

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS:

Billy M. Atkinson, Jr., Chair
Ruth C. Schiermeyer, Vice Chair
Gerald B. Alley, Secretary
Mark W. Eidman
Walker N. Moody
Rodney K. Moore
Robert T. Roddy, Jr.



EXECUTIVE DIRECTOR
Lee Deviney

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

July 10, 2014

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, July 10, 2014, Capitol Extension Hearing Room E2.028, Austin, Texas. Present were: Ms. Ruth Schiermeyer, Vice Chair; Mr. Gerald Alley, Secretary, Mr. Robert Roddy, Member; and Mr. Rodney Moore, Member.

Representing the Authority's staff were: Lee Deviney, Executive Director; John Hernandez, Deputy Director; Pamela Scivicque, Director of Business Administration; and Melissa Juarez, Assistant Attorney General, Office of the Attorney General.

Present in their designated capacities were the following persons: Art Morales, BOSC, Inc.; Chris Allen, First Southwest Co; Dalton Smith, Bank of America Merrill Lynch; Barron Wallace, Bracewell & Giuliani, LLP; Rick Menchaca, BOSC, Inc.; Frank Farley, Wells Fargo Securities; Robin Redford, Ramirez & Co.; Danielle Bradford, Piper Jaffray; Jorge Rodriguez, Coastal Securities; John Young, Wells Fargo; Keith Richard, Morgan Stanley; Kristen Doyle, Cancer Prevention & Research Institute of Texas; Dan Limas, Cancer Prevention & Research Institute of Texas; Tim Kelley, Piper Jaffray; Mark Ellis, Jefferies; Tilghman Naylor, Jefferies; Tim Peterson, J.P. Morgan; Debi Jones, Raymond James; Lara Bell, Legislative Budget Board; and Carol Polumbo, McCall Parkhurst & Horton.

Ms. Schiermeyer called the open meeting to order at 10:34 a.m. and confirmed the meeting was duly posted with the Secretary of State's office.

Ms. Schiermeyer noted that a quorum was present.

Item 2. Excuse absences of board members.

Mr. Roddy moved to excuse the absences of Mr. Billy Atkinson, Mr. Mark Eidman, and Mr. Walker Moody. Mr. Moore seconded the motion. The motion passed unanimously.

Item 3. Approve the Minutes of June 5, 2014, Board meeting.

Mr. Alley moved to approve the minutes and Mr. Roddy seconded the motion. The motion passed unanimously.

Item 4. Consideration and approval of a Resolution ratifying the Texas Southern University advance no. 3, pursuant to the Series A 2012-10 Note.

The item was tabled.

Item 5. Matters related to Texas Windstorm Insurance Association, including:

- a. Consideration, discussion, and possible action related to the adoption of a resolution approving (i) the form of a master resolution relating to class 1 public securities to be issued by Texas Public Finance Authority on behalf of Texas Windstorm Insurance Association entitled *Master Resolution Authorizing the Issuance of Class 1 Public Securities on behalf of the Texas Windstorm Insurance Association; establishing and Pledging the Security therefor; authorizing the execution and delivery of a Financing and Pledge Agreement, a Funds Management Agreement, a Deposit Account Control Agreement, and other documents in connection therewith; accepting a Department of Insurance Representation Letter; and resolving related matters* and (ii) the forms of the related transaction documents, to be finally approved upon issuance of the class 1 public securities.
- b. Consideration, discussion, and possible action related to the adoption of a resolution approving the form of a first supplemental resolution relating to the Texas Public Finance Authority Texas Windstorm Insurance Association Premium Revenue Taxable Bonds, Series 2014 to be issued as class 1 public securities by Texas Public Finance Authority on behalf of Texas Windstorm Insurance Association entitled *First Supplemental Resolution authorizing the issuance of Texas Public Finance Authority Texas Windstorm Insurance Association Premium Revenue Taxable Bonds, Series 2014 as Class 1 Public Securities in the aggregate principal amount of \$500,000,000; authorizing the execution and delivery of a Purchase Contract and other documents in connection therewith; approving the form of an Official Statement, and the taking of action to effect the sale and delivery of such bonds; and related matters thereto*, to be finally approved upon the issuance of the class 1 public securities.
- c. Consideration, discussion, and possible action related to the adoption of a *Resolution Approving Preliminary Official Statement* for the Texas Public Finance Authority Texas Windstorm Insurance Association Premium Revenue Taxable Bonds, Series 2014 and take other necessary and related action thereto, including the delegation to the Executive Director to deem final the Preliminary Official Statement for the use and distribution thereof by the underwriter in connection the public offering and sale of the Texas Public Finance Authority Texas Windstorm Insurance Association Premium Revenue Taxable Bonds,

Series 2014.

The item was tabled.

Item 6. Consideration, discussion and possible action to approve the Cancer Prevention & Research Institute of Texas Request for Financing in an amount not to exceed \$300,000,000, for Fiscal Year 2015, in general obligation debt pursuant to Article III, Section 67, Texas Constitution, Texas Health and Safety Code, Chapter 102, as amended, Texas Government Code, Chapter 1232, as amended, and provisions of the General Appropriations Act, 83rd Legislature, R.S. (2013) for authorized program costs, selection of a method of sale, appointment of outside consultants, if necessary, and taking other necessary related action.

Mr. Deviney stated the Authority is authorized to issue up to \$300,000,000 per fiscal year of the biennium on behalf of the Cancer Prevention & Research Institute of Texas (the "CPRIT") to fund its operations and grant award program. The Authority has a commercial paper program to issue short-term debt on behalf of CPRIT and this program currently has \$300,000,000 in available capacity as a result of a recent fix-out of the notes. Mr. Deviney stated that staff recommends approving CPRIT's Request for Financing in an amount not to exceed \$300,000,000 for Fiscal Year 2015 to fund CPRIT's operations and program needs, utilizing the Authority's State of Texas General Obligation Notes (Cancer Prevention and Research Institute of Texas Project), Series A (Taxable) & Series B (Tax Exempt).

Mr. Schiermeyer asked for clarification on the legislative authority. Mr. Deviney provided the related statutory authority and added that the proceeds are appropriated in the general appropriations act for Fiscal Year 2015.

Mr. Alley moved to accept staff's recommendation. Mr. Roddy seconded the motion. The motion passed unanimously.

Item 7. Report on the sale of the Texas Public Finance Authority (Texas Workforce Commission Project) Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2014 A&B.

Mr. Deviney stated that these bonds were issued to refund certain outstanding Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2010A&B and the overall results of the sale was a net present value savings of \$24.8 million or 3.512%.

Mr. Dalton Smith provided additional information regarding the refunding of the Texas Workforce Commission (the "Commission") bonds secured by the pledges for the obligation assessments collected by the Commission. Mr. Smith discussed the fact that the transaction garnered the highest rating from Moody's, S&P and Fitch. He also described the structuring of the bonds and the market conditions leading up to the sale on April 24, 2014.

Item 8. Authority's Budget and Legislative Appropriation Request.

Mr. Deviney provided the Board with a brief summary of the agency's current budget estimates to be included in the Legislative Appropriations Request.

Mr. Alley asked whether the salary information was based on local or nationwide data. Mr. Deviney stated that some work had been done to look at comparable salaries at other Texas state agencies and that staff would gather additional information.

Item 9. Staff update

a. A market update

b. Staff vacancies

Mr. Deviney summarized the statistical information provided to the Board, drawing their attention to the fact that the outstanding general obligation commercial paper reflected in the staff report had been fully refunded with proceeds from the recent bond sale. Mr. Alley asked for additional details regarding the HUB statistics included in the report. Mr. Deviney stated that he would provide the Board with additional information.

Mr. Deviney provided the Board with a status of vacant positions.

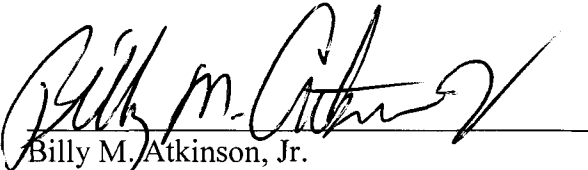
Item 10. Future meeting dates and times.

The Board discussed meeting on July 23, 2014.

Item 11. Adjourn

The meeting adjourned at 11:02 a.m.

The foregoing minutes were approved and passed by the Board of Directors on August 7, 2014.

A handwritten signature in black ink, appearing to read "Billy M. Atkinson, Jr.", written over a horizontal line.

Billy M. Atkinson, Jr.
Chair, Board of Directors

