that materials be provided to the General Counsel but not the Executive Director. Ms. Durso responded that it was her understanding of the Board discussion that the materials would go to the General Counsel as the Ethics Officer. Mr. Atkinson said the overall assumption was that the Executive Director and General Counsel would be communicating. Mr. Alley suggested the loop be closed and Mr. Meister agreed that the policy should be amended so that copies were sent to the Executive Director and General Counsel. Mr. Alley asked about the customary black out period and how it would be known to be in existence and Ms. Durso said that the Board would be aware of that when it approves a request for proposals. Mr. Alley said a reminder would be helpful. Ms. Durso said that could be provided.

Ms. Durso addressed the continuing discussion on awarding management and structuring fees. She stated that, within the state of Texas, based on reported awards, different agencies have awarded management fees for specialized transactions with unusual structures or revenue streams in a manner similar to that used by TPFA in the past: if there has been some need for extraordinary effort of the consultant then the Board has approved some management fees. Recently, with the Workforce Commission, there was the development of supersinker bond structure that justified a fee. With the recent taxable transaction there was a very volatile market and the efforts of the senior bookrunner were so obvious because there was oversubscription in many parts of the curve almost within an hour of opening the indications period. These are just some of the times she has observed when award of a fee has been determined to be appropriate. Based on staff's informal survey of issuers, it seems like issuers' responses demonstrated no pattern regarding the decisions to award a fee other than the fact that each who has awarded management or structuring fees always does it on the basis that something about the transaction is unique or different.

The draft policy document proposes a totality-of-the-circumstances type of test where, in consultation with the financial advisor and the staff, the pricing committee would consider the sorts of things that are typically considered when determining whether to award such a fee, i.e., (i) is this a unique transaction, (ii) are the market conditions unexpected or unanticipated, (iii) did the structure of the financing require a particular marketing effort to explain to investors how it would work, such as was the case with the Workforce Commission bonds, (iv) is the legal authorization of the financing novel, such as the Texas Windstorm Insurance Association debt, (v) is the revenue stream untested. For example, the Build America Bonds were relatively new so there might have been a little more to that transaction that justified a management fee. When reviewing the totality of the transaction, does the pricing committee, with the advice of staff and

financial advisors, think it is appropriate to award a fee? Building on the format that Mr. Burns had brought to the Board showing a variety of fee structures, there is a chart offering an idea of the fee amounts over a range of issue sizes and cents on the dollar. The chart graphically shows the size of the fee based on cents on a thousand, at a range of par amounts. This would tell the pricing committee what fee amount it would be awarding based on those factors. Then following the discussion between staff, the financial advisors and the pricing committee, the pricing committee would have the chart and have its responses to these other questions and be able to use its best judgment to determine if the situation justified a fee, and if so, how much. This seems to be taking the best of a rigid structure and combining it with a totality of the circumstances structure that allows for some subjectivity.

Mr. Meister said he understood that some things would only become known at the pricing, but some of the circumstances would be known prior to the pricing and asked Ms. Durso if she agreed. Ms. Durso responded that she did think that some of the considerations could be known and could be considered in the takedown. After the Board approves the financing, staff negotiates the terms and if staff negotiates a low takedown, then there is discussion between staff and financial advisors as to whether that compensation already addresses the circumstances of the sale and whether anything additional is necessary. Mr. Meister said he did not believe it needed to be a part of the formal policy, but speaking as a member of a pricing committee, he found it helpful if going into pricing with a point of view that is sort of partially developed so that all the weighing and balancing is in a compressed timeframe. Staff and financial advisors are the ones in a position to know what kind of work has been happening behind the scenes, he would like to have a tentative recommendation going in and the pricing committee can review to see if it is tailored to the full facts and circumstances that will only be known at the time of the sale. Mr. Eidman said he thought it was an excellent point because he thought what was trying to be avoided was a last minute, unstructured decision when a lot of other things were going on and to the extent you can have advance ideas which of these events in the totality has occurred because it makes it easier, no last minute. Ms. Schiermeyer said that on the last pricing there was no way for us to know until we got in there what they had done and the market was going crazy, they were so well prepared we went into the market immediately. We would not have known any of this ahead of time, so I think the policy is well written to allow us to compensate the firm. Mr. Eidman said he did not think it would be so in every circumstance, but in some occasions when you would have some indication ahead of time there was a lot of extra work being done in a particular area. Mr. Meister asked if the Board would be opposed to staff coming to the pricing with a tentative recommendation allowing for adjustment of the tentative recommendation. Ms. Durso said that is what was done in the last two pricings; staff had a recommendation in mind and was prepared to discuss it with the pricing committee. All of the interaction between members of pricing committee is happening in the last day or two before the sale. Ms. Durso stated she believed it was built into the policy, but if it needed to be more expressly stated, she would revise the draft.

Mr. Meister said he thought the policy was probably okay as written and he did not hear any objections to the idea of a staff recommendation.

Mr. Eidman moved to amend the Underwriting Policies regarding the use of management and structuring fees per the Board discussion to include an amendment that the information and/or materials referenced in the vendor contact policy be sent to the Executive Director and General Counsel. Mr. Atkinson seconded. The motion passed unanimously.

Item 5. Consideration and possible action on staff's recommendations resulting from

staff's evaluation of responses to Request for Proposals for Monitoring and Compliance Services.

Ms. Durso explained that at the last meeting staff offered a recommendation to award a contract to Avant Strategic Partners regarding the RFP for Monitoring and Compliance procedures and the Board approved staff's request. However, Ms. Durso learned upon returning to the office that the notice she had thought would cure any problem of notice of the monetary cap was not sent to all the respondents as she had intended. Therefore, she notified all respondents of the error and the RFP was reposted. As a result the agency received new responses from PFM, Vinson & Elkins and, again, from Avant Strategic Partners. V&E and PFM both offered their services for a flat fee of \$25,000. Avant offered its services of \$22,500, plus expenses up to \$2,500, which is the same offer it made previously. Staff evaluated the responses on the criteria stated in the request for proposals and all three respondents met all the qualifications. The Authority has familiarity with Vinson & Elkins, a long member of the bond counsel pool and PFM currently provides the arbitrage rebate calculation services. Avant is a San Antonio firm partnered with a Washington, D.C. law firm and lawyer, Rick Ballard, who is well known bond counsel who has written a book on the ABCs of arbitrage and their services were set out in audit fashion. Ms. Stewart, Avant's principal, is a former partner of Arthur Anderson so her audit approach made sense. PFM offered a consortium between one part of it and a woman based in San Antonio who has a consulting firm who is a former state employee. She has a background in writing policies and procedures. V&E offered bond counsel services through a team of Barron Wallace, Charlie Almond who is a tax attorney and Victoria Ozimek and Tim Deithloff. There were pros and cons of each respondent. Avant would offer a fresh eye because there is no history with them. V&E and PFM have familiarity with us and all-in-all, staff recommends PFM as the best offer because we enjoy a good working relationship with them, not to say that we do not have one with V&E, but PFM's current role as the arbitrage rebate consultant, they are very familiar already with materials that client agencies submit to us regarding expenditures and benchmarks and the way in which that process happens. Part of the process is ensuring that agency materials help the Authority stay in compliance.

Mr. Meister acknowledged that Mr. Atkinson was not present at the prior meeting, but said he was particularly interested in his perspective on this particular matter given his background. Mr. Atkinson said he had read all the materials from the last meeting as well as the minutes of the meeting and said that he had no preference or reason not to agree with the recommendations made by staff. Mr. Meister replied "great" and said he noticed Ms. Durso's comments on the spreadsheet that one of the points in favor of Vinson & Elkins was the authority's retention of property rights in the work product. Mr. Eidman said he thought that was a minus. Mr. Meister asked if V&E would retain the property rights and Ms. Durso answered "yes." Mr. Meister said that seemed counterintuitive to him.

Ms. Durso said V&E would give a limited right to publish and provide the information. The RFP did ask what ownership rights of any work product would be and in our evaluation it was considered a little negative. If V&E has an off-the-shelf work product they had already copyrighted and the Authority was just having a limited license to use, Ms. Durso stated she would not have given it too much weight in the consideration process. Mr. Alley asked about Avant and now that the other respondents are being considered, the matrix references "no government references" does that mean we were aware of these comments previously of them having no government references. Is the small office approach noted a negative? Ms. Durso said she did not believe it was a pro or a con, but only a description of the organization. Mr. Alley asked since this was a relatively small contract, had a HUB business in this kind of role

before. Ms. Durso stated she did not believe the Authority had ever had anyone in this role before. Mr. Alley asked if HUB participation was one of the categories on the matrix and Ms. Durso answered “yes.” Mr. Atkinson asked if the selection of this firm conflict PFM out of any other services for the agency. Ms. Durso said “no.”

Ms. Schiermeyer moved to delegate authority to staff to negotiate and execute a contract with PFM for monitoring and compliance services, as discussed. Mr. Eidman seconded. The motion passed unanimously.

Item 6. Consideration and action with respect to a Resolution Authorizing the Private Placement Financing for the Texas Southern University through the U.S. Department of Education Historically Black Colleges and Universities Loan Program and take other necessary related action.

Ms. Durso stated the Texas Southern University had submitted a request to issue a not-to-exceed amount of \$67,925,000 for a 20 year term to finance some campus housing and parking that was constructed by some non-profit corporations and that the University has already been utilizing with a leasehold interest. This loan program is provided through the U.S. Department of Education and it will allow TSU to acquire these properties at a lower cost. Mr. Louis Edwards from TSU, Mr. Drew Masterson who is serving as the financial advisor from First Southwest and also Mr. Barron Wallace from Vinson & Elkins, who is serving as bond counsel, were available to discuss the details of the program and properties.

Mr. Edwards stated the two student housing facilities and two parking garages have been under the University’s use for the prior 4-5 years and with the structure available, the lenders who originally financed the property have requested that the University seek alternative financing because they want to get out of that business. This federal program will allow TSU to get long-term fixed rate financing at a favorable rate that will benefit the University and allow TSU the continued use of those facilities.

Ms. Durso stated that the all-in-true interest cost is expected to be 4.6% and an escrow fee is required. It would be paid into a pool and retained until the end of the loan term and then to the extent it has not been utilized by the pool, it will be returned to the university. She stated Mr. Masterson had some information on the alternative costs of other financing options that were reviewed and Mr. Wallace could provide more information about the loan documents and structure of the financing.

Mr. Moore asked about the rate and Ms. Durso said the all in true interest cost was 4.6% and the yield is 4.6%, bottom of page 2. Mr. Masterson said, “Yes, it was the same.” Mr. Atkinson asked how the price was determined. Mr. Edwards said it was based on the 30 year treasury plus an 1/8th. Mr. Atkinson asked about the \$67,000,000 whether that is based upon contract letting or is there some sort of process to determine that is the exact amount or it that the existing debt that has to be returned in favor of this or how did you get that amount. Ms. Durso said the outstanding debt was \$63,159,681.71. The remainder of the par amount of is for costs of issuance and the required escrow fee.

Ms. Schiermeyer asked if the debt was \$63 million. Ms. Durso said there was a typo in the materials, the amount being requested is \$67 million. She said she corrected the number in the electronic materials but was unable to correct it in the paper version. Mr. Atkinson asked how the amount \$67,000,000 was determined. Mr. Edwards said that amount was the outstanding

debt on the bonds plus a 5% escrow and a 2% cost of issuance included as well. Mr. Atkinson said the opportunity here was to continue with the existing debt or to refinance it with the federal program given more favorable rates and more favorable carrying. Mr. Edwards answered "yes." Ms. Durso said the current debt was variable rate. Mr. Atkinson asked if it was known how much the property is worth. Mr. Edwards said a recent appraisal indicated the purchase price exceeded the appraised value and recognizing the current market situation, a couple of the purchases are underwater. Mr. Atkinson said that if the use was projected out, particularly the housing, the revenue or proceeds over time from those would clearly retire the debt.

Mr. Meister asked how the University was doing generally. Mr. Edwards stated that the university is doing quite well. He said enrollment is up from last year and an increase is continuing to be seen in just the retention rate of our students and are optimistic about getting some capital projects financed. Dr. Rudley, the President, feels confident in the overall leadership of the university, the additions to the staff and the direction that the University is headed. Mr. Atkinson asked how old is the housing and what is the condition of the property. Mr. Edwards said the housing was constructed at different periods of time, a couple were constructed in 2000 and the other in 2003, and the parking garages were constructed in 2004. The properties are in very good condition and ongoing maintenance is being performed to keep the properties in very acceptable level for the students. Mr. Meister asked if students were required to live on campus or do they have the option to live in potentially less expensive apartments outside the campus. Mr. Edwards said it was not a requirement, but part of Dr. Rudley's philosophy going forward is to really implement such a policy to get incoming freshmen to stay on campus. We have limited housing on campus so most of the students do seek alternative housing. The facilities in question do maintain high occupancy rates at 95 to 99% occupancy every year and are in demand.

Mr. Atkinson asked if anyone else from Vinson & Elkins or anyone from the school have any other facts to be shared. No one offered other information.

Mr. Moore moved to adopt a Seventh Supplemental Bond Resolution authorizing the execution of a loan agreement and the Series 2011-4 note in an amount not-to-exceed \$67,925,000 for a 20 year term on parity with other obligations under the Texas Southern University revenue Financing System, pursuant to the Historically Black College and University Capital Financing Program and to authorize the Execution and Delivery of Documents in connection therewith and the taking of other action to effect the sale and resolve related matters. Mr. Atkinson seconded. The motion passed unanimously.

Item 7. Consideration and possible action to adopt rules on use of alternative dispute resolutions procedures as published.

Ms. Durso stated that the Authority's Sunset Bill included a requirement that the Board adopt policies for the use of alternative dispute resolutions procedures. Those rules were published in the *Texas Register* and no comments were received. Staff recommends that the Board adopt the rules as published and the rules will become effective 20 days after the notice of adoption is filed with the Secretary of State.

Ms. Schiermeyer moved to adopt as published the new rules in Title 34, Part 10, chapter 227 of the Texas Administrative Code related to the use of alternative dispute resolution procedures, to be effective 20 days after notice of the adoption is filed with the Secretary of State. Mr. Eidman seconded. The motion passed unanimously.

Item 8. Consideration and possible action on responses to Request for Proposals to obtain services of Executive Director Search Firm.

Ms. Durso said TPFA had posted a Request for Proposals (RFP) per the Board's request after receiving a finding of fact from the Governor's Office as is required for a state agency to obtain a consulting services contract over \$15,000. The Governor's Office approved the request for up to \$20,000. No responses to the RFP were received by the deadline which was Monday August 1st at 5 p.m.

Ms. Durso provided options for review. One option is to submit another request to the Governor's office to increase the approved contract amount and then reissue the RFP with a little longer timeline. Staff developed a vendor list and sent the RFP to vendors who already provide those services. Perhaps a broader publication would garner more responses. Another option would be to use an interagency contract with another governmental entity. Knowing the current budget situation, another state agency may be more than happy to have \$20,000 they were not expecting and also the money stays within the State. For example, the University of Texas has an issuance arm and TPFA might be able to work with the Vice President of Human Resources or someone in their human resource department to serve in the function of Executive Search Assistant for the Board. UT also has a Center for Professional Development, which is a graduate program, but not an academic program. An adjunct professor from that program teaching talent management and recruiting might be interested in a contract such as this. The Higher Education Coordinating Board and the Office of Attorney General also have human resources folks that might be interested.

Another option, a recommendation from Pam, is to appoint a small committee, maybe a member of agency staff to serve as sort of an administrative person to coordinate things, a Board member or two and then a participant or two from some other state agency issuers, such as, the Department of Transportation, the Water Development Board, the Comptroller's Office, or client agencies that are familiar with what we do, like the Workforce Commission. The Workforce Commission has the added benefit that it actually does job employment type recruiting for others and as part of their workforce development boards. A little committee might be able to perform the same services as an executive search firm. She stated she offers those thoughts for Board discussion.

Mr. Eidman asked if the University of Texas issues its own bonds. Ms. Durso answered in the affirmative. Mr. Eidman asked who hired the people for that group. Ms. Durso was not sure, but Terry Hull is the counterpart to TPFA's Executive Director. Ms. Durso stated she had not visited with anyone except the Office of Professional Development and only made these suggestions from her roles as general counsel in other agencies, where she has done similar things. Mr. Eidman said he guessed his question was, 'let's say they have a vacancy like we have. Would they go to the assistant vice president of human resources to fill that vacancy here or would they would go to someone else. And, that might be a starting point.' Ms. Durso said based on her understanding of the University, she thought they would go through their human resources department to post the notice and it is not likely done on a departmental basis.

Ms. Schiermeyer said she did know who does it at Texas Tech University, but does not know who hires them. Three years ago, when we went through this, we hired a firm then and I believe we had it posted at \$30,000. Ms. Durso stated the final contract award was for \$35,000 and a

RFP was sent to that firm this time. In discussions with the Governor's Office, the Governor's staff thought 20% of the salary was the norm so staff requested \$25,000, but the Governor's Office only approved \$20,000, which is a fairly sizeable amount for TPFA's budget.

Ms. Schiermeyer agreed and said the fee was made up from the salary of not having the position filled. Ms. Durso said she agreed the agency would have the money for the fee. Mr. Meister asked if the services could be done for less than \$20,000 going with one of the interagency contracts. Ms. Durso said she would not start negotiations at \$20,000, but somewhere south of there. Mr. Meister asked if a small committee was used, how would the fee be distributed. Ms. Durso said she would talk to the participant agencies dependent upon what the Board's expectation of their role would be and see if it could be done gratis. If not, a modest contract could be done with the other agency, but she would not anticipate any extra pay for staff or a Board member.

Mr. Meister said he liked the idea of the small committee because if you had these other issuers involved that would be helpful in getting the word out at least within State government to the people who may have a high degree of relevance and potential interest in the position. In addition, to getting the description of the position right, people who are similarly situated at TPFA are going to have a better understanding of the kinds of background that are needed for an Executive Director than an outside search consultant is going to have. Mr. Meister expressed his concern about the committee idea is just that committees, in his experience, are just less efficient and so the other choice that looks good to me is the silver bullet of bootstrapping on to UT Human Resources department and asking that person to perform the services that they would provide to the UT System if there was an open position for their executive director counterpart. Mr. Meister said that was his opinion, but wanted to hear what other members thought. Mr. Meister said he did want to get moving and did not want to come back, a month from now, and find out that as it turns out, the UT System is not available for whatever reason.

Mr. Eidman asked if suggestion number 2 and 3 were mutually exclusive. Because would it not be possible for TPFA to contact some of these other agencies, sort of a 'here is the issue and what can you do to help us address this' and also contact people under the small committee idea, 'here is our issue, what can you do to help us address this' and then try to come up with a strategy to do it. If we cannot get clearance to raise the contract fee high enough so that we can get someone to come in and do the work, that is not a viable option.

If we are looking at #2 [the interagency contract] and #3 [the small committee], couldn't TPFA immediately contact the University of Texas and some of these other people under #2 and also talk to some of the other issuers that are with the State, 'this is the vacancy and what can we do to get this filled' without entering into a contract with UT or anyone else until we have some idea of what that structure would be or how they could really help us. Mr. Atkinson stated he agreed with Mr. Eidman's discussion. Mr. Meister said he believed it was a good suggestion, too, and Mr. Meister said he was not in favor of #1 [request authority to issue an RFP with a higher dollar amount] because he does not want to come back a month from now and find out that is not an option and then look at options #2 and #3. He stated he preferred to focus on a hybrid of #2 and #3 at this point. Ms. Schiermeyer asked what if #2 and #3 do not work and #1 has not been pursued. We could request #1 and if they come back and say 'yes,' but UT has said 'yes' for less, then we could still go with UT.

Mr. Meister said to think about it from the back of an envelope analysis. What would we, as a Board, have to approve in order to get the process to the next step. So, now, we are focused on

who is going to manage the search for us. If it turns out UT can handle it, and we tell UT to go and get input from these other issuers, right, and when you define your job search, that sort of thing, the Board then have to approve a job search before the job is posted or would we just go on and delegate that responsibility to, if it is UT in this instance, will go ahead and delegate authority for them to post the job description and start soliciting candidates for the position. Ms. Durso stated her recommendation would be that the Board outline for her the process and alternatives. For example, if the Board's decision was for me to approach UT's Human Research Department first, I would do that followed by the second option.

Ms. Durso said she would make the most of the time between now and September and then whatever process the Board lays out, Mr. Durso said she would use that to enter into a contract or enter into an agreement or discussion with any of the people so that they can go ahead and get to work on what you expect. So, is it the Board's expectation is that this role would be substituted, the role the Board initially envisioned for the Executive Search Firm as laid out in the RFP? If the Board thinks the process would be just the same, then that would be the process given to the other agency to evaluate the job description, to post the position, to reach out, however the Board wants to lay it out. If it is laid out, there will be no need to wait for Board instruction on each step. Mr. Meister said he was in favor of that approach to give enough direction to Ms. Durso to get the position. Mr. Meister asked if there was a 30-day posting requirement and Ms. Durso said there was no requirement, but allowing enough time for contacting the person, making the arrangements, time to make the other contacts mentioned, if that is still part of the process. Ms. Durso said she really thought the timeline should be looking at feedback in October. Mr. Meister asked if this meant actual candidates and Ms. Durso answered affirmatively.

Mr. Atkinson said he thought this discussion must sound like a really boring movie to everyone else. He stated he liked options #1, 2 and 3, with #3 being filled with a Board member or two and a staff person as suggested, having responsibility and authority to spend up to \$20,000 under #1 as approved and for any more to return to the Board, use the resources in #2 that have been discussed and/or other state issuers who issue state bonds and there are others besides the ones listed here, particularly interested in the Office of the Attorney General, who may have some resources that might be helpful. Mr. Atkinson said he liked all of those for resources for input as well as those listed in #3. And, if the Board could delegate this to the committee a Board member or two and a staff person, maybe not our Interim Executive Director because she does have a lot on her plate as I read my emails and my Board packet, but she could still be kept informed by the other staff person who assists the Board. We need someone who can be a go-to person for the public and other agencies to communicate with so we can get good input. He stated his overriding concern is that we don't want to be looking for another executive director three years from now as many have expressed. So the process has to be good, wholesome, have merit and must take sufficient time to gather the right input. So, my recommendation, Mr. Chairman, is that the Board consider all these, but we go ahead and follow a process with a subcommittee that is identified in three to warehouse this. Mr. Eidman had a great idea and maybe he would like to chair it. To get this item off our active agenda and to an agenda assigned to someone to look at this and to give it time to percolate and time for quality names to come in. Whether the names come in or not, we will be glad this was done in the end result. I am concerned that this job requires a certain level of expertise that some of these agencies that issue bonds may have within their confines that could provide to us as an opportunity for those individuals as well as to us. At the same time, we should be going that process within our limited staff. But, that is just a thought from listening to all the discussion and considering our needs as well as other things on our agenda.

Mr. Alley asked if Mr. Atkinson was considering all three options as far as resources or was he stating a preference for #3 as a working part of these other two areas. Mr. Atkinson said that #3 would have within its commissioning #1 and #2. The Board would give them permission to spend the amount authorized by the Governor's Office as a credit, if needed. Mr. Alley said that in essence if there was an entity that had the credentials to bid these interagency or outside the subcommittee would be putting them into the loop as well, to use a bigger fish net. Mr. Atkinson said yes, and it is early enough that we should. Mr. Alley said it was not just going to the committee as the choice, but having a vehicle in which we determine either #1 or #2 could be still resources. Mr. Atkinson affirmed that was what he was saying.

Mr. Meister said he liked that suggestion and asked Ms. Durso if the Board had one or two Board members on this committee, would that committee be able to meet telephonically or what other sorts of open meetings requirements might come to play. Ms. Durso said that as long as the committee is only making recommendations to the Board and the Board is not rubberstamping their recommendations, they don't have to comply with the Open Meetings requirements. So, the committee would have to have very specific delegation of authority as to what they are authorized to do and not do and then, anything else, they would have to come back and get full Board approval. Mr. Meister asked if anyone felt strongly opposed to the recommendation that Mr. Atkinson made. Mr. Eidman said he wanted to ask the general counsel a question. He asked if there was anything, if we continued with #1, to preclude us from #2 or #3. In other words, if we are posting, we are trying to find an executive search firm, does that do anything to impact us if we are out talking to people under #2 and #3. Is there any issue with that at all. Ms. Durso said that from the standpoint of if you are not talking about paying #2 and #3 anything, if you are contacting them to get information from them or even asking them to participate without payment, no there would not be any prohibition. The biggest concern would be that nothing be done to create a conflict for the person working as a search firm under contract by our contacts with others. Mr. Eidman said that if all these different directions are being pursued, I am wondering if there is any overlap or any problems with an executive search firm if we are looking for the person at the same time. Mr. Eidman said, of course, we don't have an executive search firm because no one has thrown the bell and answered our call so that really may not be a viable alternative. Is there a suggestion that we go back to the Governor's Office and request an increase. Is that another option? Ms. Durso said that was an option and part of the problem was the amount and the other part was the short timeframe.

Ms. Schiermeyer stated her suggest in doing that was just to get the permission to use more money and that way if UT could not do it, the OAG could not do it, there would be an option to go out. Mr. Eidman stated that this way you'd be further down the road, too. Ms. Schiermeyer said not to go out immediately while we are asking. Mr. Meister stated that if moving down two tracks at the same time, let's say the Governor's Office comes back and says \$35,000 is approved and we have also formed this working group at the same time, does, at the moment the Governor's Office approves \$35,000, do we shut down the working group at that point or do we continue going?

Mr. Atkinson stated the working group would look and see what is in the net. Ms. Schiermeyer stated the working group may not materialize and there may not be people from these agencies that have time to come over and work for our agencies. So, I don't know that is an absolute that we can call and say we want one of your employees to come over and meet with us and work with us on it. Mr. Meister said it was a fair point and asked if Ms. Durso or Ms. Scivicque could speak to it, the collaborative issues. Ms. Durso said she believed it depended on the actual workload that is anticipated. An example is that at the Public Utility Commission is that

anything under 10 hours does not require any sort of permission or otherwise. Anything over 10 hours requires some sort of permission. It depends on what role the Board would be asking this person to play. Ms. Durso stated this was her experience when she had entered into these types of contracts. Someone has been on loan from the Department of Insurance for 6 months to write a business plan. It just depends on what you are actually asking them to do. Ms. Durso offered that Ms. Scivicque may have a different experience because she said she worked on a type of committee like this. Ms. Scivicque said she agreed with Ms. Durso, but actually the former Executive Director, Kim Edwards, was the one who worked on a committee for another agency's position. What the working group can also do is just facilitate the rising of up of names you may want to consider so it sort of serves two purposes. If you have a working group, they may be the group that brings candidates to the Board to make that decision or they can take candidate names and present them to the individual that is hired as the search firm. Mr. Meister said that with certainty the Board could form a working group, have one of the Board members chair the working group, and have a member of staff be a participant. He stated that his personal opinion would include involvement by financial advisors in the description of the open position and input that they may have on candidates that would be good for that. If the financial advisors are involved, it would be nice to have members of other issuers also participate, but in the event they can't, critical mass is achieved at that point to get some things done and I like Mr. Atkinson's suggestion with those sort of modifications. He asked for thoughts and Mr. Eidman said he thought it was a good approach. He said he saw a parallel track where we ask the Governor's Office to increase the fee for an executive search firm because that is obviously going to take them a while to do that and while letting them know that we are also pursuing other avenues. Then, we can reach out to some of these other people that we have in the second and third categories to see if there is an opportunity to work with someone to achieve the goal. There may or may not be. Right now, we are talking about something that we are not sure about what is available right now. I think it might make some sense to pursue those at the same time and be in contact with people, saying here is our issue, can you do anything to help us with it. If so, we might have some money to help supplement your employees who are working on this, but we are looking for a solution and how can you partner with us to make this happen and what would your suggestion be.

Mr. Alley asked when the RFP is prepared is it necessary to include a dollar amount in it. If we went back out and took the dollar amount out, is it necessary to solicit with a dollar amount in it. Ms. Durso said that when the RFP is entered on the Electronic Marketplace, there is a field for the cap. It is not necessary, but then you come back with sort of issues that you had with the Monitoring and Compliance. For those not aware of the limitation on the ESTB, they proposed what they thought it was worth so you only got one that actually saw the limitation and the only one to come within the amount.

That is a risk and we will have to get a finding of fact and approval from the Governor's Office to spend the money on a consulting firm. Mr. Meister stated he wanted the committee with enough flexibility to consider and pursue these different dual tracks based on information not known today. For example, whether we are going to get participation from other agencies, whether the Governor's Office will approve a higher amount, that sort of thing, we have a committee of the Board with enough authority to determine what is best in light of information that develops after this meeting and the charge would be to come to the Board with a slate of candidates at the next Board meeting, not by the next Board meeting, but have the process underway by the next Board meeting. Ms. Durso stated the Board can have a subcommittee, but that subcommittee based on your description would have to abide by open meetings because they would have the ability to make decisions. Mr. Eidman asked if it could just have the ability to

make recommendations to the Board or here is what we are thinking, we are not voting and taking any action. Mr. Atkinson stated it was the process. Ms. Schiermeyer said it would delay us until October. Ms. Durso said whatever process decision that body was making would not be able to be made until the Board's next meeting. So, Ms. Durso deciding on the process so that whomever, whether that is a subcommittee or staff or a committee that you ask staff to locate or an individual that you us to try to locate by putting together that process and making a decision, then it can be moved forward without the Board taking further action. But, no committee can be delegated the authority to take action on the Board's behalf without specifics unless the Open Meetings Act is followed.

Mr. Eidman supposed the following recommendation that the Board would authorize staff to pursue with the Governor's Office an increase in the amount available to hire an executive search firm and that a subcommittee was given the authority to spend up to \$20,000 with another state agency if one was found that was qualified to make contributions to assist that state agency to pay their expenses in helping TPFA and that state agency be either one of these on the lists or someone else that is familiar with this process. Mr. Eidman asked if that resolved the issue and Ms. Durso said it resolved the issue if she receives a finding of fact from the Governor's Office that authorizes an increase. The Board would have to define what the increase request would be and also whether, if TPFA enters into an agreement with someone to pay them up to \$20,000 would that take the increase off the table or, if the increase is received, then do we go forward with the RFP. More direction is needed because it is budgetary and squeezing \$50,000 out of budget would be difficult. We don't have \$20,000 to spend and then another \$35,000 to spend.

Mr. Meister said he thought the process should get some traction, further down the road. He supposed what if the Board delegated to staff today a list of preferences for outside HR department assistance from another state agency. When that person is identified, we would delegate to staff the authority to spend up to \$20,000 with that state agency for that service. We would direct whoever is identified with that state agency to form an informal working group to solicit input from those persons on job description, ideas for potential candidates. The person selected in HR department would be driving the boat just like an executive search firm would be driving the boat so we would get the benefit from having the committee structure and put the Board on a more linear trajectory so that the Board could post the job by the next Board meeting. Mr. Meister asked if that seemed reasonable. Mr. Atkinson stated his reaction to that is he is just one man and just one vote, but he is only going to vote, but he is only going to vote on a qualified candidate no matter how long it takes. The six months does not move me one bit on that. So, also recall one of the reasons we are where we are today is because we have a highly productive staff and a highly productive environment with a lot of challenging deals and we are asking them to take on this linear role as you describe it. I expect all of it to be done right or I am not going to vote for it.

Mr. Moore said he agreed. Mr. Meister said he believed all the Board members are of the same mind on that. Ms. Schiermeyer agreed. Ms. Schiermeyer stated that Mr. Atkinson was saying that staff is being asked to take on more work. I think we need to layout what we expect of them and if we want them to do this, go to UT, OAG and others out there who have resources to do it and not put it back on staff, but give them the authority to enter into contracts with one of these. Mr. Meister said he thought that was right. So, today, the decision to tell staff to go out pursuant to a pecking order of the state agencies with HR departments that would be well positioned to help us in this kind of role and they can move down the list and once they have someone identified that could do this that person could perform the services initially sought from an executive search firm and pressure on staff at that point lessens considerably because the person

that has been identified is running the show, if you will, but still advising that person part of the contract will be that the HR department vice president or whoever it is, will solicit input from all these various constituencies so that we get the benefit of the collective wisdom on how to find the very best candidate.

Ms. Schiermeyer said that hopefully whoever is hired will be contacting each of the Board members for their input. Mr. Meister said he was in favor of that and it was a great suggestion. Ms. Durso said attention needs to be paid to that course of action because it potentially would violate an open meetings to have a third party contacting individuals and getting feedback and acting on that feedback. Mr. Meister, asked, really, on something like a job description. Let's say we get Julian Carter to do this for us and she calls Board members and asks what your ideal candidate for executive, why and what are the types of things that an executive director in this role needs to have a background in to do an excellent job. Mr. Meister said that providing that kind of input when the Board already delegated the authority to Julian Carter, if that is who it is, to develop a job description for us, she is the one with the clear delegation at that point. She is simply soliciting feedback from highly relevant. Ms. Durso said she was not saying it can't be done without violating the Open Meetings Act, but cautioned that she can't take information from Mr. Eidman and give it to Mr. Moore to avoid creating a walking quorum. Also, if she takes information from an individual Board member, it will have to be clear in the delegation that she can take all that information and use her best judgment as to what lay out and neither be required to make a judgment as to who gets who more priority. There are pitfalls of which to be aware, not that you can't do it, but be very clear about what the expectations are.

Mr. Atkinson said the real question here is do you want staff to cast the net or do you want the Board Committee to cast the net and report back to the Board the process followed in casting the net, using Mr. Alley's terminology which is descriptive of what we are trying to do. We want to interview quite a few eligible candidates who want the job and we want to be sure the process is not encumbering staff's primary job. He said he thought what he was hearing is public meetings and quorums notwithstanding we need a committee of Board members that is not a quorum to work with staff in doing this in order to keep the process moving, give us the best opportunity to catch people who are knowledgeable and capable for this role and at the same time, report back to the Board who would make all decisions.

Mr. Meister said he thought the problem was that if Board members are part of the committee, then, the decision on who to engage as a search consultant is itself a decision that is subject to Open Meetings Act. Mr. Atkinson said he would not make the decision without the Board approval if he were a committee member. Mr. Meister asked if Mr. Atkinson's mind if the Board would come back in September with a recommendation of the committee and the Board would approve it, the person would be engaged at that time. Mr. Atkinson said in the meantime, we would see what other responses we have gotten from #2 and #3.

Mr. Moore said realistically between now and the next meeting staff could only get #1 and #2 done. Then, we could meet and decide which way to go, subcommittee or executive search firm. Mr. Eidman stated there was talk of staff time and ability concerning all the emails we get from Ms. Durso. He as Ms. Durso if she had time to do this. Ms. Durso stated that she did not believe she would personally be the one doing it. Mr. Eidman said that by you he meant collective staff. Ms. Durso said staff does have the time to get the Board in contact with another agency and put together an interagency contract. She said she thought she heard a concern about how much time that would take staff if all we did was contact the agencies, enter into a contract if that is what the Board wanted to do and then it is out of staff's hands, with that being one parcel of work. If

staff is going to be participating with them on job descriptions, etc., that is sort of expected to some degree that staff will be working on this to the extent they need some sort of feedback, input, administrative assistance. Staff is already anticipating that work. To the extent that staff would actually be participating with casting the net or evaluating, that is not anticipated participation.

Ms. Schiermeyer asked if the Board had two Board members from Austin. Ms. Durso said there were not two members from Austin. Another option, of course, is to meet more frequently. Mr. Meister said he did not think that was a good suggestion although he appreciated the idea. Mr. Meister asked Mr. Eidman how much time he had and Mr. Eidman said he was happy to assist in any way that he can, not sure he is best qualified person. I could interview ten candidates for this job and not really know based on my limited experience with the Board which was the most qualified. So, it might make sense to have someone involved who had a little bit more of the expectations of the job. With that said, I am happy to help out however I can. Mr. Meister said that as long as it is just advisory, let's set ourselves up so that we can come back with a recommendation about who to engage. Mr. Atkinson suggested that someone like Mark, being in Austin, could lead the effort and one continuing Board members who has some experience with what we do. He stated that he and Mr. Eidman were new and it would probably be inappropriate for both of us to serve in this role since we are absent the transaction history. Someone else who has transactional history should accompany Mr. Eidman on this committee. He stated he was not concerned about the communication the two persons could have by phone or any other device in whittling through the decision points to come to the Board with a report and recommendation along with staff. He is concerned that three possibilities are being discussed here: (1) hire a search firm to cast the net; (2) hire staff to cast the net; or (3) hire a committee of the Board to cast the net and coordinate it. He thinks the latter is probably a saner approach until we know there is a search firm that even wants to do it. Whether \$20,000 or \$50,000 is thrown at a search firm gives him no confidence deductively that I am getting any better candidate. I get the confidence from the candidate from the net that is cast by the Board and by the Board staff. I am concerned about the capacity of the Board staff.

Mr. Meister said he liked the idea of setting up a subcommittee of the Board that would only be advisory to come back to us with a recommendation of who to engage, to find us a slate of candidates and like the idea of Mr. Eidman being involved, if he is willing, because it may be good for Mr. Eidman can meet in person with Julian Carter if it were to be her to get a degree of confidence you only get from a in-person meeting. As long as advisory, someone with transaction experience is well-taken and Mr. Eidman can consult with some other member or members of the subcommittee to get their input and come back to us with a well-informed recommendation. Mr. Meister suggested it be about 3 members like the pricing committee structure. Ms. Durso said she suggested one or two to limit the possibility of any quorum issues for a subcommittee. Mr. Meister said it was two Board members and that he nominated Ms. Schiermeyer because she is long tenured transaction person. Ms. Schiermeyer and Mr. Eidman would come back to the Board with a recommendation on who to engage. Mr. Atkinson asked if a staff person should be dedicated to work with them or leave it open. Mr. Moore and Mr. Eidman said that should be left to the discretion of the staff. Mr. Meister said there were going to be questions that come up about how to enter into an interagency agreement and the normal channel would be for Ms. Durso. Ms. Durso said that particular task is a form. Ms. Durso asked that it specifically not be her involved in the executive search process. Though, if any issue comes up assigned staff would be able to obtain my input. As far as participating in the committee, she would prefer not to. Mr. Meister said he thought the other choices were John and Pam. Ms. Schiermeyer did not want John and suggested Paula. Mr. Meister asked who among

you feel like you have value to add. Ms. Scivicque answered that she in an advisory role, could do that, or if asked could participate at a different level. Mr. Meister said he thought it could be a little of both. Ms. Scivicque said she would be happy to assist although it is a busy time because it is the end of the fiscal year. Ms. Durso asked if there was a reason the Board was looking to one member of staff as opposed to staff determining which staff person could be responsive to Mr. Eidman and Ms. Schiermeyer's requests. If you are looking at it from an advisory standpoint, any, either John or Pamela or even Paula have a long history with the agency and they know quite a bit about the role of executive director so those are obviously options for that particular role. If it is more administrative, it might be better if staff figures out who is the best person to do it. But, whatever is your pleasure, staff will make it work.

Mr. Atkinson stated he was looking for the technical knowledge and not the manpower. In that regard, he recognized Pamela has been integrally involved in transactions historically as well as she has mentioned in her comments that she has done this before or something like it. Ms. Scivicque commented that she thought Ms. Scivicque had said it was the former executive director who served in that capacity. Mr. Atkinson said Pamela was busy and so she should be able to provide Mr. Eidman and Ms. Schiermeyer with good knowledge and experience of the agency's needs that should be overlaid with candidates. If there is a granular work or anything like that Ms. Durso or Ms. Scivicque could find someone to do it. Mr. Moore said that basically if you need something done, get someone busy to get it done. Mr. Atkinson said that is what his preacher tells him. Mr. Meister said he thought the recommendation would be to form a committee comprised of Mr. Eidman, Ms. Schiermeyer, with Pamela Scivicque as the dedicated staff resource and, if necessary, Paula can assist and the delegation to the committee will be to come back to the Board with a recommendation that we as a Board can approve at the September meeting for a search consultant to lead the process in coming back to the Board by the October meeting with a slate of candidates that we can begin to review. Mr. Meister asked if that was consistent with the discussions. Then, he said alright, he would entertain a motion at this time to adopt the process just described.

Mr. Atkinson moved to adopt the recommendation stated above. Mr. Moore seconded. The motion passed unanimously.

Ms. Durso asked the record reflect that Mr. Alley had left the meeting prior to the vote.

Item 9. Consideration, discussion, and possible action to approve a Request for Financing from the Cancer Prevention and Research Institute for the issuance of an amount not to exceed \$300,000,000 in general obligations debt per fiscal year to fund the operations and program of the Institute as needed during the FY2012-2013 biennium, select a method of sale, and take other necessary related action.

Ms. Durso introduced this item and stated a commercial paper program currently exists that has authorization up to \$450 million and liquidity is provided by the Comptroller of Public Accounts. CPRIT is prepared to begin issuing debt for the biennium after the first of September. Staff is seeking authorization to issue up to \$300 million per year of the biennium and use the commercial paper program that we have up to the amount of \$450 million. The Authority is currently involved in liquidity negotiations with the Comptroller's office and will be getting an extension of the liquidity provided by the Comptroller's office and is also negotiating with the Bank of America Merrill Lynch to provide liquidity for this program going forward. Staff is requesting authority to issue commercial paper for up to \$300 million for this fiscal year and the

next fiscal year in accordance with the General Appropriations Act and that at no time the commercial paper outstanding be in excess of the authorization of the current program. Bill Gimson and Heidi McConnell of the Cancer Prevention Research Institute of Texas are available to discuss their operations and the grants being made. In September, \$14 million will be issued for the first quarter operations and grants.

Mr. Gimson provided an overview of the first two years and the \$450 million in commercial paper. The CPRIT was created by constitutional amendment, proposition 15 that passed in November 2007, and thanks to your support significant strides have been made over the last two years in terms of defeating cancer in the State of Texas. It is very unusual to have a bond issuance for a program similar to what we have at CPRIT. People in the national community are watching Texas. We stood the organization up and kept it small, nimble and entrepreneur and hired only 20 employees even though we have authorization for 36 employees. Over the last two years, CPRIT has released 44 funding opportunities or 44 announcements for funding. Only institutions in Texas are eligible for the funding. In response to the opportunities, 2,250 proposals and when those proposals are spread out that would equate to 100 proposals coming in each month. We know the demand is out there in terms of research, in terms of commercialization and in terms of evidence based prevention. The way the projects are selected is that we use scientists and experts who all live and work outside the state of Texas. The reason we do that is to avoid any conflict of interest. These scientists, researchers, experts, form our peer review committees and they select the very best projects in the State of Texas. During the last two years, 283 projects have been awarded to about 60 institutions, organizations and companies in the State of Texas. We have encumbered \$450 million and for every research project and every commercialization project we require a match. For every \$2 CPRIT invests, the institution or the company has to invest \$1. So, there is a 2-to-1 match required for all of the research and company projects. We also award evidence based projects and these evidence based projects are primarily screening for breast cancer, screening cervical cancer and screening for colorectal cancer. To date, 3,500 screenings have been provided and 75% of those individuals have never been screened before. The economic impact of the first year from the grants issued the first year exceeded \$800 million pumped in to the State and local economies. One of the most significant projects is the attraction of scientists that we call CPRIT scholars. CPRIT is also excited about partnering with Roche and other biotech and pharmaceutical firms to come to Texas and invest in cancer research on the commercialization side. Seven companies were selected from 158 that applied or a success rate of about 4% keeping the bar high because we are investing Texan's dollars. These companies are looking at either commercializing drugs, diagnostics or devices and what we are doing is helping these companies develop these products and eventually bring a return on investment to the State. Dr. Gimson thanked the Authority and Board for its support.

Mr. Atkinson thanked Dr. Gimson for his very good report. Mr. Eidman asked for an example of a really successful project that was funded or one that you are most excited about. Dr. Gimson said the evidence based prevention projects and we are authorized to spend 10% on those projects so bringing in 35,000 individuals who have never been screened before is pretty exciting because we know we can prevent 60% of colorectal cancer cases, prevent 20% of breast cancer and prevent 100% of cervical cancer with proper screening. Last year, 380 women in Texas died of cervical cancer and not really one of those women needed to die because it is 100% preventable. On the research side, we are developing a clinical trial network. Texas will be the first state in the country to develop a clinical trial networks with clinical sites around the state where Texans can go and get groundbreaking therapies by expanding access to trials. Patients in

clinical trials generally do better.

Ms. Schiermeyer moved to approve CPRIT's request for financing in an amount not to exceed \$300,000,000 per year of the 2012-2013 fiscal biennium, to issue commercial paper in an amount not to exceed \$450,000 outstanding in any one-time under the current Sales 2010 A or B, as appropriate, and delegate authority to staff to execute and deliver documents and take other necessary related actions to effectuate the authorized issuance. Mr. Moore seconded. The motion passed unanimously.

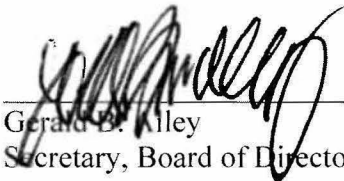
Item 10. Staff Report (No Action Items) –
--Update on Liquidity Issues
--Agency Travel Policies and Procedures

Ms. Durso reported on the status of liquidity negotiations and new travel policy and procedures.

There was no Executive Session. Since the next meeting date, September 1, is the Thursday before Labor Day, the Board determined its next meeting date would be September 8.

The meeting adjourned at 12:20 p.m.

The foregoing minutes were approved and adopted by the Board of Directors on October 5, 2011.



Gerald B. Alley
Secretary, Board of Directors

ATTACHMENT: Posting Notice - Exhibit A



Open Meeting Submission

Success!
Row inserted

TRD: 2011005275
Date Posted: 07/27/2011
Status: Accepted
Agency Id: 0113
Date of Submission: 07/27/2011
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Liaison Id: 3
Date of Meeting: 08/04/2011
Time of Meeting: 10:30 AM (##:## AM Local Time)
Street Location: Capitol Extension Hearing Room E2.028
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, TX 78701.

TEXAS PUBLIC FINANCE AUTHORITY
 THURSDAY, AUGUST 4, 2011, 10:30 A.M.
 Capitol Extension Hearing Room E2.028
 AUSTIN, TEXAS 78701

AGENDA

1. Confirm meeting posting compliance with the Open Meetings Act.
2. Excuse absences of board members, if necessary.
3. Approve the minutes of the July 7, 2011, Board meeting.
4. Consideration, discussion and possible action on TPFA Policy regarding underwriter contact with Board and staff and the Board's Underwriting Policy regarding management and structuring fees.
5. Consideration and possible action on staff's recommendations resulting from staff's evaluation of responses to Request for Proposals for Monitoring and Compliance Services.

Agenda:

6. Consideration and action with respect to a Resolution Authorizing the Private Placement Financing for the Texas Southern University through the U.S. Department of Education Historically Black Colleges and Universities Loan Program and take other necessary related action.
7. Consideration and possible action to adopt rules on use of alternative dispute resolutions procedures as published.
8. Consideration and possible action on responses to Request for Proposals to obtain services of Executive Director Search Firm.
9. Consideration, discussion, and possible action to approve a Request for Financing from the Cancer Prevention and Research Institute for the issuance of an amount not to exceed \$300,000,000 in general obligations debt per fiscal year to fund the operations and program of the Institute as needed during the FY2012-2013 biennium, select a method of sale, and take other necessary related action.

10. Staff Report (No Action Items) ζ
--Update on Liquidity Issues
--Agency Travel Policies and Procedures

11. Executive Session:

- a. 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 conflicts with Texas Government Code, chapter 551.
- b. Pursuant to Texas Government section 551.074, the Board may convene in closed session at any time during this meeting to deliberate personnel issues, including the duties and performance of the Executive Director, General Counsel or other staff.

12. Reconvene Open Meeting:

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

13. Discussion and selection of September meeting date.

14. Adjourn.

Persons with disabilities, who have special communication or other needs, who are planning to attend the meeting should contact Paula Hatfield 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. Susan K. Durso, General Counsel, Certifying Official; Paula Hatfield, Agency Liaison.