

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
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

September 3, 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 1:00 p.m., Thursday, September 3, 2015, in the William P. Clements, Jr. Building, Room 402, 300 W. 15th Street, Austin, Texas. Present were: Mr. Billy M. Atkinson, Chair; Ms. Ruth C. Schiermeyer, Vice Chair; Mr. Gerald B. Alley, Secretary; Mr. Rodney K. Moore, Member; and Mr. Robert T. Roddy, 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, Bond Administration Specialist; and John Barton, Sr. Financial Analyst.

In attendance were the following persons, representing the indicated entities: Chris Allen, First Southwest Company; Art Morales and Rick Menchaca, BOSCO, Inc.; Tim Peterson, JP Morgan; Desyre Morgan, Wells Fargo; Mark Ellis, Jefferies LLC; Tim Kelley and Danielle Bradford, Piper Jaffray & Co.; Shawnell Holman, Siebert Brandford Shank & Co.; Dalton Smith and Brandon Walker, Bank of America Merrill Lynch; Curt Shelmire, Stifel, Nicolaus & Co.; Hasan Mack, McCall Parkhurst & Horton; Karl Biggers, George K. Baum; Barron Wallace, Bracewell & Giuliani; Steven Halpin, Texas Facilities Commission; Robin Redford, Ramirez & Co., Inc.; Jerry Kyle, Andrews Kurth; Patrick Scott, Barclays Capital; Rob Collins, Rogelio Rodriguez, and Bob Fine, FTN Financial; Curtis Flowers, Loop Capital Markets LLC; Andy Bynam, Mesirov Financial Products; Blaine Brunson, Morgan Stanley; and Jorge Rodriguez, Coastal Securities.

Mr. Atkinson called the Board meeting to order at 1:16 p.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. Roddy moved to excuse the absence of Mr. Eidman and Mr. Moody, second by Mr. Moore. The motion passed unanimously.

Item 3. Review and approval of the minutes of the August 6, 2015, Work Session and Board Meeting.

Action: Ms. Schiermeyer moved to approve the minutes, second by Mr. Alley. The motion passed unanimously.

Item 4. Consideration, discussion and possible action to select a method of sale and appoint outside consultants in connection with the Texas Facilities Commission Request for Financing for new construction in the Capital Complex and the North Austin Campus; and taking other necessary related action.

Mr. Deviney provided the board with a cost benefit analysis and recommended that the board initially issue commercial paper for the transaction to keep the cost of the financing low and issue fixed rate bonds at a later date. Mr. Deviney added that the Authority has been in discussion with the Comptroller of Public Accounts to request liquidity for an additional CP program at the appropriate time. Mr. Atkinson asked the Facilities Commission if the proposal is in line with what the Facilities Commission wants. Peter Maas, Deputy Executive Director, Planning and Real Estate Management with the Texas Facilities Commission, responded in the affirmative.

The staff recommended the Board select the issuance of commercial paper notes as the method of sale to fund the Texas Facilities Commission's Request for Financing for the new construction projects in the Capitol Complex and the North Austin Campus. Further, staff is directed to prepare necessary documents to authorize a commercial paper program for this purpose, including taking all necessary steps with respect to the recommendation of a credit provider, issuing and paying agent, dealer and other necessary parties, and present same to the Board for approval at a subsequent Board meeting.

Mr. Alley inquired that given the current volatility in the financial markets whether commercial paper represents the best approach. Mr. Deviney advised that the cost benefit analysis already takes into consideration a rise in interest rates. Chris Allen stated there is the ability for flexibility with the use of commercial paper.

Action: Motion by Mr. Moore to approve the staff recommendation, second by Ms. Schiermeyer. 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 and Refunding Bonds, Taxable Series 2015C [CPRIT], 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 commercial paper notes; execution of an Escrow Agreement, Purchase Contract and other related documents; and taking other necessary action related thereto.

Mr. Deviney advised the board of the need to refund the outstanding commercial paper notes. Further, Mr. Deviney advised the board of the opportunity to lock in low fixed rates. Mr. Deviney stated the team is looking at refunding all outstanding commercial paper and issuing new money debt in an amount up to three quarters worth of FY 2016 funding for CPRIT, up to a maximum of \$445,000,000. Mr. Deviney explained the five different funding scenarios to be considered. Jorge Rodriguez addressed the board on the issue of whether to issue commercial paper vs. fixed rate debt, based on interest rates.

Staff recommended the Board approve the Resolution authorizing the issuance of the bonds, the approval and distribution of the Preliminary Official Statement in substantially final form, the appointment of a bond pricing committee consisting of Ms. Schiermeyer, Mr. Alley and Mr. Roddy, and the appointment of Mr. Atkinson, Mr. Eidman, Mr. Moody, and Mr. Moore as alternates. 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 the General Obligation and Refunding Bonds; and to take all necessary related actions.

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

Item 6. Consideration, discussion and possible action related to selecting a pool of underwriters for future transactions.

Mr. Deviney presented the criteria for which the underwriter firms were selected. Mr. Deviney explained that based on the pipeline of projected projects for the 2016-2017 biennium, the list of firms recommended by staff would be adequate to address the needs of the agency.

Mr. Atkinson read portions of the Underwriting Policies and Procedure for Negotiated Bond Sales Conducted by the Texas Public Finance Authority including: capability to commit capital to underwrite municipal securities, experience, expertise, distribution resources, prior performance and HUB firm participation. Mr. Atkinson added the Board reserves the right to add or remove firms from the pool and to shorten or lengthen the term of the pool. If a lead or co-underwriter believes a firm should be added, then that firm will not be excluded, regardless if they are or are not in the pool. Being in the pool does not guarantee a firm will work on a transaction.

Mr. Deviney noted the RFP asked for proposals related to specific anticipated transactions of the Authority. Mr. Deviney noted that the proposals will not be put away, but utilized when structuring deals.

Mr. Van Oort reminded the board there are pending transactions in the current biennium for which underwriters have already been selected based on the previously approved underwriting pool. Further, Mr. Van Oort stated that in accordance with established board policy that the board may want to consider reserving the option to reappoint the pool for the 2018-2019 biennium.

Staff recommended that the TPFA's underwriting pool for the 2016-2017 biennium will consist of the following firms: Estrada Hinojosa & Company, Inc.; Goldman, Sachs & Co.; Bank of America Merrill Lynch; Citigroup Global Markets, Inc.; J.P. Morgan Securities LLC; Jefferies LLC; Morgan Stanley & Co. LLC; Mesirov Financial, Inc.; Piper Jaffray & Co.; RBC Capital Markets, LLC; Raymond James & Associates, Inc.; Stifel, Nicolaus & Co., Inc.; SAMCO Capital Markets, Inc.; Samuel A. Ramirez & Co., Inc.; Academy Securities, Inc.; Loop Capital Markets LLC; Drexel Hamilton LLC; Siebert Brandford Shank & Co., LLC; Barclays; and IFS Securities Inc.

Further, in accordance with the recently issued RFP for underwriting services, the Board also reserves the option to utilize this pool for transactions initiated during the 2018-2019 biennium.

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

Item 7. Status Report on Texas Southern University project funding, Series A 2012-10 Note.

Mr. Deviney stated that at the last board meeting, the board had specific questions for the staff of Texas Southern University relating to the status of the project, the funding stream to repay the loan and the requirements of the underlying lender (Rice Capital). Mr. Deviney reported that he, Mr. Jocius, Mr. Atkinson and Mr. Moore visited the campus on August 25, 2015, where a portion of the day was spent touring the project. The project has experienced delays; however, the construction manager is projecting a fall 2015 completion date. However, TSU recognizes that the dorm may not open on schedule for the spring of 2016, but other accommodations have been made for the students.

Mr. Atkinson reported on weather conditions and the lack of workforce based on the growth of the City of Houston and that the project will be 58% funded if the following agenda item is approved. Mr. Atkinson reported their will be higher scrutiny of future draws. The board will look for more robust reports from the university to obtain future funds.

Mr. Ness (Vice President for Finance/CFO, TSU) provided an additional status report on the project.

Item 8. Consideration and approval of Resolution ratifying advance no. 15 for Texas Southern University relating to the Series A 2012-10 Note.

Mr. Deviney described the financial reports provided by Texas Southern University related to funding the project. Discussion related to plans to fund the overage ensued.

Staff recommended the approval of a Resolution ratifying the Texas Southern University advance no. 15 in the amount of \$4,027,309.81 pursuant to the Series A 2012-10 Note.

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

Item 9. Staff Update:

a. Commercial Paper Liquidity Renewals

Mr. Van Oort reported that short term extensions were made to the liquidity contracts, which were set to expire on August 31, 2015. The contract extensions are through the end of December. The Comptroller's Office is still considering long term substantive amendments to the liquidity agreements. Mr. Deviney reported there may be an additional amount of liquidity requested for the new TFC revenue bond authorization.

b. RFP's for Bond Counsel and Financial Advisor Services

Mr. Van Oort reported these two RFP's will be published shortly.

c. State Auditor Review of TPFA Financial Processes

Mr. Deviney reported the receipt of a letter from the State Auditor, advising that the TPFA will be the subject of a routine financial audit. SAO staff has had the initial engagement meeting with TPFA staff, as well as separate meetings with various TPFA staff.

d. TDI rule promulgation to implement S.B. 900 (TWIA legislation)

Mr. Van Oort reported that staff has been working with TDI, TWIA, and outside counsel during the rule promulgation process.

e. Market Update

TPFA staff presentation on the market update was not provided.

Item 10. Future agenda items and meeting dates.

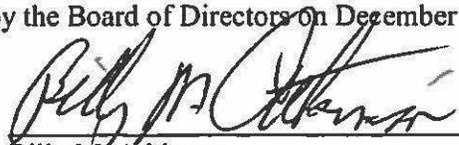
The potential of an October 2015, board meeting was discussed. The primary action item for October would relate to the establishment of a funding mechanism for the Texas Facilities Commission projects.

Mr. Atkinson congratulated Pamela Scivicque on having worked for the agency for 25 years.

Item 11. Adjourn

Mr. Atkinson adjourned the meeting at 2:33 p.m.

The foregoing minutes were approved and adopted by the Board of Directors on December 10, 2015.



Billy M. Atkinson
Chair, Board of Directors

ATTACHMENT: Post Notice – Exhibit A



John Barton

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Open Meeting Submission

TRD: 2015005871

Date Posted: 08/26/2015

Status: Accepted

Agency Id: 0113

Date of Submission: 08/26/2015

Agency Name: Texas Public Finance Authority

Board: Texas Public Finance Authority

Date of Meeting: 09/03/2015

Time of Meeting: 01:00 PM (###:## AM Local Time)

Street Location: William P. Clements, Jr. Building, Room 402 300 W. 15th Street

City: Austin

State: TX

Liaison Name: John Barton

Liaison Id: 5

Additional Information Obtained From: Donna Weinberger, at 512/463-5544, 300 W. 15th Street, Suite 411, Austin, TX 78701.

Texas Public Finance Authority
Board Meeting
Thursday, September 3, 2015 –1:00 P.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 August 6, 2015, Board Meeting.
4. Consideration, discussion and possible action to select a method of sale and appoint outside consultants in connection with the Texas Facilities Commission Request for Financing for new construction in the Capital Complex and the North Austin Campus; and taking other necessary related action.
5. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds, Taxable Series 2015C [CPRIT], 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 commercial paper notes; execution of an Escrow Agreement, Purchase Contract and other related documents; and taking other necessary action related thereto.
6. Consideration, discussion and possible action related to selecting a pool of underwriters for future transactions.
7. Status Report on Texas Southern University project funding, Series A 2012-10 Note.
8. Consideration and approval of Resolution ratifying advance no. 15 for Texas Southern University relating to the Series A 2012-10 Note.
9. Staff Update:
 - a. Commercial Paper Liquidity Renewals
 - b. RFP's for Bond Counsel and Financial Advisor Services
 - c. State Auditor Review of TPFA Financial Processes
 - d. TDI rule promulgation to implement S.B. 900 (TWIA legislation)
 - e. Market Update
10. Future agenda items and meeting dates.
11. 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.

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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