

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS:

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



EXECUTIVE DIRECTOR
Lee Deviney

MAILING ADDRESS:

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Austin, Texas 78711-2906

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

December 10, 2015

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, December 10, 2015, in the State Capitol Extension, Hearing Room E2.028, Austin, Texas. Present were: Mr. Billy M. Atkinson, Jr., Chair; Ms. Ruth C. Schiermeyer, Vice Chair; Mr. Gerald B. Alley, Secretary; Mr. Ramon Manning, Member; Mr. Walker N. Moody, Member; and Mr. Rodney K. Moore, Member.

Representing the Authority's staff were: Lee Deviney, Executive Director; John Hernandez, Deputy Director; Kevin Van Oort, General Counsel; Donna Weinberger, Bond Administration Specialist; and John Barton, Sr. Financial Analyst.

In attendance were the following persons, representing the indicated entities: Chris Allen, First Southwest Company; Tim Kelley and Danielle Bradford, Piper Jaffray & Co.; Dalton Smith and Brandon Walker, Bank of America Merrill Lynch; Hasan Mack and Carol Polumbo, McCall Parkhurst & Horton; Barron Wallace, Bracewell & Giuliani; Robin Redford, Ramirez & Co., Inc.; Jerry Kyle and Julie Houston, Andrews Kurth; Patrick Scott, Barclays Capital; Blaine Brunson, Morgan Stanley; Jorge Rodriguez, Coastal Securities; Paul Jack, Estrada Hinojosa; Ashley James, Raymond James; Tilghman Naylor, Jefferies; Hector Matos, Citigroup; Paul Martin, Winstead; Louis Edwards and Craig Ness, Texas Southern University; Brian O'Reilly, Locke Lord; Troy Madres, EHCI; and Jeremy Mazur, Office of Senator Van Taylor.

Mr. Atkinson called the Board meeting to order at 10:38 a.m. and noted that a quorum was present.

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

Mr. Atkinson confirmed that the meeting was duly posted with the Secretary of State's Office.

Item 2. Excuse absences of board members, if necessary.

Action: Mr. Alley moved to excuse the absences of Mr. Roddy and Mr. Moody, second by Mr. Manning. The motion passed unanimously.

Mr. Atkinson welcomed new board member Ramon Manning to his six-year term, replacing Mark Eidman whose term expired.

Item 3. Review and approval of the minutes of the September 3, 2015, Work Session and Board Meeting.

Mr. Atkinson asked if there were any additions or corrections to the Work Session minutes. None were indicated. Mr. Moody joined the meeting at 10:40 a.m.

Action: Ms. Schiermeyer moved to approve the Work Session minutes, second by Mr. Moore. The motion passed unanimously.

Mr. Atkinson asked if there were any additions or corrections to the Board Meeting minutes. None were indicated.

Action: Ms. Schiermeyer moved to approve the Board Meeting minutes, second by Mr. Alley. The motion passed unanimously.

Item 4. Consideration, discussion and possible action related to the selection of bond counsel for future transactions.

Mr. Van Oort stated that 13 responses to the Request for Proposals for bond counsel were received. Discussion ensued and it was determined to narrow the pool to eight (8) law firms.

Staff recommended the Board designate a bond counsel pool for the 2016-2017 biennium consisting of the following firms: Andrews Kurth LLP, Mahomes Bolden PC, Bracewell & Giuliani, McCall Parkhurst & Horton, Escamilla & Poneck, Norton Rose Fulbright, Haynes and Boone, LLP, and Winstead PC; staff further recommended the Board reserve the right to use the same pool during the 2018-2019 biennium.

Action: Motion by Mr. Moore to approve the staff recommendation, second by Mr. Alley. The motion passed unanimously.

Item 5. Consideration, discussion and possible action to appoint outside consultants in connection with the Texas Facilities Commission Request for Financing for new construction in the Capital Complex and the North Austin Campus; and taking other necessary related action.

Mr. Deviney discussed the need for a commercial paper dealer to finance the project. A matrix consisting of firms who offered commercial paper dealer services from the previously constituted underwriter pool was presented to the Board. The matrix provided the names of the firms that were able to offer alternative forms of commercial paper, purchase commitments, fees, and liquidity. Staff met with its financial advisor to help determine the commercial paper dealer for this transaction. A mini RFP was issued for Issuing and Paying Agent (IPA) services and two firms responded.

Staff recommended that the Board appoint Morgan Stanley to serve as the commercial paper dealer and appoint US Bank as IPA to fund the Texas Facilities Commission's previously approved Request for Financing for the new construction projects in the Capitol Complex and the North Austin Campus.

Action: Motion by Ms. Schiermeyer to adopt staff recommendation, second by Mr. Moore. The motion passed unanimously.

Item 6. Consideration, discussion and possible action to approve the Texas Southern University Request for Financing for revenue bond debt financing in the amount of \$60,000,000, pursuant to Chapter 1232 of the Texas Government Code and Section 55.17891 of the Texas Education Code, for the construction of the Robert J. Terry Library and Learning Center; selection of a method of sale; appointment of outside consultants; and take other necessary related action.

Mr. Deviney explained the project and provided background on the appropriation for debt service. Mr. Deviney further advised the Board that there are several potential options relating to the method of sale and that First Southwest Company has extensive prior experience advising the Authority on Texas Southern University transactions. Mr. Deviney suggested that the Board defer action on selecting a method of sale, pending consultation with the financial advisor.

Staff recommended that the Board approve the Texas Southern University (TSU) Request for Financing for revenue bond debt financing in the amount of \$60,000,000 for the construction of a library and learning center on the TSU campus. Staff further recommended appointment of First Southwest Company to serve as financial advisor to the Authority for this financing.

Craig Ness, Vice President for Administration & Finance/Chief Financial Officer at TSU, presented information regarding the project. It is anticipated the building will open in late 2018. There have been four possible sites identified to replace the current 50 year old building.

Action: Motion by Ms. Schiermeyer to adopt staff recommendation, second by Mr. Manning. Mr. Alley recused himself. The motion passed with five votes in favor and none opposed; Mr. Alley present, not voting.

Item 7. Status Report on Texas Southern University project funding, Series A 2012-10 Note.

Mr. Deviney stated that he, Mr. Atkinson, Mr. Manning, and Ms. Weinberger conducted a site visit on November 5, 2015 in order to inspect the student housing facility project. Mr. Deviney stated that he was pleased to see the progress with the facility. Mr. Ness stated that furniture will be moved into the facility on December 20, 2015 and the students will move in on January 12, 2016. Food service in the facility will not occur until spring break. Mr. Ness stated there were no alternate housing contracts in place. There is a contingency plan for housing students in the interim. Mr. Ness advised that TSU is in the process of discussing liquidated damages with the contractor. Mr. Ness stated he appreciates the support of the TPF Board and Staff.

No action was taken on this item.

Item 8. Consideration and approval of a Resolution ratifying advances no. 16, 17, and 18 for Texas Southern University relating to the Series A 2012-10 Note.

Staff recommended that the Board adopt a resolution ratifying the Texas Southern University advances no. 16, in the amount of \$3,188,792.28, advance no. 17 in the amount of \$1,851,973.80 and advance no. 18 in the amount of \$2,151,515.19, all pursuant to the Series A 2012-10 Note.

Action: Motion by Mr. Moore to adopt staff recommendation, second by Mr. Moody. The motion passed unanimously.

Item 9. Consideration, discussion and possible action to appoint a financial advisor for the TPFA 2008 Series General Obligation Commercial Paper Program and other current TPFA commercial paper programs.

Mr. Deviney stated the liquidity agreements have expired and an extension is in place with the Comptroller's Office. Staff is in need of a financial advisor to review the liquidity agreement and act as the Authority's representative to the Comptroller's Office and any third party.

Staff recommended the Board appoint Coastal Securities to serve as financial advisor for the Authority's General Obligation Commercial Paper Notes, Series 2008, the General Obligation Commercial Paper Notes (CPRIT), Series A (Taxable) and Series B, and the Tax Exempt Commercial Paper Revenue Notes, Series 2003 for the purpose of working with the Comptroller of Public Accounts to revise the current commercial paper liquidity agreements.

Action: Motion by Ms. Schiermeyer to adopt staff recommendation, second by Mr. Alley. The motion passed unanimously.

Item 10. Report on the sale of the Texas Public Finance Authority General Obligation and Refunding Bonds, Taxable Series 2015C.

Mr. Deviney advised the Board that the bonds priced in October and Ms. Schiermeyer represented the Board at the pricing in Minneapolis. Tim Kelley and Danielle Bradford (Piper Jaffray) presented information detailing the transaction. Mr. Kelley stated this was an excellent time in the market to price the bonds. Ms. Bradford stated the bonds were priced on the lowest pricing date of the quarter.

No action was taken on this item.

Item 11. Staff Update:

- a. RFP for Financial Advisor Services

Mr. Deviney stated, the RFP is going out fairly soon and should be ready for the Board to select its Financial Advisor(s) at the February 2016 meeting.

- b. Status of TDI rule promulgation to implement S.B. 900 (TWIA legislation)

Mr. Van Oort stated that Texas Department of Insurance (TDI) has proposed rule changes in accordance with the new laws, but have not adopted them. TDI should adopt the rules soon.

Texas Windstorm Insurance Association (TWIA) should come to the board at the appropriate time to ask for funding.

c. TPFA Annual Financial Report

Mr. Hernandez presented the report to the Board. Mr. Deviney stated the AFR is not audited.

d. State Auditor Review of TPFA Financial Processes

Mr. Deviney stated the Authority Staff has been working with the State Auditor's Office and has been meeting and providing information as requested. Mr. Deviney said there has been a good working relationship between the offices.

e. Automated Debt Management System

The Authority is close to having the contracts completed.

f. TPFA Operating Budget

Mr. Deviney presented the Authority's operating budget to the Board. The largest part of the budget is debt service payments.

g. Market Update

Mr. Barton presented the current market data.

There were no actions taken for these items above.

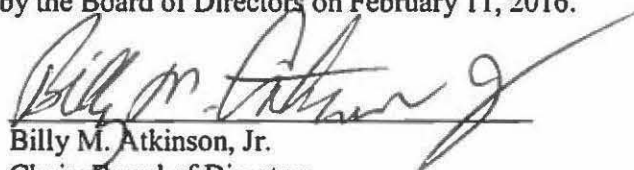
Item 12. Future agenda items and meeting dates.

The potential of a January or February Board Meeting was discussed. The primary action item for February would relate to the establishment of a funding mechanism for the Texas Facilities Commission projects.

Item 13. Adjourn

Mr. Atkinson adjourned the meeting at 11:44 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on February 11, 2016.


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

ATTACHMENT: Post Notice – Exhibit A



OFFICE of the SECRETARY of STATE

Open Meeting Information

Agency Name: Texas Public Finance Authority
Date of Meeting: 12/10/2015
Time of Meeting: 10:30 AM (Local Time)
Board: Texas Public Finance Authority Board Meeting
Status: Accepted
Street Location: Capitol Extension Hearing Room E2.028, State Capitol, 1400 N. Congress Ave.
City Location: Austin
Meeting State: TX
TRD: 2015008219
Submit Date: 12/02/2015
Emergency Mtg: No
Additional Information Obtained From: Donna Weinberger, at 512/4635544,
300 W. 15th Street, Suite 411, Austin, TX 78701.

Texas Public Finance Authority
Board Meeting
Thursday, December 10, 2015 –10:30 A.M.
Capitol Extension Hearing Room E2.028
State Capitol
1400 N. Congress Ave.
Austin, Texas 78701

AGENDA

Agenda: The Board may discuss and take action regarding any of the following matters:

1. Confirm meeting posting compliance with the Open Meetings Act.
2. Excuse absences of board members, if necessary.
3. Review and approval of the minutes of the September 3, 2015 Work Session and September 3, 2015 Board Meeting.
4. Consideration, discussion and possible action related to the selection of bond counsel for future transactions.

5. Consideration, discussion and possible action to appoint outside consultants in connection with the Texas Facilities Commission Request for Financing for new construction in the Capital Complex and the North Austin Campus; and taking other necessary related action.

6. Consideration, discussion and possible action to approve the Texas Southern University Request for Financing for revenue bond debt financing in the amount of \$60,000,000, pursuant to Chapter 1232 of the Texas Government Code and Section 55.17891 of the Texas Education Code, for the construction of the Robert J. Terry Library and Learning Center; selection of a method of sale; appointment of outside consultants; and take other necessary related action.

7. Status Report on Texas Southern University project funding, Series A 2012-10 Note.

8. Consideration and approval of a Resolution ratifying advances no. 16, 17, and 18 for Texas Southern University relating to the Series A 2012-10 Note.

9. Consideration, discussion and possible action to appoint a financial advisor for the TPFA 2008 Series General Obligation Commercial Paper Program and other current TPFA commercial paper programs.

10. Report on the sale of the Texas Public Finance Authority General Obligation and Refunding Bonds, Taxable Series 2015C.

11. Staff Update:

a. RFP for Financial Advisor Services

b. Status of TDI rule promulgation to implement S.B. 900 (TWIA legislation)

c. TPFA Annual Financial Report

d. State Auditor Review of TPFA Financial Processes

e. Automated Debt Management System

f. TPFA Operating Budget

g. Market Update

12. Future agenda items and meeting dates.

13. Adjourn.

THE BOARD MAY GO INTO CLOSED SESSION REGARDING ANY ITEM ON THE AGENDA IF PERMITTED UNDER THE OPEN MEETINGS ACT, GOVERNMENT CODE CHAPTER 551.

Persons with disabilities who have special communication or other needs, who are planning to attend the meeting, should contact Donna Weinberger at 512/463-5544.

Requests should be made as far in advance as possible. Contact Donna Weinberger if you need any additional information, Texas Public Finance Authority, 300 W. 15th Street, Suite 411, Austin, TX 78701.

Certification: I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Kevin D. Van Oort, General Counsel,
Certifying Official: Donna Weinberger Agency Liaison

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