

# 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

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

October 7, 2021

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 10:00 a.m., Thursday, October 7, 2021, in person at the Capitol Extension Hearing Room E2.028, State Capitol, 1400 N. Congress Avenue, Austin, Texas.

Present were: Mr. Billy M. Atkinson, Jr., Chairman; Mr. Ramon Manning, Vice Chair; Mr. Jay A. Riskind, Secretary; Mr. Larry G. Holt, Member; Ms. Shanda G. Perkins, 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 Matthew Berry, 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; Andy Bynam, Mesirow Financial, Inc.; Brian Middlebrook, Barclays Capital Inc.; Paul Jack, Estrada Hinojosa & Co., Inc.; Tim Kelley, Piper Sandler & Co.; Mark Ellis, Hilltop Securities; Mark Nitcholas, RW Baird; Hasan Mack, McCall Parkhurst & Horton LLP; Paul Braden, Norton Rose Fulbright US LLP; Robin Redford, Ramirez and Co., Inc.; Debi Jones, Raymond James & Associates, Inc.; Blaine Brunson, Morgan Stanley & Co., LLC; and Tilghman Naylor, Loop Capital Markets LLC.

Mr. Atkinson called the meeting to order at 10:07 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.**

All members were present.

**Item 3. Review and approval of the minutes of the August 4, 2021 Work Session and the August 5, 2021 Board Meeting.**

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

**Action:** Motion by Mr. Manning to approve the minutes of the August 4, 2021 Work Session. Second by Mr. Riskind.

The motion passed unanimously.

**Action:** Motion by Mr. Holt to approve the minutes of the August 5, 2021 Board Meeting. Second by Mr. Riskind.

The motion passed unanimously.

**Item 4. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of the Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds, Taxable Series 2021A and Taxable Series 2021B; authorizing and appointing a Pricing Committee of the Board; approving a Preliminary Official Statement; and authorizing the taking of other necessary action related thereto.**

Mr. Deviney provided a recap of the transaction and the actions the Board took at its August 2021 meeting and explained that the proposed action for today is to adopt a bond resolution, appoint a pricing committee and make changes to the current underwriting syndicate.

Mr. Deviney continued that due to recently adopted legislation, the Office of the Attorney General (OAG) now requires that an underwriter must file a letter (i.e., a standing letter) with the OAG prior to participating in a bond transaction. The letter must state the bank's compliance with SB 13 and SB 19, affirming that that the bank does not, and will not, boycott energy companies or have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association. Goldman Sachs has advised TPFSA that they cannot make all the required affirmations.

Mr. Van Oort indicated the remainder of the pool has presented a standing letter to the OAG to be able to participate in the transaction.

**Action:** Motion by Mr. Scher to adopt a Resolution, in the form presented, authorizing the issuance of State of Texas General Obligation and Refunding Bonds, Taxable Series 2021A and Taxable Series 2021B; authorizing a Pricing Committee of the Board; approving a Preliminary Official Statement; and authorizing the taking of other necessary related action. Second by Mr. Streusand.

The motion passed unanimously.

**Action:** Motion by Mr. Manning that Board appoint a Pricing Committee to consist of Mr. Holt, Ms. Perkins and Mr. Streusand serving as chair, with all remaining members of the Board to serve as Alternates. Second by Mr. Scher.

The motion passed unanimously.

**Action:** Motion by Mr. Streusand that the Board amend its prior action of August 5, 2021 related to the designation of an underwriting syndicate for the potential issuance of the Series 2021AB Taxable General Obligation and Refunding Bonds, and in lieu thereof designate an underwriting syndicate to consist of: Raymond James & Associates, as the Senior Manager and the following firms as Co-Managers: Jefferies, LLC; Blaylock Van, LLC; SAMCO Capital Markets; Piper Sandler & Co.; and Ramirez & Co. Second by Ms. Perkins.

The motion passed unanimously.

**Item 5. Consideration, discussion and possible action to amend TPFA underwriting policies and procedures for negotiated bond sales.**

Mr. Deviney reminded the Board of its direction to staff to remove references to management fees from the Underwriting Policies and Procedures for Negotiated Bond Sales. Mr. Deviney presented a proposed amended policy document, which incorporated the substantive amendments discussed at the August 4, 2021 Board work session, as well as other non-substantive amendments, for Board consideration.

**Action:** Motion by Mr. Manning to adopt the proposed amendments to the Underwriting Policies and Procedures for Negotiated Bond Sales. Second by Mr. Scher.

The motion passed unanimously.

**Item 6. Consideration, discussion and possible action to adopt an official TPFA insignia.**

Ms. Scivicque presented a proposed resolution which would adopt an official TPFA insignia and describe the characteristics of a pin insignia.

**Action:** Motion by Mr. Manning to adopt the resolution, in the form presented, adopting an official TPFA insignia. Second by Ms. Perkins.

The motion passed unanimously.

**Item 7. Consideration, discussion and possible action related to HB 1520 (Customer Rate Relief Bonds); status report on the implementation of HB 1520; incorporation of an issuing financing entity; and appointment of corporation board members.**

Mr. Van Oort outlined the statutory procedures regarding the issues of HB 1520 bonds in conjunction with the Texas Railroad Commission, as well as the responsibilities of the Texas Railroad Commission, the TPFA and the Special Purpose Entity (SPE).

Mr. Van Oort presented a draft Certificate of Formation of the SPE.

Mr. Atkinson stated the corporation will be named the Texas Natural Gas Securitization Finance Corporation. Board members recommended changes to some of the language in the Certificate of Formation. Board members asked questions regarding the implementation of HB1520 and the operations of the SPE. Mr. Deviney, Mr. Van Oort and Mr. Paul Braden, Norton Rose Fulbright US LLP, responded to questions from the Board. Discussion ensued.

**Action:** Motion by Mr. Manning to adopt the Certificate of Formation with the proposed changes. Second by Mr. Riskind.

The motion passed unanimously.

**Action:** Motion by Mr. Manning to appoint the following three individuals to the Board of Directors of the Texas Natural Gas Securitization Finance Corporation: Billy M. Atkinson, Jr., serving as Chair, Jay Riskind and Brendan Scher. Second by Ms. Perkins.

The motion passed unanimously.

**Item 8. Post-Sale Report: TPFAs Texas Southern University Revenue Financing System Refunding Bonds, Series 2021.**

Mr. Andy Bynum with Mesirow Financial presented information on the bond pricing transaction, which occurred on June 8, 2021.

**Item 9. Staff Update:**

a. Update on Charter School Finance Corporation

Mr. Deviney reported that the performance agreement for the Charter School Finance Corporation has not yet been finalized by the Department of Education (DOE). A third application for grant funding was submitted to the DOE by TPFAs but was not selected for funding.

b. Update on SB 13 and SB 19

Mr. Deviney indicated the item was covered under agenda item 4.

c. Bullion depository financing

The Comptroller's Office is working out some details with the current depository owners. Mr. Deviney indicated the commercial paper proceeds could be available within 24 hours once the documents are finalized.

d. Personnel update

Mr. Deviney informed the Board, the agency has posted a staff attorney position and interviews should occur in October.

e. Legislative update

Mr. Deviney discussed a list of bills of interest to TPFA.

f. Update on agency policy updates

Mr. Deviney reported there will be additional policy updates for the agency that will be available in December for review.

g. Market update

Mr. Deviney complimented Mr. Berry on his work on agenda item 4. Mr. Berry reported that rates are trending upwards, but they are still historically low. He continued, the 10-year treasury yield was 1.17% 2 months ago, and this morning the rate was 1.55%. Mr. Berry reported that TPFA paid debt service on the fixed rate GO debt in the amounts of \$204.4 million in principal and \$44.2 million in interest on October 1<sup>st</sup>. Additionally, TPFA issued \$10 million for the Health and Human Services Commission deferred maintenance project.

**Item 10. Future transactions and market conditions.**

Mr. Hernandez highlighted upcoming TPFA financing transactions, future Board meetings and informed the Board that the Health and Human Services Commission is anticipated to submit a request for financing prior to the December 2021 Board meeting.

Mr. Riskind inquired about whether TPFA is aware of who is holding TPFA's debt. Mr. Hernandez indicated he could pull the requested information from the post-sale reports. Mr. Deviney followed up that TPFA would need to rely on the resources of our service providers to perform post-sale tracking.

**Item 11. Future agenda items and meeting dates.**

Mr. Deviney reviewed the calendar of future agenda items and asked the Board members to save November 4 and December 2 as possible meeting dates. Mr. Deviney informed the Board that a November meeting will most likely not occur and stated he is aware of two action items for the December meeting.

**Item 12. Adjourn.**

Mr. Atkinson adjourned the meeting at 11:50 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 13<sup>th</sup> day of January 2022.

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

ATTACHMENT: Posting Notice