

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

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

March 3, 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, March 3, 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. Ramon Manning, Member; and Mr. Walker N. Moody, 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; John Barton, Sr. Financial Analyst; and Robert Jocius, Project Manager.

In attendance were the following persons, representing the indicated entities: Chris Allen and Drew Masterson, FirstSouthwest; Dalton Smith, Bank of America Merrill Lynch; Hector Matos, Citigroup; Curt Shelmire, Stifel, Nicolaus & Co.; Robin Redford, Ramirez & Co., Inc.; John Daniel and Patrick Scott, Barclays Capital; Blaine Brunson, Morgan Stanley; Jorge Rodriguez, Coastal Securities; Edward C. Ness and Louis Edwards, Texas Southern University; Mark Ellis, Jefferies; Andy Bynum, Mesirov Financial; Shawnell Holman, Siebert Brandford Shank & Co.; Terry Thornton, Goldman Sachs; Kyle Cottrell, J.P. Morgan; Barron Wallace, Bracewell LLP; and Stephanie Leibe, Norton Rose Fulbright.

Mr. Atkinson called the Board meeting to order at 10:37 a.m. and noted the presence of a quorum, with Mr. Moody and Mr. Manning participating via video conference.

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.

Mr. Atkinson stated Mr. Manning and Mr. Moody were appearing via video conference from Houston, Texas, and that such participation was in accordance with the Texas open meeting statute.

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

Action: Motion by Ms. Schiermeyer to excuse the absences of Mr. Roddy, Mr. Moore and Mr. Alley, second by Mr. Moody. The motion passed unanimously.

Item 3. Review and approval of the minutes of the February 11, 2016 Board Meeting.

Mr. Atkinson asked if there were any additions or corrections to the Board meeting minutes. Mr. Atkinson noted that in paragraph three, Mark Ellis's name was misspelled.

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

Item 4. Status Report on Texas Southern University project funding, Series A 2012-10 Note.

Mr. Louis Edwards, Treasurer for Texas Southern University, stated that the dorm is in the final stages of completion and that students should be moving into the dorm in the fall. Mr. Edward Ness advised that the university may have some students living in the building during the summer as a test and that the food contractor will move food services to the building in the fall.

Mr. Atkinson asked if the final draw request will be made prior to occupancy. Mr. Ness stated it will be.

No action was taken on this item.

Item 5. Consideration and approval of a Resolution ratifying advance no. 20 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 Texas Southern University advance no. 20, in the amount of \$3,017,925.84, pursuant to the Series A 2012-10 Note.

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

Item 6. Consideration, discussion and possible action relating to the Texas Southern University Request for Financing for revenue bond debt financing in the amount of \$60,000,000 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 presented information on the project. Staff recommended issuing fixed-rate bonds, with bond insurance, in a negotiated sale. Mr. Deviney stated that with this method of financing, TSU will be able to deposit \$60 million into the TSU project fund. Mr. Ness indicated that the university is in full support of this method of sale.

Ms. Schiermeyer asked the TSU representatives if this building will hold more volumes in the library. Mr. Ness explained that collections from the current library will be moved to this library as well as any additional volumes the university receives and the learning center portion of the new building will contain a 21st century learning environment.

The staff recommended appointing the firm of Winstead PC as bond counsel, Mahomes Bolden as co-bond counsel and McCall Parkhurst & Horton as disclosure counsel. Staff advised that Mahomes is a firm that provides primarily co-bond counsel services and that the Mahomes firm and the Winstead firm have worked together on several prior transactions including experience with state university tuition revenue bond financing. Staff advised the board that McCall Parkhurst and Horton have extensive experience providing bond and disclosure counsel services to the Authority. The staff also recommended appointing an underwriting syndicate of Mesirow Financial as senior manager and RBC Capital Markets and Siebert Brandford Shank & Co. as co-managers. Staff advised the Board that all three of those underwriting firms have demonstrated an interest in this transaction and that Mesirow, in particular, has taken an active role in modeling financing option for this specific transaction that would provide a favorable outcome for the State.

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

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

The staff recommended a negotiated method of sale for this transaction. The staff further recommended the appointment of Norton Rose Fulbright (NRF) as bond counsel and McCall Parkhurst & Horton as disclosure counsel. Staff noted that NRF had recently served as bond counsel for the Authority on a similar transaction, which would allow that firm to begin quickly. Staff advised the board that McCall Parkhurst and Horton have extensive experience providing bond and disclosure counsel services to the Authority. The staff recommended an underwriting syndicate consisting of Barclays Capital as senior manager and Jefferies LLC, Ramirez & Co, Inc., Academy Securities Inc. and Drexel Hamilton, as co-managers. Staff noted that approximately ten underwriting firms provided unsolicited general obligation bond refunding proposals. Barclays, Jefferies and Ramirez have all demonstrated significant interest and attention to this transaction with Barclays providing the initial and ongoing proposals. Drexel and Academy are both disabled service veteran owned firms and this transaction would be a good opportunity for those two firms to demonstrate their ability to sell bonds.

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

Item 8. Staff Update:

a. Texas Facilities Commission Building Projects

Mr. Deviney advised the Board that the bond documents have been drafted and are circulating among service providers. Staff hopes to present the documents for Board approval at the next Board meeting.

b. State Auditor Review of TPFA Financial Processes

Mr. Deviney provided a status report and advised that staff has had follow-up discussions with the SAO subsequent to the exit interview.

c. Market Update

Mr. Barton presented information on the current bond programs, including the amount of bonds outstanding. Mr. Barton stated the staff is using the debt management system with good results.

Mr. Deviney advised the Board that staff was considering making changes to the format of the market update report and invited members of the Board to provide comments and suggestions regarding the substance of the report.

No action taken on the above items.

Item 9. Future agenda items and meeting dates.

The potential need for an April 7, 2016 Board meeting was discussed. Mr. Atkinson thanked all those that facilitated the video conference connection for the Board meeting. Mr. Deviney specifically recognized the efforts of Eric Benson, TPFA's Systems Analyst, for putting together the video conference connection within 2 days. Mr. Deviney also extended a thank you to Mr. Moody's staff for working with the agency's staff to allow for the remote meeting participation.

Item 10. Adjourn

Motion to adjourn by Ms. Schiermeyer, second by Mr. Manning. The motion passed unanimously. Mr. Atkinson adjourned the meeting at 11:06 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on April 7, 2016.


Ruth C. Schiermeyer
Vice Chair, Board of Directors

ATTACHMENT: Post Notice – Exhibit A



Open Meeting Information

Agency Name: Texas Public Finance Authority
Date of Meeting: 03/03/2016
Time of Meeting: 10:30 AM (Local Time)
Board: Texas Public Finance Authority
Status: Accepted
Street Location: Capitol Extension Hearing Room E2.028 State Capitol 1400 N. Congress Ave.
City Location: Austin
Meeting State: TX
TRD: 2016001409
Submit Date: 02/24/2016
Emergency Mtg: No
Additional Information Obtained From: Donna Weinberger at 512/463-5544, 300 W. 15th Street, Suite 411, Austin, TX 78701.
Texas Public Finance Authority
Board Meeting
Thursday, March 3, 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:

Agenda:

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 February 11, 2016 Board Meeting.
4. Status Report on Texas Southern University project funding, Series A 2012-10 Note.
5. Consideration, discussion and possible action to approve a Resolution ratifying advance no. 20 for Texas Southern University relating to the Series A 2012-10 Note.
6. Consideration, discussion and possible action relating to the Texas Southern University Request for Financing for revenue bond debt financing in the amount of

\$60,000,000 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. Consideration, discussion and possible action related to General Obligation Bond refunding opportunities, select a method of sale, appoint outside consultants, and take other related action as necessary.

8. Staff Update:

- a. Texas Facilities Commission Building Project
- b. State Auditor Review of TPFA Financial Processes
- c. Market Update

9. Future agenda items and meeting dates.

10. 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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