

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS:

Billy M. Atkinson, Jr., Chair
Ramon Manning, Vice Chair
Jay A. Riskind, Secretary
Lance S. Etcheverry
Larry G. Holt
Shanda G. Perkins
Benjamin E. Streusand



EXECUTIVE DIRECTOR

Lee Deviney

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

June 6, 2024

The Board of Directors (the "Board") of the Texas Public Finance Authority ("TPFA") 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. on Thursday, June 6, 2024, in the Capitol Extension Hearing Room E2.028, State Capitol, 1400 N. Congress, in Austin, TX.

Present were: Mr. Billy M. Atkinson, Jr., Chair; Mr. Jay A. Riskind, Secretary; Mr. Lance S. Etcheverry, Member; Mr. Larry G. Holt, Member; and Mr. Benjamin E. Streusand, Member. Mr. Ramon Manning, Vice Chair, participated via video conference.

Representing the TPFA staff were: Lee Deviney, Executive Director; Kevin Van Oort, General Counsel; John Hernandez, Deputy Director; Kelly Tappendorf, Financial Analyst; Adan Ramirez, Financial Analyst; and Devyn F. Wills, Assistant General Counsel.

In attendance were the following persons, representing the indicated entities: Mark Ellis, Hilltop Securities; Hasan Mack, McCall Parkhurst & Horton LLP; Chris Allen, RBC Capital Markets, LLC; Lester Byrd, BOK Financial Securities; Jerry Kyle, Orrick, Herrington & Sutcliffe LLP; Mario Carrasco, Cabrera Capital Markets, LLC; Blaine Brunson, Wells Fargo Securities; Geraldo Perez and Keith Richard, Seibert Williams Shank & Co. LLC; Paul Jack, Estrada Hinojosa; Brad Angst, Stifel, Nicolas & Co.; Paul Braden and Arthur Kimball-Stanley, Norton Rose Fulbright US LLP; Tilghman Naylor, Loop Capital Markets LLC; Humberto F. Aguilera, Escamilla & Poneck, LLP; Robin Redford, Ramirez & Company; Andy Bynam, Mesirow Financial, Inc.; Roy Davis, Jr, BOFA Securities; Bech Brum, Academy; and Wayne Roberts and Kristen Doyle, Cancer Prevention & Research Institute of Texas.

Mr. Atkinson called the meeting to order at 10:07 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.

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

Action: Motion by Mr. Riskind to excuse the absence of Ms. Shanda Perkins. Second by Mr. Etcheverry.

The motion passed unanimously.

Item 3. Review and approval of the minutes of the May 2, 2024 Board Meeting.

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

Action: Motion by Mr. Etcheverry to approve the minutes of the May 2, 2024 Board meeting as presented. Second by Mr. Streusand.

The motion passed unanimously.

Item 4. Consideration, discussion, and possible action to approve a request for financing submitted by the Cancer Prevention & Research Institute of Texas for the issuance of general obligation debt during Fiscal Year 2025; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.

Mr. Deviney advised the Board that the Cancer Prevention & Research Institute of Texas (CPRIT) requested funds for its operations and project grant award programs for fiscal year 2025, in an amount not to exceed \$300,000,000. Mr. Deviney recommended that the financing be accomplished by the issuance of taxable commercial paper notes through TPFA's existing commercial paper facility.

Mr. Wayne Roberts and Ms. Kristen Doyle from CPRIT, and Mr. Chris Allen from RBC Capital Markets, LLC were available to answer questions.

Action: Motion by Mr. Streusand to approve the request for financing submitted by the Cancer Prevention and Research Institute of Texas for fiscal year 2025, in an amount not to exceed \$300 million. Further that such financing be accomplished utilizing TPFA's existing commercial paper program created for this purpose. Second by Mr. Etcheverry.

The motion passed unanimously.

[Mr. Holt arrived at 10:16 a.m.]

Item 5. Ratification of existing commercial paper programs.

Mr. Van Oort advised the TPFA Board that the Bond Review Board requires that the authorizing resolution of an issuing agency be adopted no more than a year prior to the issuance of debt. Therefore, to satisfy the Bond Review Board's requirement, staff recommends that the Board ratify TPFA's three existing commercial paper programs, as well as the pending commercial paper program for the Texas Department of Agriculture.

Action: Motion by Mr. Manning to ratify the resolutions previously adopted by the Board which authorized and created the following commercial paper program:

1. Texas Public Finance Authority Commercial Paper Revenue Notes, Series 2019A and Taxable Series 2019B;

2. Texas Public Finance Authority Commercial Paper Notes (Texas Facilities Commission Projects), Series 2016A (Taxable) and Series 2016B (Tax-Exempt), as amended and restated on January 9, 2010;
3. Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes (Cancer Prevention and Research Institute of Texas Project), Series A (Taxable) and Series B (Tax-Exempt); and
4. Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes (Texas Agricultural Finance Authority Rural Economic Development Finance Program), Taxable.

Further that the Board authorize the continued use of these commercial paper programs during fiscal year beginning September 1, 2024 for the purposes originally authorized. Second by Mr. Etcheverry.

The motion passed unanimously.

Action: Motion by Mr. Streusand to ratify the continued use of the Texas Public Finance Authority Commercial Paper Revenue Notes, Series 2019A and Taxable Series 2019B, to finance the deferred maintenance projects authorized by the 86th and 87th Legislative Sessions and as described in the requests for financing submitted by the Health and Human Services Commission on October 30, 2019 and November 2, 2021 respectively. Second by Mr. Riskind.

The motion passed unanimously.

Action: Motion by Mr. Etcheverry to ratify the continued use of Texas Public Finance Authority Commercial Paper Revenue Notes, Series 2019A and Taxable Series 2019B, to finance the Camp Hubbard Renewal Project authorized by the 88th Legislature and as described in the request for financing submitted by the Texas Department of Motor Vehicles on June 8, 2023. Second by Mr. Streusand.

The motion passed unanimously.

Item 6. Discussion, consideration, and possible action related to a tender for the purchase of certain outstanding revenue bonds prior to their respective stated redemption dates; the issuance of bonds to refund such tendered bonds; and taking any related action.

[See Item 7 below.]

Item 7. Discussion, consideration, and possible action related to refunding outstanding notes issued under TPFA's Series 2016B commercial paper program (Texas Facilities Commission Projects).

Mr. Deviney addressed the Board regarding a potential tender offer and refunding, as well as discussing the potential savings associated with a commercial paper refunding. Mr. Paul Jack, financial advisor from Estrada Hinojosa, presented an analysis of potential tender offers and refunding of such tendered bonds, as well as of the projected savings associated with a commercial paper refunding. Staff recommends that if the Board approves a tender & refunding of the series 2020 revenue bonds, that the minimum NPV savings should be set at 5%. Further, that the minimum threshold for the tender/refunding should be set at \$30 million, with a maximum amount to be set at \$150 million.

Discussion ensued and Mr. Jack responded to questions from the Board.

Action: Motion by Mr. Streusand that staff be authorized and directed to consult with appointed advisers to make preliminary assessment of the potential response to a tender offer, and if favorable, to move forward with preparations to tender an offer to repurchase and refund a portion of the outstanding Lease Revenue and Refunding Bonds, Taxable Series 2020, in conjunction with a refunding of any outstanding commercial paper issued on behalf of the Texas Facilities Commission. Second by Mr. Etcheverry.

The motion passed unanimously.

Action: Motion by Mr. Streusand to appoint Estrada Hinojosa to provide financial advisory services related to the tender and potential issuance of refunding bonds. Also to appoint the law firm of Orrick Herrington & Sutcliffe to provide bond counsel services related to the tender and potential issuance of refunding bonds. And to appoint the law firm of Escamilla & Poneck to provide disclosure counsel services related to the tender and potential issuance of refunding bonds. Second by Mr. Holt.

The motion passed unanimously.

Action: Motion by Mr. Streusand to designate an underwriting syndicate for the potential issuance of the bonds, in a negotiated sale, to consist of Siebert Williams Shank & Co. as the dealer manager for the tender invitation and senior manager for the issuance of the refunding bonds; and the following firms as co-managers for the issuance of the refunding bonds: Wells Fargo, Cabrera Capital Markets, Mesirow Financial, and Stern Brothers & Co. Second by Mr. Riskind.

The motion passed unanimously.

Action: Motion by Mr. Riskind to appoint a workgroup for the purpose of monitoring market conditions as may relate to the contemplated tender and refunding transaction and to report such findings to the full Board. The subcommittee to consist of Mr. Etcheverry, Mr. Holt, and Mr. Streusand; with Mr. Etcheverry as chair. Second by Mr. Manning.

The motion passed unanimously.

Item 8. Charter School Finance Corporation

a. Appointments

Mr. Deviney advised that three Charter School Finance Corporation members who had two-year appointments expired on May 1, 2024. One member has requested not to be reappointed and one member, Mr. Coalter Baker, is willing to serve another two-year term. Staff recommends that another member be appointed and welcomes recommendations from the Board for potential appointees.

Action: Motion by Mr. Etcheverry to reappoint Mr. Coalter Baker to the Board of Directors of the TPFA-Charter School Finance Corporation for a term to expire May 1, 2026, subject to the approval of the Governor. Second by Mr. Holt.

The motion passed unanimously.

b. US Department of Education oversight and monitoring of the TCEP program

Mr. Deviney advised that the Manhattan Strategy Group (MSG) conducted a site visit at TPFA's offices and also visited a Texas open enrollment charter school that received a credit enhancement under the TCEP program. Mr. Deviney further advised that staff anticipates that MSG will compile their monitoring review during the month of June.

Item 9. Staff Update:

a. Legislative Update

Mr. Deviney referenced the synopsis of the House interim charges that may relate to the TPFA, prepared by Devyn Wills.

b. TAFE D&O Insurance

Mr. Van Oort provided a progress report on securing a D&O policy.

c. Personnel Update

Mr. Deviney shared that the TPFA's Survey of Employee Engagement had a 100% participation rate and that the overall score indicates a highly engaged workforce.

Item 10. Future transactions and market conditions.

Ms. Kelly Tappendorf provided an update on market rates and commercial paper program transactions.

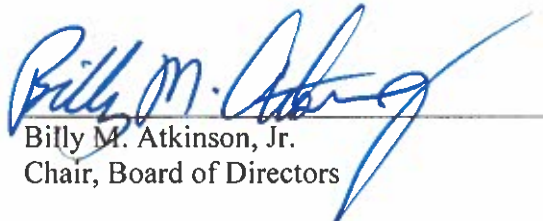
Item 11. Future agenda items and meeting dates.

Mr. Deviney advised the Board that there would be a need for a Board meeting in August. The Board discussed August 22, 2024 as a potential meeting date.

Item 12. Adjourn.

Mr. Atkinson adjourned the meeting at 11:42 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 22nd day of August 2024.


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

ATTACHMENT: Posting Notice



Leandra Contreras

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Open Meeting Submission

TRD: 2024003108
Date Posted: 05/29/2024
Status: Accepted
Agency Id: 0113
Date of Submission: 05/29/2024
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Date of Meeting: 06/06/2024
Time of Meeting: 10:00 AM (##:## AM Local Time)
Street Location: 1400 N. Congress Avenue Capitol Extension Hearing Room E2.028
City: Austin
State: TX
Liaison Name: Leandra Contreras
Liaison Id: 7
Additional Information Obtained From: Leandra Contreras. 512-463-5544
Agenda: Texas Public Finance Authority
 Board Meeting
 Thursday, June 6, 2024 - 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 May 2, 2024 Board meeting.
4. Consideration, discussion, and possible action to approve a request for financing

submitted by the Cancer Prevention & Research Institute of Texas for the issuance of general obligation debt during Fiscal Year 2025; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.

5. Ratification of existing commercial paper programs.

6. Discussion, consideration, and possible action related to a tender for the purchase of certain outstanding revenue bonds prior to their respective stated redemption dates; the issuance of bonds to refund such tendered bonds; and taking any related action.

7. Discussion, consideration, and possible action related to refunding outstanding notes issued under TPFA's Series 2016B commercial paper program (Texas Facilities Commission Projects).

8. Charter School Finance Corporation:

a. Appointments

b. US Department of Education oversight and monitoring of the TCEP program.

9. Staff Update:

a. Legislative Update

b. TPFA D&O Insurance

c. Personnel Update

10. Future transactions and market conditions.

11. Future agenda items and meeting dates.

12. Adjourn

THE BOARD MAY GO INTO CLOSED SESSION AS 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 Leandra Contreras at 512/463-5544. Requests should be made as far in advance as possible. Contact Leandra Contreras 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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