

# 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

## 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

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

March 5, 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, March 5, 2015, William P. Clements Bldg., Hearing Room 402, Austin, Texas. Present were: Mr. Billy Atkinson, Chair; Ms. Ruth C. Schiermeyer, Vice Chair; Mr. Robert T. Roddy, 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: Louis Edwards and Timothy Rychlec, Texas Southern University; Jorge Rodriguez and Daniel Rodriguez, Coastal Securities; Tim Peterson, J.P. Morgan; Art Morales and Rick Menchaca, BOSC, Inc.; Jerry Kyle, Andrews Kurth; Dalton Smith, Bank of America Merrill Lynch; Robert Collins, FTN Financial; Brad Angst, George K. Baum; Robin Redford, Ramirez; Melissa Avelino, Office of the Governor; Ashley Lundberg and Debi Jones, Raymond James; Paul Braden and Stephanie Leibe, Norton Rose Fulbright; Patrick Scott, Barclays; Bruce Rideaux and Matt Johansen, PFM; Barron Wallace, Bracewell & Giuliani; Bart Fowler and Hasan Mack, McCall Parkhurst & Horton; and Blaine Brunson, Morgan Stanley.

Mr. Atkinson called the Board meeting to order at 10:45 a.m. and noted that a quorum was present.

### 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's Office.

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

Mr. Roddy moved to excuse the absences of Mr. Alley, Mr. Moody and Mr. Eidman, second by Ms. Schiermeyer. The motion passed unanimously.

**Item 3. Approval of the minutes of the February 5, 2015 Work Session and February 5, 2015 Board Meeting.**

Ms. Schiermeyer moved to approve the minutes of both the February 5, 2015 Work Session and the February 5, 2015 Board meeting, second by Mr. Moore. The motion passed unanimously.

**Item 4. Consideration and approval of Resolutions ratifying advance no. 9 for Texas Southern University relating to the Series A 2012-10 Note.**

Mr. Deviney provided a summary of the item for the Board's consideration. Mr. Moore requested additional information regarding Draw 4. Mr. Louis Edwards and Mr. Timothy Rychlec presented information on the project. Mr. Moore discussed Draw 4 in relation to a cost overrun. Mr. Edwards explained there are other cost savings and the potential for a food service vendor to help offset the additional costs. Ms. Schiermeyer requested additional information regarding the escrow account. The Board requested TPFA staff provide a schedule of ongoing items to be financed regarding the construction project going forward.

Staff recommended the approval of a Resolution ratifying the Texas Southern University advance no. 9 in the amount of \$1,488,790.88 pursuant to the Series A 2012-10 Note.

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

**Item 5. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority State of Texas General Obligation Refunding Bonds in one or more series; approving the Preliminary Official Statement; authorizing and appointing a Pricing Committee of the Board; authorizing the refunding, defeasance, redemption, and discharge of certain outstanding general obligation bonds and execution of an Escrow Agreement, Purchase Contract and other related documents; and authorizing taking other necessary action related thereto.**

Mr. Deviney presented information on the project. Discussion ensued. Mr. Deviney asked Mr. Jorge Rodriguez with Coastal Securities to present detailed information on the transaction.

Staff recommended approval of a Resolution related to the refunding of certain outstanding General Obligation bonds, a Preliminary Official Statement in substantially final form and the appointment of a Pricing Committee. Further, to authorize actions by the Texas Public Finance Authority and Representatives thereof in connection with the Sale and Delivery of one or more series of General Obligation Refunding Bonds; and to take all necessary related actions.

Mr. Atkinson suggested the following appointments to the pricing committee consisting of: Ms. Ruth Schiermeyer as chair, Mr. Robert T. Roddy and Mr. Rodney Moore and the appointment of Mr. Billy Atkinson as an alternate.

**Action:** Motion by Mr. Roddy to adopt staff recommendation and Mr. Atkinson's Pricing Committee recommendations, second by Ms. Schiermeyer. The motion passed unanimously.

**Item 6. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority Revenue Refunding Bonds in one or more series; approving the Preliminary Official Statement; authorizing and appointing a Pricing Committee of the Board; authorizing the refunding, defeasance, redemption, and discharge of certain outstanding revenue bonds and execution of an Escrow Agreement, Purchase Contract and other related documents; and authorizing taking other necessary action related thereto.**

Mr. Deviney presented information on the transaction. Discussion ensued. Mr. Deviney requested Mr. Chris Allen with First Southwest Company to present detailed information on the transaction. Discussion ensued. Paul Braden with Norton Rose Fulbright presented information on the difference between the taxable and tax-exempt bond refunding and why there potentially could be a taxable series as well.

Staff recommended approval of a Resolution related to the refunding of certain outstanding Revenue bonds, a Preliminary Official Statement in substantially final form and the appointment of a Pricing Committee. Further, to authorize actions by the Texas Public Finance Authority and Representatives thereof in connection with the Sale and Delivery of one or more series of Revenue Refunding Bonds; and to take all necessary related actions.

Mr. Atkinson suggested the following appointments to the pricing committee consisting of: Ms. Ruth Schiermeyer as chair, Mr. Robert T. Roddy and Mr. Rodney Moore and the appointment of Mr. Billy Atkinson as an alternate.

**Action:** Motion by Ms. Schiermeyer to adopt staff recommendation and Mr. Atkinson's Pricing Committee recommendations, second by Mr. Moore. The motion passed unanimously.

**Item 7. Consideration, discussion, and possible action relating to Midwestern State University's Request for Financing to issue approximately \$33.25 million in system revenue bonds, consider financing proposals and select a method of sale, appoint outside consultants, and take other action as necessary including the issuance of Refunding Bonds to refund certain Revenue Financing System and Tuition Revenue Bonds previously issued on behalf of Midwestern State University.**

Mr. Deviney presented information on the transaction. Discussion ensued.

Staff recommended approval of a negotiated method of sale for Midwestern State University bonds of approximately \$49.5 million including the refunding of certain outstanding MSU revenue financing system and tuition revenue bonds and to finance the previously approved 2015 combined MSU dormitory. The refunding of outstanding MSU Series 2003 and 2007 (Revenue Financing System and Tuition Revenue) revenue bonds is to achieve a minimum 3% net present value savings.

Staff further recommended the appointment of BOSCO, Inc. as Senior Manager with Loop Capital Markets and RBC Capital Markets as co-managers to underwrite the bonds.

Staff further recommended the appointment the law firm of McCall Parkhurst & Horton as Disclosure Counsel.

**Action:** Motion by Mr. Roddy to adopt staff recommendations, second by Ms. Schiermeyer. The motion passed unanimously.

**Item 8. Consideration, discussion, and possible action related to the Texas Military Preparedness Commission's Request for Consent for the City of Corpus Christi to amend a loan agreement between the City and the Commission: submission of a State Debt Application to the Bond Review Board, appoint outside counsel to issue a tax opinion, and take other action as necessary.**

Mr. Deviney presented information on the purpose of submitting an application to the Bond Review Board for approval due to the City of Corpus Christi substituting the previously approved project.

Staff recommends affirming the approval of all actions taken at the December 4, 2014 meeting and further authorizes staff to submit a State Debt Application to the Bond Review Board, execute an amended financing agreement, and that the Board appoint the law firm of Bracewell & Giuliani to serve as bond counsel.

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

**Item 9. Consideration, discussion and possible action relating to adoption of a Voucher Signature Authority policy.**

Mr. Deviney and Mr. Van Oort described the purpose of the policy which is to assign signature authority to one or more persons to execute a payment voucher. Discussion ensued.

Staff recommends the Board adopt a policy to delegate to the Chairman, the authority to designate or remove individual employees as authorized to execute payment vouchers.

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

**Item 10. Consideration, discussion and possible action relating to adoption of a Management Contingency Plan.**

Mr. Deviney explained that in the absence of the Executive Director, the Delegation of Authority would flow to the Deputy Director. The policy would be reviewed by the TPFA Board of Directors on a biennial basis. Discussion ensued. The current policy provides that succession would be to the General Counsel.

Staff recommended approval of the amends to the Management Succession Plan.

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

## **Item 11. Staff Update**

a. **Property Insurance Renewal**

Mr. Deviney and Ms. Scivicque presented information on the State Office of Risk Management and the insurance which is currently being in place. There is no board action required.

b. **Market Update**

Mr. Deviney asked John Barton with the Agency's staff to report on the documents provided in the Board Book. Mr. Barton directed the Board to the Staff Report and provided updates on the market and TPFA outstanding fixed rate and commercial paper debt. Discussion ensued.

c. **Staff Update**

Mr. Deviney introduced Alper Demir as the newest TPFA staff member. Mr. Deviney stated there are 11.75 FTE's and authorized up to 14 FTE's. The hiring freeze is due to the uncertainty of the next biennial budget.

d. **Legislative Update**

Mr. Deviney presented information on the Legislature's desire to decrease state debt, particularly non self-supporting debt. As a result of the refunding opportunities the cost of debt to TPFA is relatively low. TWIA legislation will be tracked as well. HB 1171 provides certain immunity to Charter Schools and Charter Holders. Mr. Deviney explained the Charter School Financing Corporation board members do not have board member personal liability or indemnification and their liability insurance has expired resulting in a need for indemnification language.

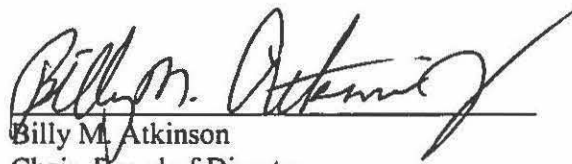
## **Item 12. Discussion of future meeting dates, and times.**

A potential Thursday, April 2, 2015 meeting was discussed.

## **Item 13. Adjourn**

Mr. Atkinson adjourned the meeting at 11:57 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on May 7, 2015.

  
Billy M. Atkinson  
Chair, Board of Directors

ATTACHMENT: Post Notice – Exhibit A



John Barton

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## Open Meeting Submission

**TRD:** 2015001372  
**Date Posted:** 02/25/2015  
**Status:** Accepted  
**Agency Id:** 0113  
**Date of Submission:** 02/25/2015  
**Agency Name:** Texas Public Finance Authority  
**Board:** Texas Public Finance Authority  
**Date of Meeting:** 03/05/2015  
**Time of Meeting:** 10:30 AM (###:## AM Local Time)  
**Street Location:** William P. Clements, Jr. Building, Room 402 300 W. 15th Street Austin, Texas 78701  
**City:** Austin  
**State:** TX  
**Liaison Name:** John Barton  
**Liaison Id:** 5  
**Additional Information Obtained From:** Donna Weinberger, 512/4635544, 300 W. 15th Street, Suite 411, Austin, TX 78701  
 Texas Public Finance Authority  
 Board Meeting  
 Thursday, March 5, 2015 – 10:30 A.M.  
 William P. Clements, Jr. Building, Room 402  
 300 W. 15th Street  
 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. Review and approval of the minutes of the February 5, 2015 Work Session and February 5, 2015 Board Meeting.
4. Consideration and approval of a Resolution ratifying advance no. 9 for Texas Southern University relating to the Series A 2012-10 Note.

5. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority State of Texas General Obligation Refunding Bonds in one or more series; approving the Preliminary Official Statement; authorizing and appointing a Pricing Committee of the Board; authorizing the refunding, defeasance, redemption, and discharge of certain outstanding general obligation bonds and execution of an Escrow Agreement, Purchase Contract and other related documents; and authorizing taking other necessary action related thereto.

6. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority Revenue Refunding Bonds in one or more series; approving the Preliminary Official Statement; authorizing and appointing a Pricing Committee of the Board; authorizing the refunding, defeasance, redemption, and discharge of certain outstanding revenue bonds and execution of an Escrow Agreement, Purchase Contract and other related documents; and authorizing taking other necessary action related thereto.

**Agenda:**

7. Consideration, discussion, and possible action relating to Midwestern State University's Request for Financing to issue approximately \$33.25 million in system revenue bonds, consider financing proposals and select a method of sale, appoint outside consultants, and take other action as necessary including the issuance of Refunding Bonds to refund certain Revenue Financing System and Tuition Revenue Bonds previously issued on behalf of Midwestern State University.

8. Consideration, discussion, and possible action related to the Texas Military Preparedness Commission's Request for Consent for the City of Corpus Christi to amend a loan agreement between the City and the Commission: submission of a State Debt Application to the Bond Review Board, appoint outside counsel to issue a tax opinion, and take other action as necessary.

9. Consideration, discussion and possible action relating to adoption of a Voucher Signature Authority policy.

10. Consideration, discussion and possible action relating to adoption of a Management Contingency Plan.

11. Staff update:

- a. Property Insurance Renewal
- b. Market update
- c. Staff Update
- d. Legislative Update

12. Future agenda items, meeting dates, and times.

13. 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.

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.

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