

Texas Public Finance Authority

Board of Directors:

D. Joseph Meister, Chair
Ruth C. Schiermeyer, Vice Chair
Gerald Alley, Secretary
Billy M. Atkinson, Jr.
Mark W. Eidman
Rodney K. Moore
Robert T. Roddy, Jr.

Susan K. Durso
Interim Executive Director



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

February 8, 2012

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., Wednesday, February 8, 2012, Capitol Extension Hearing Room E2.028, Austin, Texas. Present were: Ms. Ruth Schiermeyer, Vice Chair; Mr. Rodney Moore, Member; Mr. Tom Roddy, Member; Mr. Billy Atkinson, Member; and Mr. Mark W. Eidman, Member.

Representing the Authority's staff were: Susan K. Durso, Interim Executive Director and General Counsel; Pamela Scivicque, Business Manager; and Paula Hatfield.

Present in their designated capacities were the following persons: Rich McMonagle, Joseph Molis and Scott Stover, Texas Parks & Wildlife Department; Chuck Rohre, Waters Consulting Group; Tim Peterson, JP Morgan; Bob Estrada, Estrada Hinojosa; Dalton Smith, Bank of America Merrill Lynch; Becky Villasenor, Cabrera Capital Markets, LLC; Tim Kelley, Piper Jaffray; Chris Allen, First Southwest Co.; Colby Eckols, PFM; Jerry Kyle, Andrews Kurth; Robin Redford, Ramirez & Co.; Mark Ellis, Jefferies; Keith Richard, Morgan Stanley; and Debi Jones, Morgan Keegan.

Ms. Schiermeyer called the meeting to order at 10:32 a.m.

Excuse absences of board members.

Mr. Roddy moved to excuse the absences of Mr. Meister and Mr. Alley. Mr. Atkinson seconded. The motion passed unanimously.

Item 3. Approve the minutes of the January 5, 2012, Board meeting.

Ms. Schiermeyer asked if there were any corrections or additions to the minutes of the Board meeting of January 5, 2012. Mr. Eidman moved to approve the minutes. Mr. Moore seconded. The motion passed unanimously.

4. Consideration, discussion and possible action on Texas Parks & Wildlife Department's Request for Financing to issue general obligation debt in an amount totaling \$32,350,000 for the repair and rehabilitation of facilities as authorized by the Texas Constitution Art. III, Sec. 50-g and HB 1, art. IX sec.18.01, select a method of sale, appoint outside consultants, if needed, and take other necessary related action.

Ms. Durso called the Board's attention to their materials regarding the Department's, specifically the list of facilities and the projects for the funds requested. Staff recommends Board approval of the request to issue up to \$32,350,000 using the Authority's 2008 general obligation commercial paper program. Ms. Durso noted that the projects listed were identified prior to the fires in Bastrop and the fire damage expenses are not covered in this request. The expenditures will begin in May necessitating issuance later in the spring. The projects are scheduled for completion in 2017.

Mr. Rich McMonagle, Director of Infrastructure for the Texas Parks & Wildlife Department, stated he was joined by Mr. Scott Stover, the Deputy Director of the division and Mr. Joseph Molis, Financial Manager. Mr. McMonagle explained, as Ms. Durso stated earlier, that its request for \$32,350,000 is for repairs and replacement of statewide facilities as approved by the 82nd Legislature.

Ms. Schiermeyer asked if the Department would be asking for funds later to address the damage from the Bastrop files. Mr. McMonagle replied "no" and explained that some funds from past bond issues were available for use due to some cost savings and this matter had been discussed with Ms. Durso. There is no indication that these funds would be used for Bastrop files.

Mr. Atkinson moved to approve the request. Mr. Moore seconded. The motion passed unanimously.

5. Staff Report (No Action Items) – Market Update

Ms. Durso called the Board's attention to the staff report showing the usual summary of the Authority's debt and market conditions. She stated the blue pie chart shows a little increase in the commercial paper outstanding from the Board approval of agency requests for financings as this fiscal year moved forward. The small table showing dealer performance and average weight of maturities reflect the continuing low rates of short term debt. Staff requested that dealers for the commercial paper programs move maturities out long into April and beyond in order to take advantage of the low rates and to avoid any market volatility that may result from the Greek potential default and other European debt issues.

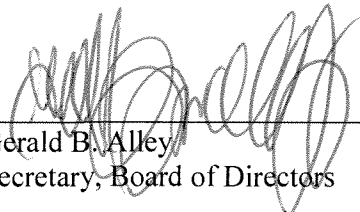
Staff is working on the schedule for the Legislative Appropriation Request and Strategic Plan that will be provided to the Board in the next couple of meetings.

The Board recessed the meeting at 10:39 a.m. to move to the Clements Building 10th Floor Library Conference Room to begin a work session on the selection of an Executive Director. The Board reconvened the open meeting at 11:11 a.m. in the 10th Floor Library at the Clements Building and recessed into Executive Session at 11:12 a.m.

The Board reconvened the open meeting at 7:53 p.m. As a result of the Executive Session, upon motion by Mr. Roddy, and second by Mr. Atkinson, the Board instructed the Interim Executive Director to make a \$20,000 equity adjustment in the annual salary of the Business Manager, and to process a one-time merit payment to the Business Manager in the amount of \$10,000 for her extra duties undertaken over the last six-months in assisting the Board with the Executive Director search. The Board also directed that after the new Executive Director commences employment that the Interim Director return to the General Counsel position reclassified as a General Counsel IV with an annual salary of \$110,296.00 and that the Executive Director process a one-time merit payment to the General Counsel in the amount of \$10,000 for the additional duties performed while serving the agency as both Interim Executive Director and General Counsel under the extraordinary circumstance of the vacancy in the Executive Director position, when it is legally possible to do so. Mr. Roddy also moved to offer the position of Executive Director to Robert Coalter at \$120,000 per year. Mr. Atkinson seconded. The motion passed unanimously.

The meeting adjourned at 7:55 p.m.

The foregoing minutes were approved and passed by the Board of Directors on June 7, 2012.



Gerald B. Alley
Secretary, Board of Directors

ATTACHMENT: Posting Notice - Exhibit A

Current Meeting Notices

Agency Name: Texas Public Finance Authority
Date of Meeting: 02/08/2012
Time of Meeting: 10:30 AM (Local Time)
Board: Texas Public Finance Authority
Status: Active
Street Location: Capitol Extension Hearing Room E2.028
City Location: Austin
Meeting State: TX
TRD ID: 2012000812
Submit Date: 01/31/2012
Emergency Meeting?: No
Additional Information: If you need any additional information contact Paula Hatfield, 512/463-5544, 300 W. 15th Street, Suite 411, Austin, TX 78701.
Obtained From:
Agenda:

TEXAS PUBLIC FINANCE AUTHORITY
 WEDNESDAY, FEBRUARY 8, 2012, 10:30 A.M.
 Capitol Extension Hearing Room E2.028
 AUSTIN, TEXAS 78701

1. Confirm meeting posting compliance with the Open Meetings Act.
2. Excuse absences of board members, if necessary.
3. Approve the minutes of the January 5, 2012, Board meeting.
4. Consideration, discussion and possible action on Texas Parks & Wildlife Department's Request for Financing to issue general obligation debt in an amount totaling \$32,350,000 for the

repair and rehabilitation of facilities as authorized by the Texas Constitution Art. III, Sec. 50-g and HB 1, art. IX sec.18.01, select a method of sale, appoint outside consultants, if needed, and take other necessary related action.

5. Staff Report (No Action Items) & Market Update

Recess for Work Session

BOARD WORK SESSION

10:45 A.M.

Clements Building, 300 West 15th Street, Austin, Texas

10th Floor Library Conference Room

WORK SESSION AGENDA

Reconvene Open Meeting

6. Consideration and possible action regarding the Executive Director search, including discussion with a representative of Waters Consulting Group.

7. 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 selection, duties and employment of the Executive Director and the duties and performance of the Interim Executive Director, General Counsel or other staff.

Reconvene Open Meeting:

The open meeting will be reconvened, and any final action required concerning matters deliberated in the Closed Meeting must be taken at this time.

8. 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.