Minutes

Texas Bond Review Board

Planning Session

Monday, November 10, 2014, 10:00 a.m.

John H. Reagan Bldg. (JHR), Room 120

105 W. 15th Street

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a planning session at 10:00 a.m., Monday, November 10, 2014 in the John H. Reagan Bldg. Room 120 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Constance Allison, Alternate for Lieutenant Governor David Dewhurst; Andrew Blifford, Alternate for Speaker Joe Straus; and Piper Montemayor, Alternate for Comptroller Susan Combs. Also in attendance were Stephanie Leibe with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Bob Kline, Executive Director, called the meeting to order at 10:06 a.m. He announced that this was a planning meeting of Board staff to receive and discuss information relative to the applications before the Board. No votes would be taken. A quorum was present**.**

1. **Texas Department of Transportation State of Texas General Obligation Mobility Fund and Refunding Bonds (issued in one or more series)**

Representatives present were: Ben Asher, Innovative Financing/Debt Management Officer, TXDOT; Jennifer Wright, Innovative Financing/Debt Program Manager, TXDOT; Carol Polumbo, Bond Counsel, McCall Parkhurst & Horton; Paul Jack, Financial Advisor, Estrada Hinojosa.

The Texas Transportation Commission is seeking approval to issue State of Texas General Obligation Mobility Fund and Refunding Bonds in a maximum par amount of $2,500,000,000 and maximum total proceeds amount of $2,913,784,147 including premiums, if any. The Department anticipates issuing the bonds in multiple issuances.

Proceeds from the bonds will be used to pay: (i) the costs of constructing, reconstructing, acquiring, and expanding State highways and providing state participation in the payment of part of the costs of constructing and providing publicly-owned toll roads and other public transportation projects, (ii) refunding a portion of outstanding parity debt of the Texas Mobility Fund to achieve debt service savings, provide long-term fixed rate financing of variable-rate debt, provide other variable-rate financing for variable-rate debt, or any combination thereof, and (iii) paying costs of issuing the bonds.

The Commission is authorized to issue the bonds pursuant to the authority granted by Article III, Section 49-k of the Texas Constitution and Subchapter M, Chapter 201, Texas Transportation Code, as amended; Chapters 1207 and 1371, Texas Government Code, as amended.

The Commission approved the issuance on October 30, 2014. The debt will be issued pursuant to the Tenth Resolution to the Master Resolution.

The Department expects to receive the Comptroller’s revenue certification on November 10, 2014.

The Commission has implemented the authority to guarantee the payment of parity debt by pledging the full faith and credit of the state to payment of the bonds. The bonds are general obligations of the state and are secured by the full faith and credit of the state.

The estimated cost of issuance is $1.25 per bond and the total cost of issuance is $5.41 per bond.

TXDOT staff addressed questions from the Board.

1. **Public Comment**

There were no public comments.

1. **Date for Next Board Meeting**

The regular Board Meeting is scheduled for Thursday, November 20, 2014 at 10:00am in the Capitol Extension Room E2.026.

1. **Items for Future Agendas**

Board members received an updated list of future agenda items.

1. **Report from the Executive Director**
* The Historically Underutilized Business (HUB) Report will be released on the agency’s website by Friday, November 14, 2014.
* The local debt issuance and outstanding information will be released on the agency’s website by Friday, November 14, 2014.
* Staff has completed the data processing phase of the agency’s “Big 4 Project” including the identification of CABs outstanding. During the next few weeks, staff will be working to restate the total debt outstanding spreadsheets on the agency website for fiscal years 2003 to 2014.
* Staff is working on the 2014 State Debt Annual Report and will be sending a draft to the Board for its comments by Thursday, November 20, 2014.
* Work continues on the MicroAssist project. Staff continues to work with the vendor to identify and fix coding errors. There have been delays in the process.
1. **Adjourn**

There being no further business, the planning sessionwas adjourned at 10:19 a.m.