

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

August 10, 2017

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 is attached hereto as Exhibit "A") at 10:30 a.m., Thursday, August 10, 2017 at the William B. Travis Building, Room 1-111, 1701 N. Congress Avenue, Austin, Texas. Present were: Mr. Billy M. Atkinson, Jr., Chairman; Ms. Ruth M. Schiermeyer, Vice Chair; Mr. Gerald B. Alley, Secretary; Mr. Ramon Manning, 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 of Business Administration; and John Barton, Senior Financial Analyst.

In attendance were the following persons, representing the indicated entities: Dalton Smith, Bank of America Merrill Lynch; Jorge Rodriguez, FTN Financial; Tilghman Naylor, Jefferies; Patrick Scott, Barclays; Chris Allen and Gabriella Briceno, FirstSouthwest; Hasan Mack, McCall, Parkhurst & Horton L.L.P.; Victoria Ozimek, Bracewell LLP; Humberto Aguilera, Escamilla & Poneck, LLP; Brad Angst, George K. Baum & Co.; Mario Carrasco, Citigroup; Tim Kelley, Piper Jaffray; Shawnell Holman, Seibert Cisneros Shank; and Curt Shelmire, Stifel, Nicolaus & Co.

Mr. Atkinson called the Board meeting to order at 10:52 a.m. and noted the presence of a quorum.

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 Ms. Schiermeyer to excuse the absence of Mr. Roddy and Mr. Moody. Second by Mr. Alley. The motion passed unanimously.

Item 3. Review and approval of the minutes of the June 23, 2017 Board Meeting and the June 23, 2017 Work Session.

Mr. Atkinson asked the board members if there were any corrections to the Work Session or Board Meeting minutes. None were noted.

Action: Motion by Mr. Manning to approve the minutes of the June 23, 2017, Board Meeting. Second by Mr. Moore. The motion passed unanimously.

Action: Motion by Mr. Manning to approve the minutes of the June 23, 2017, Work Session. Second by Mr. Moore. The motion passed unanimously.

Item 4. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority State of Texas General Obligation Refunding Bonds, Taxable Series 2017B; authorizing and appointing a Pricing Committee of the Board; approving the Preliminary Official Statement; authorizing the refunding, defeasance, redemption, and discharge of certain outstanding general obligation bonds and execution of an Escrow Agreement, Purchase Contract and other related documents; and authorizing the taking of other necessary action related thereto.

The Chairman directed the board to the materials behind Tab C. Mr. Deviney stated that at the June 23, 2017 meeting, the Board considered refunding the remaining Series 2008A General Obligation bonds, approximately \$21.2 million, and appointed a service provider team for a potential refunding. Mr. Deviney explained that the pricing would be held September 12th and 13th in the Denver offices of George K. Baum & Co. The Chairman asked Ms. Schiermeyer to serve as the pricing committee chair, along with Mr. Moore and Mr. Manning.

Action: Motion by Mr. Manning to adopt a Resolution authorizing the issuance of the State of Texas General Obligation Refunding Bonds, Taxable Series 2017B; authorizing and appointing a Pricing Committee of the Board; approving the Preliminary Official Statement in substantially final form; and authorizing the taking of other necessary related action and further, that the Pricing Committee consist of Ms. Schiermeyer as Chair, along with Mr. Moore and Mr. Manning, with all remaining members of the Board serving as alternates.

Second by Ms. Schiermeyer. The motion passed unanimously.

Item 5. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Historical Commission Project), Taxable Series 2017; authorizing and appointing a Pricing Committee of the Board; approving the Preliminary Official Statement; authorizing the

refunding, defeasance, redemption, and discharge of certain outstanding taxable lease revenue bonds, and execution of an Escrow Agreement, Purchase Contract and other related documents; and authorizing the taking of other necessary action related thereto.

The Chairman directed the board to the materials behind Tab D. Mr. Deviney stated that at its June 23, 2017 meeting, the Board considered refunding approximately \$4.1 million of Series 2006 Lease Revenue Bonds issued on behalf of the Texas Historical Commission and appointed a service provider team for a potential refunding. Mr. Deviney indicated that the bonds would be priced in Denver with the G.O. Refunding Bonds at the offices of George K. Baum & Co.

Action: Motion by Ms. Schiermeyer to adopt a Resolution authorizing the issuance of the Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Historical Commission Projects), Taxable Series 2017; authorizing and appointing a Pricing Committee of the Board; approving the Preliminary Official Statement in substantially final form; and authorizing the taking of other necessary related action and further, that the Pricing Committee consist of Ms. Schiermeyer as Chair, along with Mr. Manning and Mr. Moore, with all remaining members of the Board serving as alternates.

Second by Mr. Alley. The motion passed unanimously.

Item 6. TPFAs operating budget for FY 2017.

Mr. Deviney explained this is an information item regarding the agency's capital budget and no action is needed. The Debt Management System, phase one of which has been substantially implemented, came in under budget. To maximize the use of available budget and to create electronic workflow, phase two will be an Electronic Content Management system which will feed data into the Debt Management System and enhance the efficiency of TPFAs business processes. Mr. Deviney stated that a Request for Offer is currently posted. If one or more proposals is acceptable, a decision will be made and a contract will be signed by the end of the fiscal year.

Item 7. TPFAs operating budget for FY 2018.

Mr. Deviney advised the Board that no veto action was taken on the TPFAs budget. The appropriations for agency operations for the 2018-19 biennium will be funded by general revenue, revenue bond proceeds for capital construction projects, and appropriated receipts generated through the Master Lease Purchase Program.

Item 8. Travel expense reimbursement for CSFC board members.

Mr. Deviney explained that CSFC board members are statutorily authorized to receive compensation for travel to board meetings, but no funds were appropriated for that purpose. During the recent Regular Session of the 85th Legislature, the General Appropriations Bill was amended by adding a new rider, Rider 12, to provide a funding mechanism to reimburse CSFC Board members for their travel expenses.

Action: Motion by Ms. Schiermeyer to authorize the reimbursement of travel expenses of the Directors of the TPFA Charter School Finance Corporation, as authorized by Section 53.351(b) of the Education Code and in conformance with Rider 12 of the General Appropriations Act, in an amount not to exceed \$2,500 per fiscal year. Second by Mr. Alley. The motion passed unanimously.

Item 9. Executive Director salary.

Mr. Van Oort advised that the legislature increased the salary cap for the Executive Director position to \$140,980. Mr. Van Oort further advised that any adjustment to the actual salary level would require Board action and that such action would be timely at the current Board meeting. Mr. Van Oort further indicated that such an increase could start as early as September 1, 2017, based on Board action.

Action: Motion by Mr. Moore to adjust the annual salary of the Executive Director to \$140,980, effective September 1, 2017, as authorized by the General Appropriations Act. Second by Mr. Manning. The motion passed unanimously.

Item 10. Legislative Update.

Mr. Deviney advised the Board that the Legislature, during the First Called Session, was considering two bills that would impact the TPFA. HB 272, related to public school financing, was heard by the House Public Education Committee and referred to the Calendars Committee by the House. SB 106, the companion to HB 272, had not yet been considered by the Senate. The companion bills would allow the Authority to establish a program for public school equipment financing in an amount not to exceed \$100 million, with a sunset date of 2021.

Item 11. Staff Update:

a. Personnel Update

Mr. Deviney advised that Board that John Hernandez, Deputy Director, has indicated that he will retire on August 31, 2017. Mr. Atkinson thanked Mr. Hernandez for his service.

Mr. Deviney explained the Governor's hiring freeze is scheduled to expire on September 1, 2017. Mr. Deviney indicated that TPFA will have an employment cap of 14½ FTE's for FY 2018 and 15 FTE's for FY 2019. Mr. Deviney expects the vacancies to be filled quickly.

b. Market Update

Mr. Barton presented an update on the state of the current market. Mr. Barton stated that it's been a quiet and steady month. The Master Lease Purchase Program made its semi-annual principal payment and thus reduced the balance by approximately \$5.6 million to approximately \$35 million. The interest rates from

May, when the refunding transactions were first proposed, have increased slightly but still show a positive savings.

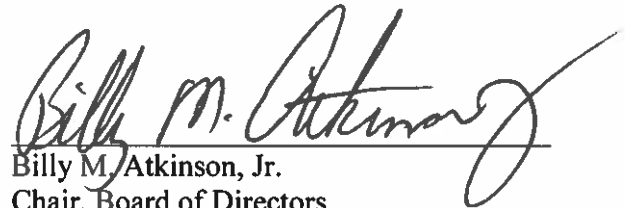
Item 12. Future agenda items and meeting dates.

An October 5, 2017 Board meeting was discussed.

Item 13. Adjourn.

Mr. Atkinson adjourned the meeting at 11:22 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on November 6, 2017.


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

ATTACHMENT: Posting Notice



Donna Weinberger-Rourke

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Open Meeting Submission

TRD: 2017005958
Date Posted: 08/02/2017
Status: Accepted
Agency Id: 0113
Date of Submission: 08/02/2017
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Committee: Texas Public Finance Authority
Date of Meeting: 08/10/2017
Time of Meeting: 10:30 AM (##:## AM Local Time)
Street Location: William B. Travis Building, Room 1-111, 1701 N. Congress Avenue
City: Austin
State: TX
Liaison Name: Donna Weinberger-Rourke
Liaison Id: 8
Additional Information Obtained From: Contact Donna Weinberger at 512/4635544, 300 W. 15th Street, Suite 411, Austin, TX 78701
Agenda: Texas Public Finance Authority
Board Meeting
Thursday, August 10, 2017 - 10:30 A.M.
William B. Travis Building, Room 1-111
1701 N. Congress Avenue
Austin, Texas

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 June 23, 2017 Board Meeting and the June 23, 2017 Work Session.
4. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority State of Texas General Obligation Refunding Bonds, Taxable Series 2017B; authorizing and appointing a Pricing Committee of the Board; approving the Preliminary Official Statement; authorizing the refunding, defeasance, redemption, and discharge of certain outstanding general obligation bonds and execution of an Escrow Agreement, Purchase Contract and other related documents; and authorizing the taking of other necessary action related thereto.
5. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Historical Commission Project), Taxable Series 2017; authorizing and appointing a Pricing Committee of the Board; approving the Preliminary Official Statement; authorizing the refunding, defeasance, redemption, and discharge of certain outstanding taxable lease revenue bonds, and execution of an Escrow Agreement, Purchase Contract and other related documents; and authorizing the taking of other necessary action related thereto.
6. TPFAs operating budget for FY 2017.
7. TPFAs operating budget for FY 2018.
8. Travel expense reimbursement for CSFC board members.
9. Executive Director salary.
10. Legislative Update.
11. Staff Update:
 - a. Personnel Update
 - b. 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.

New Submission

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