

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS:

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



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 13, 2022

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 9:30 a.m., Thursday, January 13, 2022, at the William P. Clements, Jr., Building, 300 W. 15th Street, Room 402, Austin, Texas.

Present were: Mr. Billy M. Atkinson, Jr., Chairman; Mr. Ramon Manning, Vice Chair (attended via Video Conference); Mr. Jay A. Riskind, Secretary; Mr. Larry G. Holt, Member; Mr. Brendan Scher, Member; and Mr. Benjamin E. Streusand, 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, Financial Analyst.

In attendance were the following persons, representing the indicated entities: Gabriella Briceno, RBC Capital Markets, LLC; Karlos Allen, PFM Financial Advisors LLC; Tim Peterson, Jefferies LLC; Bech Bruun, UBS; Dirk Spoons, Citigroup Global Markets, Inc.; Patrick Scott, Barclays Capital Inc.; Paul Jack, Estrada Hinojosa & Co., Inc.; Mark Ellis, Hilltop Securities; Mark Nitcholas, RW Baird; Hasan Mack and Greg Salinas, McCall Parkhurst & Horton LLP; Ashley Jones and Steven Julian, Raymond James & Associates, Inc.; Curtis Flowers, J.P. Morgan Securities LLC; Blaine Brunson, Morgan Stanley & Co., LLC; Tilghman Naylor, Loop Capital Markets LLC; Monty Humble; Donna Weinberger-Rourke; and Gary Hamilton and David Umscheid, HHSC.

Mr. Atkinson called the meeting to order at 9:38 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. Scher.

The motion passed unanimously.

Item 3. Review and approval of the minutes of the October 7, 2021 Board Meeting.

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

Action: Motion by Mr. Riskind to approve the minutes of the October 7, 2021 Board Meeting. Second by Mr. Scher.

The motion passed unanimously.

Mr. Streusand joined the meeting at 9:42 a.m.

Item 4. Reconsideration of the minutes of the August 4, 2021 Work Session.

Mr. Van Oort introduced the item. Mr. Van Oort and Mr. Atkinson both indicated that the amended minutes of the August 4, 2021 Work Session includes a technical adjustment to more adequately reflect the two-step motion adopted by the board related to the TPFA Executive Director salary increase.

Action: Motion by Mr. Holt to approve the amendment to the minutes of the August 4, 2021 Board Work Session. Second by Mr. Riskind.

The motion passed unanimously.

Item 5. Consideration, discussion, and possible action on a request for financing submitted by the Health and Human Services Commission to finance deferred maintenance projects; appointment of outside consultants; and taking other related action.

Mr. Deviney provided an overview of the \$23,689,160 request for financing submitted by the Health and Human Services Commission (HHSC) for deferred maintenance. Further, Mr. Deviney recommended financing through the existing Series 2019AB Commercial Paper program.

Discussion ensued regarding actions taken by the 87th Legislature pertaining to state agency contracts and whether certain existing contracts would be subject to requirements of SB 13 and SB 19. Mr. Van Oort explained that those two bills apply only to contracts executed on or after September 1, 2021, and do not apply to contracts in existence prior to that date.

Mr. Streusand proposed that the Board consider, at its next meeting, the continuation of certain long-term service provider contracts, such as dealer agreements for commercial paper programs. Mr. Riskind requested that staff prepare updated provider pool lists annotating compliance with the SB 13 and SB 19 affirmation requirements.

Action: Motion by Mr. Manning to approve the request for financing submitted by the Health and Human Services Commission to finance deferred maintenance projects authorized by the 87th Legislature and that such financing may be accomplished utilizing the existing 2019AB commercial paper program. Second by Mr. Streusand.

The motion passed unanimously.

Item 6. Consideration, discussion, and possible action on a request for financing submitted by the Comptroller of Public Accounts to finance the acquisition of a State Bullion Depository; appointment of outside consultants; and taking other related action.

Mr. Deviney provided an update on the State Bullion Depository project and the request for financing previously approved by the TPGA Board to finance the projects through the existing 2019AB Commercial Paper program. Since the Comptroller updated its cash flow projections, the transaction may be better suited for a fixed rate transaction or other financing mechanism. Mr. Deviney requested that the Board amend the previously approved action to provide maximum flexibility to best match the cash flows.

Action: Motion by Mr. Manning to reconsider and amend the Board's prior action of August 5, 2021 relating to determining the method of finance for the Bullion Depository project and further that the financing may be accomplished with either the issuance of fixed-rate taxable bonds, the issuance of commercial paper; or other cost-effective financing mechanism. Second by Mr. Streusand.

The motion passed unanimously.

Action: Motion by Mr. Holt to reaffirm the appointment of Orrick, Herrington & Sutcliffe to provide bond counsel services; appoint Escamilla & Poneck to provide disclosure counsel services; and appoint RBC Capital Markets to provide financial advisory services for the transaction. Second by Mr. Scher.

The motion passed unanimously.

Action: Motion by Mr. Streusand to designate an underwriting syndicate, for the issuance of revenue bonds in a negotiated sale, to consist of Blaylock Van, LLC, as the senior manager, and SAMCO Capital Markets, as co-manager. Second by Mr. Scher.

The motion passed unanimously.

Item 7. Charter School Finance Corporation: appointment of CSFC board members.

This item was deferred for consideration at a future Board meeting.

Item 8. Post-Sale Report: State of Texas General Obligation and Refunding Bonds, Taxable Series 2021A and Taxable Series 2021B.

Ms. Ashley Jones and Mr. Steven Julian provided an overview of the recent Series 2021AB transaction and responded to questions from the Board related to the bond sale.

Item 9. Staff Update:

a. Update on Charter School Finance Corporation

Mr. Deviney provided an update on the \$10 million grant by the US Department of Education (ED) and staff is currently negotiating the terms of the performance agreement associated with this federal grant. Mr. Deviney provided a high-level summary of the debt issued by the Charter School Finance Corporation and responded to questions about the administration and allocation of revolving grant funds.

b. Status report on natural gas securitization

Mr. Deviney and Mr. Atkinson provided an overview on the current status and timeline for the project financing and governing action taken by the corporation.

c. Anticipated request for financing from Texas Southern University

Mr. Deviney introduced the item. As a result of action taken by the 87th Legislature in special session, \$95.2 million of additional tuition revenue bonds are now available to Texas Southern University (TSU) to construct and renovate facilities for campus upgrades and for various repair and maintenance projects. Additionally, appropriations to reimburse TSU for tuition revenue bond debt service expenditures during the 2022-2023 biennium were also adopted. TPFA anticipates receipt of a request for financing from TSU later this year.

d. Anticipated request for financing from the Texas Agricultural Finance Authority

Mr. Deviney introduced the item and provided an overview of the Texas Agricultural Finance Authority (TAFAs) financing program to provide economic development capital and leverage to assist in agribusiness and rural economic development. During the 87th Legislature, Texas Department of Agriculture requested and received an appropriations rider that will actuate TAFAs bond financed programs. Staff anticipates receiving a request for financing from TAFAs during the first half of calendar year 2022.

e. Update on the Texas Military Preparedness Commission project

Mr. Deviney provided an update on the Texas Military Preparedness Commission's (TMPC) \$30 million Request for Financing which was previously approved by the Board on January 26, 2021. The proposed Boeing project may be downsized, and the project location will be moved to another site but will remain on the property of the Port Authority of San Antonio. Staff is awaiting a determination by the TMPC as to whether the prior TMPC approval would be applicable to the currently proposed project or whether such project would need to go back through the formal TMPC review and approval process.

f. Agency Annual Financial Report

Mr. John Hernandez presented TPFA's unaudited annual financial report and stated that the financials are prepared in accordance with instructions provided by the Comptroller of Public Accounts and will roll up to the state's Annual Comprehensive Financial Report (ACFR). The ACFR is subject to review by the State Auditor's Office.

g. Personnel update

Mr. Deviney stated that there are currently three open position postings for TPFA, a staff attorney, an executive assistant, and another staff support position. Staff is actively interviewing candidates for the staff attorney position and is close to a decision on the executive assistant position. The third position was recently posted and applications are being accepted.

The board extended its appreciation to Donna Weinberger-Rourke for her service to the State and expressed best wishes in her retirement.

h. Market update

Mr. John Barton presented the market update indicating that the interest rate market is increasing in anticipation of the Federal Reserve increasing rates. TPFA will have a better indication of rates in the next few months as it prepares for upcoming bond sales.

Item 10. Future transactions and market conditions.

Mr. Hernandez highlighted upcoming TPFA financing transactions, and future Board meetings.

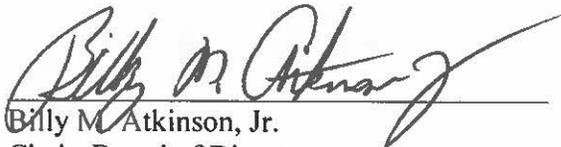
Item 11. Future agenda items and meeting dates.

Mr. Deviney reviewed the calendar of future agenda items and asked the Board members to save Wednesday, March 16th and the regular meeting in April as possible meeting dates.

Item 12. Adjourn.

Mr. Atkinson adjourned the meeting at 10:59 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 3rd day of March 2022.


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

ATTACHMENT: Posting Notice