

# 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  
Joseph E. Williams



EXECUTIVE DIRECTOR  
Lee Deviney

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

**November 8, 2019**

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., Friday, November 8, 2019 at the Capitol Extension Hearing Room E2.028, 1400 N. Congress Avenue, Austin, Texas. Present were: Mr. Billy M. Atkinson, Jr., Chairman; Mr. Gerald B. Alley, Secretary; Mr. Ramon Manning, Member; Mr. Joseph E. Williams, Member; and Mr. Walker Moody, Member. Mr. Moody participated via video conference.

Representing the Authority's staff were: Lee Deviney, Executive Director; John Hernandez, Deputy Director; Kevin Van Oort, General Counsel; and Matthew Berry, Financial Analyst.

In attendance were the following persons, representing the indicated entities: Jerry Kyle and Andrew Bethune, Orrick, Herrington & Sutcliffe LLP; Curtis Flowers, Loop Capital Markets LLC; Keith Richard, Seibert Williams Shank & Co., LLC.; Terry Thornton, Goldman Sachs & Co; Brad Angst, Stifel; Karlos Allen, PFM Financial Advisors LLC; Tim Kelley, Piper Jaffray & Co.; Hector Matos, Citigroup Global Markets Inc.; Rudy Mejia, Estrada Hinojosa & Company; Derrick Mitchell, Holland and Knight; Andy Bynum, Mesirow Financial, Inc.; John Daniel, Barclays Capital Inc.; Chris Allen and Gabriella Briceno, RBC Capital Markets, LLC; Brandon Walker, Bank of America Securities; Kyle Cottrell, J.P. Morgan Securities LLC; Ashley Jones, Raymond James & Associates, Inc.; Gary Hamilton, Lauren Lacefield Lewis, David Umscheid and Chris Robles, Texas Health and Human Services Commission; and Diane Jackson and John Raff, Texas Facilities Commission.

Mr. Atkinson called the meeting to order at 10:36 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. Mr. Atkinson confirm that Mr. Moody's participation via video-conference was in accordance with Section 551.127 of the Government Code.

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

**Action:** Motion by Mr. Williams to excuse the absence of Ms. Schiermeyer and Mr. Moore. Second by Mr. Manning.

The motion passed unanimously.

**Item 3. Review and approval of the minutes of the September 5, 2019 Board meeting and work session.**

Mr. Atkinson asked the Board members if there were any corrections to the minutes. None were noted.

**Action:** Motion by Mr. Manning to approve the minutes of both the September 5, 2019 Board meeting and the September 5, 2019 work session. Second by Mr. Alley.

The motion passed unanimously.

**Item 4. Consideration, discussion and possible action to approve a Resolution to amend and continue the current Series 2003 Revenue Commercial Paper program; authorizing an increase in the liquidity coverage amount; appointing a commercial paper dealer; and taking other necessary action.**

Mr. Deviney discussed the history of the 2003 Revenue Commercial Paper program. Staff recommendation includes raising the program cap to \$300 million from \$150 million and increasing the liquidity agreement commitment between TPFAs and the Comptroller's office to \$200 million, with the understanding the liquidity agreement could be amended to the full \$300 million in the future.

**Action:** Motion by Mr. Alley to adopt a resolution, in the form as presented, to amend and continue the current Series 2003 revenue commercial paper program and that such Resolution provide the following: i) extending the termination date of the program to December 31, 2040; ii) increasing the capacity of the program to a maximum amount of \$300 million of commercial paper outstanding at any point in time; iii) allowing for a taxable series of notes in addition to the tax-exempt notes; iv) appointing Loop Capital to serve as a dealer, in addition to Goldman Sachs; v) approving the form of the offering memorandum; and vi) authorizing any other necessary actions. Further, that the Board authorize staff to execute a liquidity agreement between the Authority and the Comptroller of Public Accounts to increase the liquidity coverage to \$200 million. Second by Mr. Williams.

The motion passed unanimously.

**Item 5. Consideration, discussion and possible action to approve a Request for Financing submitted by the Health and Human Services Commission, in an amount not to exceed \$208,816,277 in revenue obligation debt, for authorized program costs; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.**

Mr. Deviney indicated that the newly approved commercial paper program would be available to finance this project for the Health and Human Services Commission (HHSC), should the Board choose to accept the staff recommendation. Mr. Atkinson invited HHSC staff to address the Board regarding the financing request.

David Umscheid, Deputy Director for Facility Support Services with HHSC, discussed the types of repairs and renovations that are needed at the various state hospitals that are overseen by HHSC. Board members inquired about the Historically Underutilized Business (HUB) goals and feasibility studies when putting in the request for funding. Mr. Umscheid explained that the funds that were requested are based on appropriations and an internal feasibility study. Board members discussed the need for continuation of funding to replace state facilities. Mr. Umscheid addressed the adequacy of the project funding.

**Action:** Motion by Mr. Manning to approve the request for financing submitted by the Health and Human Services Commission for repair and renovation at state hospitals and state supported living centers in an amount not to exceed \$208,816,277 and further moved that the financing be accomplished through the issuance of revenue commercial paper, that the Board appoint RBC Capital Markets to provide financial advisory services and appoint the law firm of Orrick, Herrington & Sutcliffe to provide bond counsel services related to the issuance of commercial paper to finance the project. Second by Mr. Williams.

The motion passed unanimously.

**Item 6. Consideration, discussion and possible action to approve a Request for Financing submitted by the Texas Facilities Commission for Phase II of the Capitol Complex and North Austin Complex construction projects, in an amount not to exceed \$475,185,581 in revenue obligation debt; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.**

Mr. Raff with the Texas Facilities Commission (TFC) presented information regarding Phase II of the Capitol Complex and the North Austin Complex construction projects. Discussion ensued regarding the selection of prime HUB vendors for this project and past TFC projects. Board members requested that TFC representatives provide information regarding the HUB contracting process and the criteria for selecting HUB's for Phase II. Board members also requested information regarding the selection of prime HUB vendors and HUB vendors subsequent to TFC's appearance at the Senate Finance Committee earlier in the year. Mr. Raff reported that no contracts have been issued for the funds being requested for Phase II.

Mr. Atkinson recommended that the TFC board and executive staff discuss the concerns of the TPF Board pertaining to the selection of HUB vendors and prime HUB vendors.

**Action:** Motion by Mr. Manning to approve the request for financing submitted by the Texas Facilities Commission for Phase II of the Capitol Complex and North Austin Complex construction projects, in an amount not to exceed \$475,185,581 and that such financing be accomplished utilizing the revenue commercial paper program previously established to finance TFC projects and further moved that the Board appoint RBC Capital Markets to provide financial advisory services and appoint the Bracewell law firm to provide bond counsel services related to the issuance of commercial paper to finance the project. Second by Mr. Williams.

The motion passed unanimously.

**Item 7. Status Report: Potential refunding of the Series 2014 Bonds issued on behalf of the Texas Windstorm Insurance Association.**

Mr. Deviney reported that the agency continues to work with the service providers, TWIA, the Office of the Attorney General, and other interested parties.

**Item 8. Staff Update:**

a. TxDOT Request for Financing

Mr. Deviney presented an amended request for financing for the Austin Campus Consolidation Project. TxDOT has amended their request to remove financing for a small construction project located at separate site. All the funds will go into the primary site in Southeast Austin.

**Action:** Motion by Mr. Alley to approve the amended project description as submitted the Department of Transportation on November 1, 2019. Second by Mr. Manning.

The motion passed unanimously.

b. Future transactions

Mr. Deviney presented information regarding future actions that will be requested of the Board including, the TFC commercial paper amended resolution; TWIA's approval of documents plus a variety of other projects.

c. Agency Annual Financial Report

Mr. Hernandez explained the process of creating the Annual Financial Report. Mr. Hernandez mentioned that he was pleased with staff's progress and stated that the report is due on November 20.

d. Office remodel

Mr. Deviney reported that the carpet in the office has been replaced and the offices will be painted. Mr. Deviney stated that the pocket office has been expanded and the storage room has been cleaned up.

e. Personnel update

Mr. Deviney reported the agency is currently staffed with 13 employees. The vacant position will be posted in November and should be filled by January.

f. Market Update.

Mr. Berry reported that debt service was paid on October 1, 2019 for both general obligation and revenue bonds. On October 30<sup>th</sup>, the Federal Reserve reduced the rate for the third time in 2019, by twenty-five basis points. Mr. Berry stated that on November 5, 2019, the voters of Texas approved an additional \$3 billion for use by the Cancer Prevention and Research Institute of Texas.

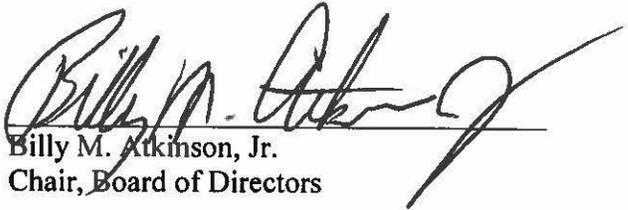
**Item 9. Future agenda items and meeting dates.**

The Board discussed having the next meeting on either December 5, 2019 or January 9, 2020.

**Item 10. Adjourn.**

Mr. Atkinson adjourned the meeting at 11:50 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 9<sup>th</sup> day of January 2020.

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

ATTACHMENT: Posting Notice



John Barton

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## Open Meeting Submission

**TRD:** 2019006505  
**Date Posted:** 10/31/2019  
**Status:** Accepted  
**Agency Id:** 0113  
**Date of Submission:** 10/31/2019  
**Agency Name:** Texas Public Finance Authority  
**Board:** Texas Public Finance Authority  
**Committee:** Board Meeting  
**Date of Meeting:** 11/08/2019  
**Time of Meeting:** 10:30 AM ( ###:## AM Local Time)  
**Street Location:** Capitol Extension Hearing Room E2.028 1400 N. Congress Avenue  
**City:** Austin  
**State:** TX  
**Liaison Name:** John Barton  
**Liaison Id:** 5  
**Additional Information Obtained From:** John Barton at 512-463-5544  
**Agenda:** Texas Public Finance Authority  
Board Meeting  
Friday, November 8, 2019 - 10:30 A.M.  
Capitol Extension Hearing Room E2.028  
State Capitol  
1400 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 September 5, 2019 Board meeting and work session.
4. Consideration, discussion and possible action to approve a Resolution to amend and continue the current Series 2003 Revenue Commercial Paper program; authorizing an increase in the liquidity coverage amount; appointing a commercial paper dealer; and taking other necessary action.
5. Consideration, discussion and possible action to approve a Request for Financing submitted by the Health and Human Services Commission, in an amount not to exceed \$208,816,277 in revenue obligation debt, for authorized program costs; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.
6. Consideration, discussion and possible action to approve a Request for Financing submitted by the Texas Facilities Commission for Phase II of the Capitol Complex and North Austin Complex construction projects, in an amount not to exceed \$475,185,581 in revenue obligation debt; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.
7. Status Report: Potential refunding of the Series 2014 Bonds issued on behalf of the Texas Windstorm Insurance Association.
8. Staff Update:

- a. TxDOT Request for Financing
- b. Future transactions
- c. Agency Annual Financial Report
- d. Office remodel
- e. Personnel update
- f. 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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