

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

September 5, 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 12:00 p.m., Thursday, September 5, 2019 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. Rodney K. Moore, Member; and Mr. Joseph E. Williams, Member.

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

In attendance were the following persons, representing the indicated entities: Jerry Kyle and Julia Houston, Orrick, Herrington & Sutcliffe LLP; Keith Richard, Seibert Cisneros Shank & Co., Inc.; Terry Thornton, Goldman Sachs & Co.; Tilghman Naylor and Mark Ellis, Jefferies; Patrick Scott, Barclays Capital; Tim Peterson and Kyle Cottrell, JP Morgan Securities; Hasan Mack, McCall Parkhurst & Horton LLP; Brad Angst, George K. Baum & Company; Richard Ramirez, Jorge Rodriguez and Daniel Rodriguez, Hilltop Securities; Dennis Waley and Karlos Allen, PFM Financial Advisors LLC; Tim Kelley, Piper Jaffray & Co.; Hector Matos, Citigroup Global Markets; Paul Jack, Estrada Hinojosa & Company; Randy Bates, Bates & Coleman P.C.; Rogelio Rodriguez, FTN Financial Municipal Advisors; Paul Braden, Norton Rose & Fulbright US LLP; Steven Etoch, Stephens Inc.; Blaine Brunson and Troy Madres, Morgan Stanley & Co; and Chris Allen and Gabriella Briceno, RBC Capital Markets, LLC.

Mr. Atkinson called the meeting to order at 12:15 p.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. Williams to excuse the absence of Mr. Moody. Second by Ms. Schiermeyer.

The motion passed unanimously.

Item 3. Review and approval of the minutes of the September 5, 2019 Board meetings.

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 the July 11, 2019 Board meeting and the July 11, 2019 work session. Second by Ms. Schiermeyer.

The motion passed unanimously.

Item 4. Post-Sale Report: TPFA Lease Revenue and Refunding Bonds, Series 2019 (Texas Facilities Commission).

Mr. Deviney introduced Blaine Brunson with Morgan Stanley to provide the underwriter's post-sale report. The transaction included both refunding bonds and new money. Mr. Brunson stated that the par-amount was \$249,135,000 and the all in TIC was 2.617%. The structure of the transaction included level principal payments for 2022-2039. At the time of pricing, the MMD for 10 and 30-year notes was at the lowest rate of the year.

Item 5. Consideration, discussion and possible action to select a pool of financial advisors for future transactions.

Mr. Deviney discussed the request for proposals for financial advisors, advising that each of the six firms that submitted a proposal is an experienced firm. Mr. Deviney advised the Board that six firms responded to the recent request for proposals for financial advisory services: Estrada Hinojosa & Company, Inc.; FTN Financial; Hilltop Securities; Masterson Advisors LLC; PFM Financial Advisors LLC; and RBC Capital Markets, LLC. Mr. Deviney proposed that the Board consider having a pool of more than one firm to utilize for a variety of potential transactions, in order to ensure adequate coverage during peak periods and to provide additional perspectives on project financing.

Action: Motion by Mr. Williams to appoint TPFA's pool of financial advisors for the biennium beginning on September 1, 2019 to consist of the following firms: RBC Capital Markets, LLC; Estrada Hinojosa & Company; and PFM Financial Advisors LLC. Further, in accordance with the recently issued RFP for financial advisory services, the Board also reserves the option to utilize this pool for transactions initiated during the biennium beginning on September 1, 2021. Second by Mr. Alley.

The motion passed unanimously.

Item 6. Consideration, discussion and possible action to select a bond counsel pool for future transactions.

Mr. Van Oort presented this item on behalf of the Agency. Four years ago, the Board appointed eight law firms for a two-year period with an option to renew for two additional years. Further, due to attorney migration during that period, the Board added an additional firm to the pool. Mr. Van Oort advised the Board that thirteen firms responded to the recent request for qualifications for bond counsel services, all of which were from qualified firms.

Mr. Atkinson expressed his appreciation to the law firms for helping the Authority “stay legal” and for helping to move the transactions along smoothly.

Action: Motion by Mr. Manning to appoint the Authority’s bond counsel pool for the biennium beginning on September 1, 2019 to consist of the following firms: Bates and Coleman, P.C.; Bracewell LLP; Escamilla & Poneck LLP; Greenberg Traurig, LLP; Holland and Knight LLP; McCall, Parkhurst & Horton L.L.P.; Norton Rose Fulbright US LLP; and Orrick, Herrington & Sutcliffe LLP. Further, in accordance with the recently issued RFQ for bond counsel services, the Board also reserves the option to utilize this pool for transactions initiated during the biennium beginning on September 1, 2021. Second by Mr. Alley.

The motion passed unanimously.

Item 7. Consideration, discussion and possible action related to the Request for Financing submitted by the Texas Department of Transportation.

Mr. Deviney advised the Board that financing documents for the TxDOT transaction will be brought to the Board for consideration in the near future. The cost of the project is approximately \$326 million. The proposed mode of financing would be revenue commercial paper notes refinanced into fixed rate debt in the future.

Item 8. Staff Update:

- a. Upcoming bond sales.

Mr. Deviney reported that the anticipated projects include phase II of the Texas Facilities Commission construction project for the Capitol Complex and the North Austin Complex; a refunding transaction for the Cancer Prevention & Research Institute of Texas; a refunding for the Texas Windstorm Insurance Association; and a \$208 million bond financing for deferred maintenance for the Health and Human Services Commission which may be requested after the new year, plus a few other bond series refundings.

b. Update on Texas Windstorm Insurance Association.

Mr. Van Oort reported that the structure of the bonds is being evaluated by both the Association and the Authority's service providers. The preliminary documents are nearly completed and ready for circulation.

Mr. Deviney shared that both the Association and Authority are working together to stay within the boundaries of the legislation and the Association mission, keeping in mind the cost savings the Association is looking to achieve.

c. 2003 Revenue Commercial Paper Program.

Mr. Deviney indicated that at a future date staff will request that the Board consider increasing the capacity of the 2003 commercial paper program in order to accommodate upcoming projects.

d. Market Update.

Mr. Barton presented the Market Update and reported that the commercial paper is trading at the lowest rates in recent history. The 2003 commercial paper program had a semi-annual payment of \$6.4 million this past August, which left approximately \$24 million outstanding in the program.

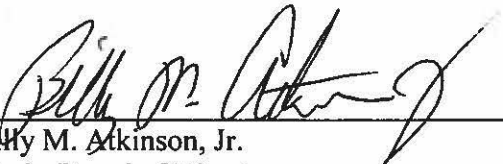
Item 9. Future agenda items and meeting dates.

The Board discussed having the next meeting on either October 23 or November 7, 2019.

Item 10. Adjourn.

Mr. Atkinson adjourned the meeting at 12:50 p.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 8th day of November 2019.


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

ATTACHMENT: Posting Notice



Donna Weinberger-Rourke

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Open Meeting Submission

TRD: 2019005114
Date Posted: 08/28/2019
Status: Accepted
Agency Id: 0113
Date of Submission: 08/28/2019
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Committee: Board Meeting
Date of Meeting: 09/05/2019
Time of Meeting: 12:00 PM (##:## AM Local Time)
Street Location: Capitol Extension Hearing Room E2.028 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

Texas Public Finance Authority
Board Meeting
Thursday, September 5, 2019 - 12:00 P.M.
Capitol Extension Hearing Room E2.028
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 July 11, 2019 Board meeting.
4. Post-Sale Report: TPFPA Lease Revenue and Refunding Bonds, Series 2019 (Texas Facilities Commission).
5. Consideration, discussion and possible action to select a pool of financial advisors for future transactions.
6. Consideration, discussion and possible action to select a bond counsel pool for future transactions.
7. Consideration, discussion and possible action related to the Request for Financing submitted by the Texas Department of Transportation.
8. Staff Update:
 - a. Upcoming bond sales.
 - b. Update on Texas Windstorm Insurance Association.
 - c. 2003 Revenue Commercial Paper Program.
 - d. Market Update.
9. Future agenda items and meeting dates.
10. Adjourn.

Agenda:

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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