

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:

Post Office Box 12906
Austin, Texas 78711-2906

PHYSICAL ADDRESS:

300 West 15th Street, Suite 411
Austin, Texas 78701

TELEPHONE: (512) 463-5544

FACSIMILE: (512) 463-5501

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

February 11, 2016

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, February 11, 2016, 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; Pamela Scivicque, Director, Business Administration; Donna Weinberger, Bond Administration Specialist; John Barton, Sr. Financial Analyst; and Robert Jocius, Project Manager.

In attendance were the following persons, representing the indicated entities: Chris Allen, FirstSouthwest; Dalton Smith, Bank of America Merrill Lynch; Mario Carrasco and Hector Matos, Citigroup; Curt Shelmire, Stifel, Nicolaus & Co.; Curtis Flowers, Loop Capital Markets; Robin Redford, Ramirez & Co., Inc.; John Daniel and Patrick Scott, Barclays Capital; Blaine Brunson, Morgan Stanley; Jorge Rodriguez, Coastal Securities; Paul Jack, Estrada Hinojosa & Co.; Keith Richard, Siebert Brandford Shank & Co.; Louis Edwards, Texas Southern University; Mark Ellis, Jefferies; Andy Bynum, Mesirow Financial; Piper Montemayor, Texas Comptroller of Public Accounts; and Ryan Paylar, Office of Senator Van Taylor.

Mr. Atkinson called the Board meeting to order at 10:30 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: Motion by Mr. Moore to excuse the absences of Mr. Roddy and Mr. Manning, second by Mr. Moody. The motion passed unanimously.

Item 3. Review and approval of the minutes of the December 10, 2015 Board Meeting.

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

Action: Motion by Ms. Schiermeyer to approve the Board meeting minutes, second by Mr. Moody. The motion passed unanimously.

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

Mr. Deviney described the matrix in the Board book, referencing the par amount of bonds for which each firm served as financial advisor, the summary of firm experience and firm ownership. Mr. Deviney listed five transactions likely to occur during the balance of the biennium. Discussion ensued regarding the number of firms to be included in the pool for the 2016-2017 biennium and the 2018-2019 biennium and the use of a Co-Financial Advisor.

Discussion ensued regarding retaining the current firms for the 2016-2017 biennium, with the understanding the pool can be expanded at any time.

Discussion ensued regarding the firms which have underwriting desks versus those firms which do not have underwriting desks. Mr. Deviney explained that it can be beneficial to speak with an impartial underwriter during the bond pricing process.

Mr. Manning joined the meeting at 10:35 a.m. and was recognized by the Chair.

Staff recommended that the Board designate a Financial Advisory Pool, for transactions initiated during the 2016-2017 biennium, consisting of Coastal Securities and FirstSouthwest. Staff further recommended that the Board expressly reserve the option to utilize this pool for transactions initiated during the 2018-2019 biennium.

Action: Motion by Mr. Moody to adopt the staff recommendation to designate a Financial Advisory Pool consisting of Coastal Securities and FirstSouthwest, but for the 2016-2017 biennium only, second by Ms. Schiermeyer. The motion passed unanimously.

Item 5. Status Report on Texas Southern University (TSU) project funding, Series A 2012-10 Note.

Mr. Alley stated that he had a possible conflict of interest relating to Texas Southern University and recused himself on agenda items relating to TSU.

Mr. Deviney stated that the contractor anticipates substantial completion of the project by February 29, 2016 and the contractor has an additional 30 days to obtain a Certificate of Occupancy. The Chair recognized Louis Edwards, Treasurer for TSU. Mr. Edwards stated the students should be moving into

the dorm over spring break and that food service on the property would be deferred until the fall.

No action was taken on this item.

Item 6. Consideration and approval of a Resolution ratifying advances no. 19 for Texas Southern University relating to the Series A 2012-10 Note.

Mr. Deviney explained the draw is to reimburse TSU for costs on the project.

Staff recommended that the Board adopt a resolution ratifying the Texas Southern University advance no. 19, in the amount of \$2,361,007.74, pursuant to the Series A 2012-10 Note.

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

Item 7. Consideration, discussion, and possible action to evaluate refunding opportunities related to various outstanding General Obligation Bonds, select a method of sale, appoint outside consultants, and take other action as necessary.

Mr. Deviney stated the bond market presented an opportunity to refund some outstanding bonds. Mr. Deviney explained that a variety of underwriting firms have brought unsolicited refunding proposals to the agency and the proposals have been reviewed by Coastal Securities. The staff asked the Board to approve a motion to move forward with reviewing the proposals to determine if a refunding is plausible at this time.

A motion to adopt staff recommendation to move forward with a potential refunding opportunity was discussed.

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

Staff further recommended that the Board approve the appointment of Coastal Securities as financial advisor for this transaction. Mr. Deviney stated Coastal Securities has already done initial work at the request of staff on this transaction.

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

Item 8. Consideration, discussion, and possible action to approve amended liquidity agreements with the Comptroller of Public Accounts for all three of the Authority's current commercial paper programs.

Mr. Deviney stated that there are currently three commercial programs including: Series 2008 General Obligation Commercial Paper Program, the Series 2003 Revenue Commercial Paper Program, and the CPRIT Commercial Paper Program.

Mr. Deviney stated it was the desire of the Comptroller's Office to revise and update the Liquidity Agreements. Both the law firms of Bracewell and McCall Parkhurst & Horton have been working with

the Authority on the agreements with the Comptroller's Office.

Mr. Atkinson recognized Piper Montemayor with the Comptroller's Office.

Ms. Montemayor stated the Comptroller's Office wanted to modernize the documents after the market went through significant changes. Ms. Montemayor advised the Board that the new form of liquidity agreement would be applied to all agencies for which the Comptroller provides liquidity.

Staff recommended that the Board adopt a Resolution to approve the form of the Amended & Restated Liquidity Agreements in substantially final form for each of the Authority's three existing commercial programs and further to direct staff to take all necessary actions in order to finalize and implement such Agreements.

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

Item 9. Consideration, discussion and possible action to appoint special tax counsel in connection with TPFA's Series 2008 General Obligation Commercial Paper Program and TPFA's Series 2003 Revenue Commercial Paper Program.

Mr. Van Oort advised that the outside counsel contract with Bracewell as special tax counsel is set to expire on February 29, 2016. Staff recommended that the Board reappoint the Bracewell firm as special tax counsel, through August 31, 2017, in connection with TPFA's 2008 General Obligation Commercial Paper Program and 2003 Revenue Commercial Paper Program.

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

Item 10. Consideration, discussion and possible action to extend two existing contracts for legal services related to the ongoing liquidity agreement review associated with all three of the Authority's current commercial paper programs.

Mr. Van Oort referenced the importance of having both the Bracewell firm and the McCall Parkhurst & Horton firm under contract in the event additional advice related to the liquidity agreements is needed.

Staff recommended extending the term of the existing contracts with the Bracewell and McCall Parkhurst & Horton firms through December 31, 2016.

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

Item 11. Staff Update:

a. Texas Facilities Commission Building Projects

Mr. Deviney updated the board on the status of the project. Mr. Deviney stated that the liquidity agreements with the Comptroller's Office are in the works and staff has directed outside counsel to begin working on the offering document for the transaction.

b. Texas Southern University Library Project

Mr. Deviney reviewed the previous action of the board. Staff has been working with the financial advisor and TSU to determine an appropriate a method of sale. At the next Board meeting staff will recommend a method of sale and bond counsel.

c. State Auditor Review of TPFAs Financial Processes

Mr. Deviney advised that the auditors have completed their field work and stated that when the draft report is completed he would like to provide the Board with an opportunity to review the document. Mr. Deviney thanked Ms. Scivicque and Mr. Hernandez and their staff for being so responsive to the auditors.

d. State Auditor's Office Risk-Assessment

Staff have begun meeting and should have a report available for the State Auditor's Office shortly.

e. Automated Debt Management System

Mr. Jocius presented information on the debt management system, including information on the budget and expenditures. The awardee for the debt management system is Prescient Software JRD, Inc. Mr. Jocius stated there is still some work to do to get the system up and running, including training and data entry.

f. HB 1295 "Interested Parties" Reporting Requirement

Mr. Van Oort presented information on the new contract reporting requirements created by H.B. 1295, 84th Legislature, R.S. (2015).

g. Market Update

Mr. Barton presented information on the current commercial paper programs, including the amount of commercial paper outstanding.

There was no action taken on the above items.

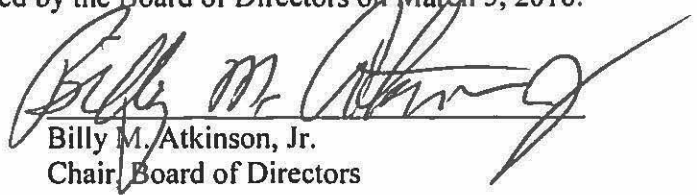
Item 12. Future agenda items and meeting dates.

The potential need for a March 3, 2016 Board meeting was discussed.

Item 13. Adjourn

Mr. Atkinson adjourned the meeting at 11:46 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on March 3, 2016.



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

ATTACHMENT: Post Notice – Exhibit A



Donna Weinberger-Rourke

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Open Meeting Submission

TRD: 2016000814
Date Posted: 02/03/2016
Status: Accepted
Agency Id: 0113
Date of Submission: 02/03/2016
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Date of Meeting: 02/11/2016
Time of Meeting: 10:30 AM (###:## AM Local Time)
Street Location: Capitol Extension Hearing Room E2.028 State Capitol 1400 N. Congress Ave.
City: Austin
State: TX
Liaison Name: Donna Weinberger-Rourke
Liaison Id: 7
Additional Information Obtained From: Donna Weinberger at 512/463-5544, 300 W. 15th Street, Suite 411, Austin, TX 78701.
Agenda: Texas Public Finance Authority
Board Meeting
Thursday, February 11, 2016 –10:30 A.M.
Capitol Extension Hearing Room E2.028
State Capitol
1400 N. Congress Ave.
Austin, Texas 78701

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 December 10, 2015 Board Meeting.

4. Consideration, discussion and possible action related to the selection of financial advisors for future transactions.
5. Status Report on Texas Southern University project funding, Series A 2012-10 Note.
6. Consideration and approval of a Resolution ratifying advance no. 19 for Texas Southern University relating to the Series A 2012-10 Note.
7. Consideration, discussion, and possible action to evaluate refunding opportunities related to various outstanding General Obligation Bonds, select a method of sale, appoint outside consultants, and take other action as necessary.
8. Consideration, discussion, and possible action to approve amended liquidity agreements with the Comptroller of Public Accounts for all three of the Authority's current commercial paper programs.
9. Consideration, discussion and possible action to appoint special tax counsel in connection with TPFA's Series 2008 General Obligation Commercial Paper Program and TPFA's Series 2003 Revenue Commercial Paper Program.
10. Consideration, discussion and possible action to extend two existing contracts for legal services related to the ongoing liquidity agreement review associated with all three of the Authority's current commercial paper programs.
11. Staff Update:
 - a. Texas Facilities Commission Building Projects
 - b. Texas Southern University Library Project
 - c. State Auditor Review of TPFA Financial Processes
 - d. State Auditor's Office Risk-Assessment
 - e. Automated Debt Management System
 - f. HB 1295 "Interested Parties" Reporting Requirement
 - 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.

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