Minutes

Texas Bond Review Board

Planning Session

Friday, November 8, 2013, 2:00 p.m.

Capitol Extension, Room E2.026

1400 N. Congress Ave.

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a planning session at 2:00 p.m., Friday, November 8, 2013 in the Capitol Extension Room E2.026 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Serena Kuvet, Alternate for Comptroller Susan Combs; and Jamie Dudensing, Alternate for Lieutenant Governor David Dewhurst. 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 2:05 p.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 Public Finance Authority State of Texas General Obligation Commercial Paper Notes, Series 2008 (Texas Department of Public Safety)**

Representatives present were: Robert Coalter, Executive Director, TPFA; Denise Hudson, Assistant Director, Finance, DPS; Edna Medina, Deputy Assistant Director, Financial Management, DPS; Lisa Duecker, Special Projects, Budget, DPS; Duncan Fox, Deputy General Counsel, DPS; Robin Capello, Deputy Assistant Director, Agency Infrastructure Support, DPS; Cheryl MacBride, Deputy Director, DPS.

This transaction was reviewed at the Planning Session in September. TPFA is seeking approval to issue CP notes under the 2008 Program to finance capital expenses related to deferred maintenance projects and repairs and renovations for the Department of Public Safety (DPS) in a total amount of $15,000,000 plus the costs of issuance and related administrative costs, if any. The notes will be used to finance various repair and renovation projects at DPS. LBB approval for the DPS projects was received on October 10, 2013.

1. **Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes, Series 2008 (Texas Facilities Commission, Department of Aging and Disability Services, Department of State Health Services)**

Representatives present were: Robert Coalter, Executive Director, TPFA; Diana Warner, Chief Financial Officer, TFC; Rebecca Sanchez, Construction Accountant, TFC; John Raff, Deputy Executive Direct of Facilities, Design & Construction, TFC; Peter Maass, Director of Project Management, TFC; Kay Molina, General Counsel, TFC; Warren Glass, Budget Analyst, DADS; James Dawson, Deputy CFO, DSHS; Gary Lawrence, Accounting Director, DSHS; Victor Moore, Manager, Special Projects, HHSC; Teresa Griffin, Director, Maintenance & Construction, HHSC.

TPFA is seeking approval to issue CP notes under the 2008 Program to finance capital expenses related to deferred maintenance projects and repairs and renovations for the Department of Aging and Disability Services (DADS), the Department of State Health Services (DSHS), and the Texas Facilities Commission (TFC) in a total amount of $58,031,000 plus the costs of issuance and related administrative costs, if any. TPFA currently plans to issue $17,000,000 for DADS, $10,000,000 for DSHS and $31,031,000 for TFC.

The notes will be used to finance various repair and renovation projects at DADS, DSHS and TFC.

TPFA will issue the notes pursuant to the Texas Constitution, Article III, Section 50-g; Texas Government Code, Section 1232.1116; GAA 2013 Art. IX, Sec. 17.02.

The governing Boards for DADS, DSHS and TFC approved a resolution authorizing TPFA to issue short-term obligations. TPFA’s Board approved the financing for DADS, DSHS and TFC at its meeting on November 7, 2013. Legislative Budget Board approval for all three agencies has been received.

The notes are general obligations of the state.

1. **Texas Public Finance Authority State of Texas General Obligation Commercial Paper Program (Cancer Prevention and Research Institute of Texas Project), Series A and B**

Representatives present were: Robert Coalter, Executive Director, TPFA; Heidi McConnell, Chief Operating Officer, CPRIT; Wayne Roberts, Interim Executive Director, CPRIT; Kristen Doyle, General Counsel, CPRIT.

TPFA is seeking authorization to issue CP Notes under its State of Texas General Obligation Commercial Paper Program (Cancer Prevention and Research Institute of Texas), Series A (Taxable) and B (Tax-Exempt) in a maximum amount of $300,000,000 during fiscal year 2014 including the costs of issuance and related administrative costs, if any.

The proceeds will be used to fund cancer prevention and research grants awarded by CPRIT, pay CPRIT’s operation costs as dictated by the 83rd Legislature and pay costs of issuance.

TPFA will issue the notes pursuant to Article III, Section 67 of the Texas Constitution; Chapter 102.202 et.seq., Texas Health and Safety Code; Acts, 83rd Legislature, R.S. (2013) Article I, p. 1-14; and Chapters 1232 and 1371 of the Texas Government Code.

The CPRIT Executive Committee and the TPFA Board approved the Request for Financing on November 1, 2011 and November 7, 2013, respectively.

The notes are general obligations of the state.

1. **EXEMPT - Texas Public Finance Authority Charter School Finance Corporation Education Revenue Bonds (Universal Academy Charter School), Series 2013A, Taxable Series 2013B and Taxable Series 2013Q (Qualified School Construction Bonds)**

Representatives present were: Robert Coalter, Executive Director, TPFA.

This transaction is exempt and staff is still gathering information.

1. **Texas Water Development Board State of Texas General Obligation Bonds Water Financial Assistance Refunding Bonds Taxable Series 2013D (State Participation), Taxable Series 2013E (EDAP), Series 2013F and Taxable Series 2013G**

Representatives present were: Rebecca Trevino, Chief Financial Officer, TWDB; Melissa Popkoff, Portfolio Analyst, TWDB.

The TWDB seeks approval to issue its State of Texas General Obligation Bonds Water Financial Assistance Refunding Bonds Taxable Series 2013D (State Participation Program), Taxable Series 2013E (Economically Distressed Areas Program), Series 2013F and Taxable Series 2013G Bonds (collectively, the Bonds) with an aggregate par of $177,000,000 and maximum proceeds including premiums, if any, not to exceed $180,705,000.

In addition to the debt issuance, the TWDB will make an estimated cash contribution to the transaction of $5,657,520 from debt amortization funds. The total transaction size, including bond proceeds and cash contributions will be approximately $186,289,881.

A total of $14,225,000 of the Series 2002A, 2002B, 2003B and 2003C bonds will remain outstanding and are expected to be retired from future prepayment proceeds.

The bonds will be issued pursuant to the Texas Constitution Article III Sections 49-d-8, 49-d-9, 49-d-10, Chapter 1207, Texas Government Code and Texas Water Code Chapter 17 Subchapter L.

The TWDB approved the issuance of the Series 2013D, Series 2013E, Series 2013F and Series 2013G bonds on September 19, 2013. The TWDB anticipates adopting separate resolutions authorizing the issuance of each series at its meeting on November 21, 2013.

The bonds are general obligations of the State of Texas and are secured by the state’s full faith and credit.

1. **Public Comment**

There were no public comments.

1. **Date for Next Board Meeting**

There is a Called Board Meeting scheduled for today November 8, 2013 at 2:15pm in E2.026. The regular Board Meeting is scheduled for 10 am, Thursday, November 21, 2013 in the Capitol Extension Room E2.026.

1. **Items for Future Agendas**

Each of you has received an updated list of future agenda items.

1. **Report from the Executive Director**

* Work continues on the database upgrade project. Staff has brought in a project manager who is vetting various firms that can help to develop a relational database.
* Local processing for FY 2013 is complete. Staff will begin the closeout process starting next week.
* Staff expects to have a draft of the 2013 State Annual Report to the Board alternates by November 20, 2013.
* Staff is continuing to work on the baseline project for local debt outstanding.
* Rob gave a brief update on the 2013 Private Activity Bond Program.

1. **Adjourn**

There being no further business to discuss, the planning session adjourned at 2:26 p.m.