

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:

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

May 7, 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") for 10:30 a.m., Thursday, May 7, 2015, William P. Clements Jr. Bldg., Hearing Room 402, Austin, Texas. Present were: Mr. Billy Atkinson, Chair; Ms. Ruth C. Schiermeyer, Vice Chair; Mr. Mark W. Eidman, Member; Mr. Walker N. 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; John Barton, and Robert Jocius.

In attendance were the following persons, representing the indicated entities: Louis Edwards, Edward Ness and Timothy Rychlec, Texas Southern University; Art Morales and Rick Menchaca, BOSCO, Inc.; Jerry Kyle and Nathelie Ashby, Andrews Kurth; Dalton Smith, Bank of America Merrill Lynch; Robert Collins, Rogelio Rodriguez and John Willford, FTN Financial; Brad Angst, George K. Baum; Robin Redford, Ramirez; Stephanie Leibe, Norton Rose Fulbright; Patrick Scott, Barclays; Hasan Mack, McCall Parkhurst & Horton; Craig W. Harvey, Law Offices of Craig W. Harvey; Jillian Ziarko, Goldman Sachs & Co; Chris Allen, First Southwest Co; Jose Hernandez, Wells Fargo; Curtis Flowers, Loop; Andy Bynam, Mesirow Financial; Tim Kelley, Piper Jaffray; Shawnell Holman, Siebert Brandford Shank & Co; Mark Ellis, Jeffries; and Jim Niederle, Hutchinson Shocky Erley & Co.

Mr. Atkinson called the Board meeting to order at 10:49 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.

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

Item 3. Review and approval of the minutes of the March 5, 2015, Board Meeting.

Action: Mr. Moody moved to approve the minutes, second by Mr. Eidman. The motion passed unanimously.

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

Mr. Deviney reported that Draw no. 10 is in the amount of \$876,280.82, of which \$830,188.45 is to finance eligible costs and \$46,092.37 to make the deposits necessary to satisfy the Series A 2012-10 Bond Escrow Requirement. Such deposits will be made into the Texas Southern University Escrow Account as authorized by the Capital Project Loan Agreement, the Note and the Eighth Supplement.

As a result of delays associated with the project, TSU has requested a loan modification (extension) from the U.S. Department of Education.

Mr. Deviney laid out the Resolution ratifying Draw No. 10, subject to the U.S. Department of Education's approval of the loan modification.

Action: Motion by Ms. Schiermeyer to approve the Resolution, subject to approval of the loan modification by the U.S. Department of Education. The motion was seconded by Mr. Moody. The motion passed unanimously.

Item 5. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority Midwestern State University Revenue Financing System Revenue and 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 2003 and 2007 bonds and the execution of Escrow Agreements, Purchase Agreements and other related documents; and authorizing taking other necessary action related thereto.

Mr. Deviney stated that the board previously appointed First Southwest Company as Financial Advisor, Andrews Kurth as Bond Counsel and McCall Parkhurst & Horton as Disclosure Counsel for this transaction.

Staff expects the transaction will consist of two series of bonds: 1) \$51,525,000 of Midwestern State University Revenue Financing System Revenue and Refunding Bonds, Series 2015A; and 2) \$3,770,000 of Midwestern State University Revenue Financing System Refunding Bonds, Taxable Series 2015B.

MSU requests present value savings of at least one percent (1.0%) for cash flow purposes related to the new money bonds; the aggregate principal amount of the Bonds shall not exceed the maximum amount authorized in Section 9 of the Resolution; and the Bonds shall mature no

later than December 31, 2044, and become payable annually or otherwise, in the years and principal amounts, all as set forth in the Pricing Certificate; and the Bonds, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations.

The Pre-Pricing is set for June 1, 2015, and the Pricing is scheduled for June 2, 2015, in Dallas, Texas, at the offices of First Southwest Company. The Board discussed their availability to serve on the Pricing Committee. Ms. Schiermeyer agreed to attend the pricing while Mr. Alley and Mr. Moody will participate by phone and Mr. Atkinson, Mr. Moore and Mr. Roddy will serve as alternates.

Mr. Deviney proposed a motion to approve a Resolution authorizing the issuance of the Texas Public Finance Authority Midwestern State University Revenue Financing System Revenue and Refunding Bonds, in one or more series and approve the Preliminary Official Statement in substantially final form, to appoint a bond Pricing Committee of the Board consisting of Chair, Ruth Schiermeyer, Mr. Alley and Mr. Moody, with Mr. Atkinson, Mr. Moore and Mr. Roddy serving as alternates, and to authorize actions by the Texas Public Finance Authority and representatives thereof in connection with the sale and delivery of the bonds and refunding; and taking other necessary actions.

Action: Motion by Mr. Eidman to adopt the proposed motion, second by Mr. Moore. The motion passed unanimously.

Item 6. Consideration, discussion, and possible action relating to soliciting proposals from Underwriters, Financial Advisors, and Bond Counsel, to represent the Authority in future transactions.

Mr. Deviney stated that periodically, and ideally at least once each biennium, TPFA issues a Request for Proposals, or similar document, requesting proposals from primary municipal bond service providers including underwriters (including commercial paper dealers), bond counsel (including disclosure counsel), and financial advisors.

The current pool of underwriters and bond counsel were selected by the Board on July 9, 2012. The current pool of financial advisors was selected by the Board on February 4, 2010.

Staff recommends the approval to issue Requests for Proposals for underwriting, bond counsel and financial advisory services for the upcoming FY2016-2017 biennium. It is anticipated that staff will present proposals and analysis to the Board for action during upcoming meetings.

Discussion ensued regarding the Board's role in the selection process, including holding a potential work session to establish the criteria for such selection.

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

Item 7. Consideration, discussion, and possible action relating to the adoption of an amended Vendor Contact Policy.

Staff recommends the Board consider the adoption and/or modification to the proposed vendor contact policy as presented.

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

Item 8. Consideration, discussion, and possible action relating to the agency Personnel Policies and Procedures Manual.

Mr. Deviney stated that in August 2009 the Board adopted the Texas Public Finance Authority Personnel Policies and Procedures Manual, which incorporates an extensive list of topics, policies, procedures and prescribed forms. The Board revised and readopted the Manual in June 2011. At a future work session, staff would like to bring the entire Manual, or parts of the Manual, to the board for review and consideration of changes to content and possibly separating the policy elements from the procedural elements and delegate that authority back to the Executive Director and staff. The personnel evaluation process and form are laid out in the Manual. The staff performance evaluation form is 10 pages long. Staff recommends use of a shorter, 2 page form, similar to the form that Mr. Deviney used at a previous state agency. Mr. Deviney has found the form to be well-accepted by managers and employees alike.

Discussion ensued.

Mr. Deviney stated that this action would not rescind the board policy regarding evaluation of the Executive Director.

Staff proposes to rescind those sections of the agency's personnel policies and procedures manual that relate to appendix D and E and adopt a form to replace the current employee evaluation tool.

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

A five-minute recess occurred beginning at 11:26 a.m.

Item 9. Staff Update

a. Charter School Finance Corporation:

- D&O Liability Insurance

Mr. Deviney explained the former provider exited the market and a new policy is in place at a cost of approximately \$7,000.

- H.B. 2851 (by Parker)

Mr. Deviney explained the bill is intended to provide the Directors of the Texas Charter School Financing Corporation immunity in the exercise of their official duties for the corporation. The approval of the bill would help the agency financially and

administratively. In addition to the TPFA board of directors appointing the corporation's board members, there would be gubernatorial approval.

- **Future Appointments**
Discussion deferred to subsequent meeting.

b. Liquidity Agreements for Commercial Paper Programs:

Mr. Deviney informed the board that a letter has been sent to the Comptroller of Public Accounts requesting liquidity for the current commercial paper programs. The request is for \$235 million for the 2008 GO CP program, \$300 million for the CPRIT series A/B, \$150 million for the Master Lease Purchase Program. If the revenue bond bill passes, additional liquidity would be needed for a new revenue commercial paper program.

c. TSU: Status Report on Series A 2012-10 Construction Project

Mr. Deviney stated representatives from TSU are available to answer questions regarding the Construction Project. Mr. Moore and Mr. Jocius visited TSU to review the project and walk the site. A loan modification has been presented to the Department of Education and the Undersecretary is expected to sign the agreement. The University is expecting to complete building A by the projected time-line. Building B will be delayed.

d. Recap: GO and Revenue Refunding Bond Issuances

Mr. Deviney stated that the Underwriters for each transaction will provide a final report at the next meeting. The total debt-service savings for both transactions is \$28 million.

e. Recap: TMPC - Corpus Christi

Mr. Deviney reported the transaction was completed on March 31, 2015.

f. Status Report: Texas Windstorm Insurance Association Bonds

Mr. Deviney reported that SB 900 is probably a proxy for several bills that will make changes to TWIA and the types of bonds that TPFA can issue in the future.

g. Status Report: Debt Management System

Bob Jocius stated that a Request for Offer has been issued. On, May 8, 2015, any questions from potential providers will be answered and on or before June 1, 2015, offers are due.

h. Legislative and Budget Update

Mr. Deviney explained HB 8 and HJR 8 are related to dedicating certain state funds to retire state debt early. HB 100 and SB 150 both authorize tuition revenue bonds. SB 429 considers authorizing revenue bonds for structures and parking garage. HB 1255 relates to a project in Bexar County. SB 197 relates to CPRIT becoming self-supporting. Mr. Deviney reported there is a difference between the House and Senate appropriations for the 2016-2017 biennium.

i. Market update

John Barton presented information on the TPFA Tax-Exempt and Taxable Commercial Paper Programs.

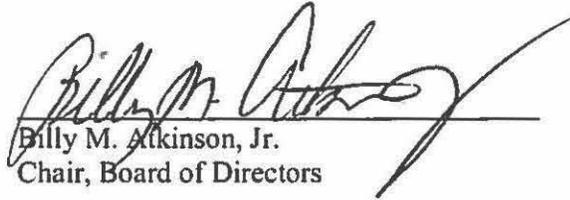
Item 10. Discussion of future meeting dates, and times.

A potential Thursday, June 11, 2015 meeting was discussed.

Item 11. Adjourn

Mr. Atkinson adjourned the meeting at 12:10 p.m.

The foregoing minutes were approved and adopted by the Board of Directors on June 11, 2015.


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

ATTACHMENT: Post Notice – Exhibit A



Donna Weinberger-Rourke

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Open Meeting Submission

TRD: 2015002914
Date Posted: 04/29/2015
Status: Accepted
Agency Id: 0113
Date of Submission: 04/29/2015
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Date of Meeting: 05/07/2015
Time of Meeting: 10:30 AM (##:## AM Local Time)
Street Location: William P. Clements, Jr. Building, Room 402, 300 W. 15th Street
City: Austin
State: TX
Liaison Name: Donna Weinberger-Rourke
Liaison Id: 7
Additional Information Obtained From: Donna Weinberger, 512/4635544, 300 W. 15th Street, Suite 411 Austin, TX 78701
Agenda: Texas Public Finance Authority
 Board Meeting
 Thursday, May 7, 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 March 5, 2015 Board Meeting.
4. Consideration and approval of a Resolution ratifying advance no. 10 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 Midwestern State University Revenue Financing System Revenue and 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 2003 and 2007 bonds and the execution of Escrow Agreements, Purchase Agreements and other related documents; and authorizing taking other necessary action related thereto.
6. Consideration, discussion, and possible action relating to soliciting proposals from Underwriters, Financial Advisors, and Bond Counsel, to represent the Authority in future transactions.
7. Consideration, discussion, and possible action relating to the adoption of an amended Vendor Contact Policy.
8. Consideration, discussion and possible action relating to the agency Personnel Policies and Procedures Manual.
9. Staff update:
 - a. Charter School Finance Corporation:
 - D&O Liability Insurance
 - H.B. 2851 (by Parker)
 - Future Appointments
 - b. Liquidity Agreements for Commercial Paper Programs
 - c. TSU: Status Report on Series A 2012-10 Construction Project
 - d. Recap: GO and Revenue Refunding Bond Issuances
 - e. Recap: TMPC - Corpus Christi
 - f. Status Report: Texas Windstorm Insurance Association Bonds
 - g. Status Report: Debt Management System
 - h. Legislative and Budget Update
 - i. Market update
10. Future agenda items, meeting dates, and times.
11. 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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