

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS:

Billy M. Atkinson, Jr., Chair
Ruth C. Schiermeyer, Vice Chair
Gerald B. Alley, Secretary
Mark W. Eidman
Walker N. Moody
Rodney K. Moore
Robert T. Roddy, Jr.



EXECUTIVE DIRECTOR
Lee Deviney

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

January 8, 2015

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 notice is attached hereto as Exhibit "A") at 10:30 a.m., Thursday, January 8, 2014, Capitol Extension Hearing Room E2.028, Austin, Texas. Present were: Mr. Billy Atkinson, Chair; Ms. Ruth C. Schiermeyer, Secretary; Mr. Mark Eidman, Member; Mr. Walker Moody, Member; and Mr. Rodney Moore, 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; Donna Weinberger; and John Barton.

In attendance were the following persons, representing the indicated entities: Chris Allen, First Southwest Co.; Jorge Rodriguez, Coastal Securities; Tim Peterson, J.P. Morgan; Robin Redford and Lorry Palacios, Ramirez & Co.; Rob Collins and Rogelio Rodriguez, FTN Financial; Carol Polumbo, and Hasan Mack, McCall Parkhurst & Horton; Mark Ellis, Jefferies; Art Morales and Rick Menchaca, BOSCO, Inc.; Jerry Kyle, Andrews Kurth; Tim Kelley, Piper Jaffray; Blaine Brunson, Morgan Stanley; Terry Thornton and Julian Zirko, Goldman Sachs & Co.; Debi Jones, Raymond James; Jim Niederle, Hutchinson, Shockey, Erley & Co.; Allen Westerman, SAMCO Capital Markets; Andy Deskin and Desrye Morgan, Wells Fargo; Rudy Mesina, Estrada Hinojosa; Brandon Walker, Bank of America Merrill Lynch

Mr. Atkinson called the Board meeting to order at 10:31 a.m. and noted that a quorum was present.

Item 1. Confirm meeting posting compliance with Open Meetings Act.

Mr. Atkinson confirmed that the meeting was duly posted with the Secretary of State's Office.

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

Mr. Eidman moved to excuse the absences of Mr. Alley and Mr. Roddy. Mr. Moody seconded the motion. The motion passed unanimously.

Item 3. Approve the minutes of the December 4, 2014, Board meeting.

Before asking for a motion to approve the minutes, Mr. Atkinson pointed out one change to the minutes related to the citation for the Executive Session. Prior to signature the minutes will reflect that the previous Executive Session is pursuant to 551.071.

Mr. Eidman moved to approve the minutes of the December 4, 2014, Board meeting. Ms. Schiermeyer seconded the motion. The motion passed unanimously.

Item 4. Consideration and approval of a Resolution ratifying the Texas Southern University advances no. 5 & 6, pursuant to the Series A 2012-10 Note.

Mr. Deviney provided a summary of the item for the Board's consideration.

Motion: Adopt a Resolution ratifying the Texas Southern University advance no. 5 in the amount of \$770,246.56 & advance no. 6 in the amount of \$817,409.70 pursuant to the Series A 2012-10 Note.

Action: Motion by Ms. Schiermeyer, second by Mr. Moody to approve the motion. The motion passed unanimously.

Item 5. Consideration, discussion, and possible action relating to Midwestern State University's Request for Financing to issue approximately \$38.25 million in system revenue bonds, select a method of sale, appoint outside consultants, and take other action as necessary including the issuance of Refunding Bonds, to refund certain bonds previously issued on behalf of Midwestern State University.

Mr. Deviney stated there is no action to take at this time. Mr. Deviney explained the project and stated the University requested variable rate financing and at the current time there is not a program in place to address variable rate financing. Mr. Deviney indicated this item may be addressed at the February meeting after reviewing funding proposals. Mr. Deviney indicated to the Board that staff was interested in receiving and reviewing creative proposals.

Action: No Action was taken on this item

Item 6. Consideration, discussion, and possible action to evaluate refunding opportunities related to various outstanding General Obligation Bonds, select a method of sale, appoint outside consultants, and take other action as necessary.

Mr. Deviney provided a time table for this transaction prepared by Coastal Securities and stated that the estimated amount of refunding bonds for this transaction is approximately \$156 million.

Staff Recommendation: Mr. Deviney stated the recommendation to the board is a negotiated sale. Mr. Deviney stated the staff's recommendation for the underwriting syndicate to appoint: Morgan Stanley as Senior Manager, Raymond James as Co-Senior Manager; and to name Hutchinson, Shockey, Erley & Co.; Seibert, Brandford, Shank and Co.; and SAMCO Capital Markets as Co-Managers. Staff also recommended the appointment of McCall Parkhurst & Horton as Disclosure Counsel.

Motion: The Chair will entertain a motion to approve the staff recommendation as stated.

Discussion ensued. Mr. Jorge Rodriguez addressed the board and explained how the time table of the bond market in relationship to the oil markets. The savings that are represented are some of the best rates recently.

Action: Motion by Ms. Schiermeyer to adopt staff recommendation, second by Mr. Moody. The motion passed unanimously

Item 7. Consideration, discussion, and possible action to evaluate refunding opportunities related to various outstanding Revenue Bonds, select a method of sale, appoint outside consultants, and take other action as necessary.

Mr. Deviney provided a projected time table for this transaction prepared by First Southwest as well as a list of the potential bonds to be refinanced. Mr. Deviney suggested that pricing for the bonds should occur in April 2015. The estimate of bonds for refunding is approximately \$84 million.

Staff Recommendation: Mr. Deviney stated the staff's recommendation is for a negotiated sale and the appointment of an underwriting syndicate to include: Ramirez and Co. as Senior Manager; Co-Managers to include: BOSC, Inc.; Loop Capital Markets; and Mesirow Financial Inc. Staff also recommended the appointment of McCall Parkhurst & Horton as Disclosure Counsel.

Discussion ensued. Mr. Eidman inquired as to the selection process used to hire counsel and others. Mr. Deviney discussed the Board's underwriter selection policy which includes: consideration of a firm's excess net capital, which indicates a firm's ability to underwrite the transaction; past performance on TPFA transactions; seeking input from our financial advisor; and finally, demonstrated interest on the part of firms, including the submission of proposals. Mr. Eidman wanted to ensure the Authority's Board was not just approval stamping, but had knowledge of the firm and the firm's pricing. Mr. Atkinson stated the selection for this offering is in conformity with the Board's policy. Mr. Atkinson requested that staff begin a review process on this policy and present this issue to the Board at a subsequent meeting.

Action: Motion by Mr. Moody to adopt staff recommendation, second by Mr. Eidman. The motion passed unanimously.

Item 8. Staff Update

a. Annual Reports: Financial and Non-financial

Mr. Deviney explained the reports were submitted on December 31, 2014 and are available on TPFA's web site. Ms. Schiermeyer asked if there was any information out of the ordinary that the Board would need to know. Ms. Scivicque responded no.

b. Texas Military Revolving Loan Projects

Mr. Deviney reported the exchange of bonds for the Port of San Antonio occurred on December 23, 2014. The office is waiting on Corpus Christi to provide additional information on the city's proposed transaction.

c. Legislative matters

Mr. Deviney stated the staff would be monitoring both the House and the Senate in relation to the agency's budget and possibly other items. The office is monitoring legislation regarding tuition revenue bonds. Mr. Deviney addressed legislation for the Charter School Finance Corporation with regard to the same type of indemnification in the legislation that the TPFA Board has. The Master Lease Purchase Program is being monitored for cash flow reasons and potentially for the opportunity for the agency to repurpose the fund.

d. Market update

Mr. Deviney noted the 10-year Treasuries are still low. The MLPP commercial paper outstanding balance is about \$54 million and the activity is pretty slow.

e. Staff update

Mr. Deviney reported that an offer has been extended and accepted by Mr. Alper Demir for a Financial Analyst III position, provided Mr. Demir's education background and an anticipated start date.

Item 9. Discussion of future meeting dates, and times.

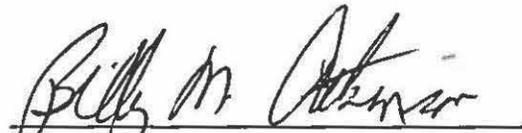
A potential Thursday, February 5, 2015 meeting and work session were discussed.

Item 10. Adjourn

Action: Motion by Mr. Eidman, second by Ms. Schiermeyer to adjourn. The motion passed unanimously.

The meeting adjourned at 11:06 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on February 5, 2015.



Billy M. Atkinson
Chair, Board of Directors

ATTACHMENT: Post Notice – Exhibit A



Open Meeting Submission

TRD: 2014009122

Date Posted: 12/31/2014

Status: Accepted

Agency Id: 0113

Date of Submission: 12/31/2014

Agency Name: Texas Public Finance Authority

Board: Texas Public Finance Authority

Date of Meeting: 01/08/2015

Time of Meeting: 10:30 AM (###:## AM Local Time)

Street Location: 1400 N. Congress Avenue Capitol Extension Room E2.028

City: Austin

State: TX

Liaison Name: John Barton

Liaison Id: 5

Additional Information Obtained From: John Barton, 512/4635544, 300 W. 15th Street, Suite 411, Austin, TX 78701.

Texas Public Finance Authority
Board Meeting
Thursday, January 8, 2015 –10:30 A.M.
Capitol Extension Hearing Room E2.028
State Capitol
1400 N. Congress Ave.
Austin, Texas 78701

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. Approve the minutes of the December 4, 2014, Board meeting.
4. Consideration and approval of a Resolution ratifying the Texas Southern University advances no. 5 & 6, pursuant to the Series A 2012-10 Note.
5. Consideration, discussion, and possible action relating to Midwestern State University's Request for Financing to issue approximately \$38.25 million in system revenue bonds, select a method of sale, appoint outside consultants, and take other action as necessary including the issuance of Refunding Bonds, to refund certain bonds previously issued on behalf of Midwestern State University.
6. Consideration, discussion, and possible action to evaluate refunding opportunities related to various outstanding General Obligation Bonds, select a method of sale, appoint outside consultants, and take other action as necessary.
7. Consideration, discussion, and possible action to evaluate refunding opportunities related to various outstanding Revenue Bonds, select a method of sale, appoint outside consultants, and take other action as necessary.
8. Staff update:
 - a. Annual Reports: Financial and Non-financial
 - b. Texas Military Value Revolving Loan Projects
 - c. Legislative matters
 - d. Market update
 - e. Staff update
9. Future agenda items, meeting dates, and times.
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 John Barton at 512/463-5544. Requests should be made as far in advance as possible. Contact John Barton if you need any additional information, Texas Public Finance Authority, 300 W. 15th Street, Suite 411, Austin, TX 78701.

Certification: I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Kevin D. Van Oort, General Counsel, Certifying Official; John Barton, Agency Liaison.