

# TEXAS PUBLIC FINANCE AUTHORITY

## BOARD OF DIRECTORS:

Billy M. Atkinson, Jr., Chair  
Ramon Manning  
Rodney K. Moore  
Shanda G. Perkins  
Brendan Scher  
Benjamin E. Streusand  
Joseph E. Williams



## 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

**January 9, 2020**

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 10:00 a.m., Thursday, January 9, 2020 at the Capitol Extension Hearing Room E2.028, 1400 N. Congress Avenue, Austin, Texas. Present were: Mr. Billy M. Atkinson, Jr., Chairman; Ms. Ruth C. Schiermeyer, Vice Chair; Mr. Gerald B. Alley, Secretary; Mr. Ramon Manning, Member; Mr. Joseph E. Williams, Member; and Mr. Rodney K. Moore, Member, who participated via video conference.

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

In attendance were the following persons, representing the indicated entities: Jerry Kyle and Julie Houston, Orrick, Herrington & Sutcliffe LLP; Curtis Flowers, Loop Capital Markets LLC; Keith Richard and Ron Morrison, Seibert Williams Shank & Co., LLC.; Terry Thornton, Goldman Sachs & Co.; Thiiri Kimathi, Stifel Nicolaus; Karlos Allen and Dennis Waley, PFM Financial Advisors LLC; Tim Kelley and Danielle Bradford, Piper Sandler & Co.; Mario Carrasco, Citigroup Global Markets Inc.; Paul Jack, Estrada Hinojosa & Co. Inc.; Derrick Mitchell, Holland and Knight LLP; Andy Bynum, Mesirow Financial, Inc.; Patrick Scott, Barclays Capital Inc.; Chris Allen and Gabriella Briceno, RBC Capital Markets, LLC; Tim Peterson and Kyle Cottrell, J.P. Morgan Securities LLC; Paul Braden, Norton Rose Fulbright US LLP; Hasan Mack, McCall Parkhurst & Horton LLP; Darrick Eugene, Hardwick Law Firm, LLC; Randy Bates, Bates & Coleman PC; Mark Ellis, Jeffries LLC; Blaine Brunson, Morgan Stanley & Co. LLC; Mac Etoch, Stephens, Inc.; Barron Wallace, Bracewell LLP; Bech Bruun, UBS; and, Diane Jackson, Yolanda Strey and John Raff, Texas Facilities Commission.

Mr. Atkinson called the meeting to order at 10:06 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 confirmed that Mr. Moore'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. Moore to excuse the absence of Mr. Moody. Second by Mr. Alley.

The motion passed unanimously.

**Item 3. Review and approval of the minutes of the November 8, 2019 Board meeting.**

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

**Action:** Motion by Mr. Williams to approve the minutes of the November 8, 2019 Board meeting. Second by Ms. Schiermeyer.

The motion passed unanimously.

**Item 4. Consideration, discussion and possible action to approve a Resolution to amend and continue the current Series 2016A & 2016B Revenue Commercial Paper program and taking other necessary action.**

Mr. Van Oort introduced the item for Phase II of the Capitol Complex and North Austin Complex and referenced the request for financing that the Board approved at its November 2019 meeting for financing under the 2016A & 2016B Revenue Commercial Paper Program. Mr. Van Oort reported that staff, along with bond counsel, revised the original resolution to incorporate Phase II of the current project. Staff recommendation is that the Board adopt a Resolution to increase the program cap of the Series 2016A & 2016B Revenue Commercial Paper Program from \$767,670,000 to \$1,242,855,581 to account for the additional funding authorized by the 86<sup>th</sup> Legislature.

Mr. Deviney stated that the transactions for this commercial paper program would be similar to the CPRIT program in that staff will periodically bring a request for financing to the Board to refund outstanding commercial paper to clear room under the liquidity cap for ongoing program financing through commercial paper.

**Action:** Motion by Mr. Manning to adopt a Resolution, in the form presented, to amend and continue the current Series 2016A and Series 2016B revenue commercial paper program, and that such Resolution provide for the following: 1) increasing the aggregate amount of notes issued under the program to \$1,242,855,581 from \$767,670,000 to facilitate actions by the 86th Legislature which provided additional revenue bond authority in the amount of \$475,185,581 to finance Phase II of the project; and, 2) authorizing other necessary actions. Second by Ms. Schiermeyer.

The motion passed unanimously.

The Chairman took the following Agenda Item out of order:

**Item 8. Staff Update:**

**c. Underwriting Pool: Siebert Cisneros Shank & Co. restructuring**

Mr. Van Oort introduced the item explaining that the firm of Siebert Cisneros Shank & Co., previously appointed to the underwriting pool for the 2020-21 biennium, had recently undergone a merger. Following the merger, staff recommends replacing the former underwriting firm with the combined firm, Siebert Williams Shank & Co.

**Action:** Motion by Mr. Williams that the Board amend TPFA's underwriting pool for the 2020-21 biennium by removing the firm of Siebert Cisneros Shank & Co. and include in its place the firm of Siebert Williams Shank & Co., LLC. Second by Mr. Manning.

The motion passed unanimously.

**Item 5. Consideration, discussion and possible action to authorize the refinancing of outstanding commercial paper issued under the TPFA General Obligation Commercial Paper Program (CPRIT) Series A (Taxable), determine a method of sale, select outside consultants, and taking other necessary action.**

Mr. Deviney introduced the item explaining that the program is reaching the current liquidity limit and will need to be refunded into long term fixed rate bonds. Staff recommends refunding up to \$250 million of outstanding CPRIT commercial paper notes and, depending on market conditions, that the Board authorize a pricing committee the discretion to include new money bonds to fund up to two fiscal quarters of CPRIT draw requests.

**Action:** Chairman Atkinson deferred action on agenda item 5, pending consideration of agenda item 6.

**Item 6. Consideration, discussion and possible action to authorize the refinancing of certain outstanding general obligation bonds, determine a method of sale, select outside consultants, and taking other necessary action.**

Mr. Deviney introduced the item and identified several series of GO bonds that have been included in refunding proposals submitted by underwriters that could potentially be refunded to achieve present value savings and future debt service savings. The potential refunding candidates evaluated by financial advisors include the 2010A GO, 2011 GO & Refunding, 2011 Taxable GO, and the 2014A GO bonds.

Mr. Deviney stated that the 2011 Taxable GO's could be advance refunded for savings in excess of 6%. The 2024 maturity of the 2010A GO bonds could be refunded; however, the refunding would be done on a taxable basis and may or may not be significant. The 2014A GO bonds are close to the 3% threshold depending on market conditions. The 2011 GO & Refunding bonds could be added to the CPRIT refunding; however, staff is currently looking into an alternative proposal that could yield higher savings results. At this time, staff recommends leaving the 2010A GO bonds and the 2014A GO bonds outstanding due to their relatively small savings threshold.

Staff recommends that the Board move forward with the previously discussed CPRIT refunding and to include the refunding of the Series 2011 taxable bonds and the Series 2011 tax-exempt bonds. Further, staff proposed that it be given the discretion to continue to evaluate alternative refinancing options for the Series 2011 tax-exempt bonds.

**Action:** Mr. Williams moved that the Board appoint the following services providers for the potential issuance of General Obligation refunding bonds in a negotiated sale: PFM Financial Advisors, to provide financial advisory services; Norton Rose Fulbright as bond counsel and Bates & Coleman as co-bond counsel to provide legal services; McCall, Parkhurst & Horton to provide disclosure counsel services; and an underwriting syndicate to consist of Citigroup Global Markets, as the senior manager; and B-of-A Securities, as co-senior manager and the following firms as co-managers: Mesirow Financial, Ramirez & Co., Siebert Williams Shank & Co., and Barclays Capital. Further, the Board directs staff to continue to evaluate a potential alternative refunding of the outstanding Series 2011 tax-exempt general obligation bonds, and to remove such bonds from the proposed refunding if advisable and to present same to the Board at a future meeting, for further consideration by this Board. Second by Mr. Manning.

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 provided a recap of the last board action on the matter and reported that TWIA has requested that the refunding transaction be paused until further notice.

**Item 8. Staff Update:**

**a. Charter School Finance Corporation: appointments**

Mr. Deviney provided an update on the resignation of Mr. Paul Jack, President of the Corporation and further reported that two additional Director's terms will expire in May 2020. Mr. Deviney indicated that recommendations for appointment to the Corporation board will be brought to the TPFPA Board at its March meeting for consideration. Additionally, Mr. Deviney also reported that the TPFPA was not selected for additional grant funding by the Department of Education in fiscal year 2019.

**b. Charter School Finance Corporation: D&O insurance**

Ms. Scivicque reported that the application for D&O insurance coverage had been prepared for submission to the market for proposals.

**c. Underwriting Pool: Siebert Cisneros Shank & Co. restructuring**

*[This matter was addressed earlier in the meeting, no further discussion ensued.]*

**d. Future transactions**

Mr. Deviney provided an update on potential transactions that could come before the TPFPA Board, including a refunding of outstanding 2016A & 2016B Revenue Bond Commercial Paper Program notes and the 2009 CPRIT GO Commercial Paper notes at least annually. There could also be an additional tax-exempt GO Bonds refunding as well as a refinancing of the 2019A&B Commercial Paper notes issued to finance construction projects, two potential university projects, and resuming the TWIA financing, if requested.

**e. Personnel update**

Mr. Deviney reported that the Director of Business Administration position has been filled by Pamela Scivicque.

**f. Market update**

Mr. Berry reported that TPFPA will pay down \$3.7M in principal on the Master Lease Purchase Program (MLPP) in February. The effective rate on MLPP for this payment period is 1.72%, including TPFPA cost of funds. MLPP commercial paper traded at 1.04% on January 7, 2020. The Authority will pay down \$13.9 million in principal on its revenue bonds on February 1, 2020.

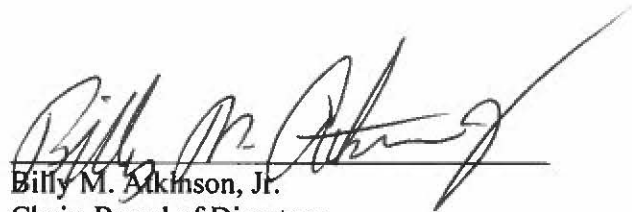
**Item 9. Future agenda items and meeting dates.**

The Board discussed a future board meeting on either March 5<sup>th</sup> or March 12<sup>th</sup>. The Board also discussed the potential for a meeting in February if necessary.

**Item 10. Adjourn.**

Mr. Atkinson adjourned the meeting at 11:01 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 5<sup>th</sup> day of March 2020.

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

ATTACHMENT: Posting Notice



Donna Weinberger-Rourke

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## Open Meeting Submission

**TRD:** 2019007507  
**Date Posted:** 12/30/2019  
**Status:** Accepted  
**Agency Id:** 0113  
**Date of Submission:** 12/30/2019  
**Agency Name:** Texas Public Finance Authority  
**Board:** Texas Public Finance Authority  
**Committee:** Board Meeting  
**Date of Meeting:** 01/09/2020  
**Time of Meeting:** 10:00 AM ( ##:## AM Local Time)  
**Street Location:** Capitol Extension Hearing Room E2.028 State Capitol 1400 N. Congress Avenue  
**City:** Austin  
**State:** TX  
**Liaison Name:** Donna Weinberger-Rourke  
**Liaison Id:** 8  
**Additional Information Obtained From:** Donna Weinberger at 512-463-5544  
**Agenda:** Texas Public Finance Authority  
Board Meeting  
Thursday, January 9, 2020 - 10:00 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 November 8, 2019 Board meeting and work session.
4. Consideration, discussion and possible action to approve a Resolution to amend and continue the current Series 2016A & 2016B Revenue Commercial Paper program and taking other necessary action.
5. Consideration, discussion and possible action to authorize the refinancing of outstanding commercial paper issued under the TPFA General Obligation Commercial Paper Program (CPRIT) Series A (Taxable), determine a method of sale, select outside consultants, and taking other necessary action.
6. Consideration, discussion and possible action to authorize the refinancing of certain outstanding general obligation bonds, determine a method of sale, select outside consultants, and taking other necessary action.
7. Status Report: Potential refunding of the Series 2014 Bonds issued on behalf of the Texas Windstorm Insurance Association.
  
8. Staff Update:
  - a. Charter School Finance Corporation: appointments
  - b. Charter School Finance Corporation: D&O insurance
  - c. Underwriting Pool: Siebert Cisneros Shank & Co. restructuring
  - d. Future transactions
  - 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.

New Submission

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