Minutes

Texas Bond Review Board

Planning Session

Tuesday January 10, 2012, 10:00 a.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 10:00 a.m., Tuesday January 10, 2012 in the Capitol Extension, Room E2.026 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Kenneth Besserman, Alternate for Comptroller Susan Combs and David Duran, Alternate for Lieutenant Governor David Dewhurst. Also in attendance were Tom Griess with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Bob Kline, Executive Director of the BRB, 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. There was a quorum**.**

1. **Texas Public Finance Authority General Obligation Commercial Paper Notes Series 2002B - Issuance of Notes to provide funding for the Texas Department of Transportation’s colonias roadway grant program**

Representatives present were: Susan Durso, Interim Executive Director and General Counsel, TPFA; John Hernandez, Deputy Director, TPFA; and John Munoz, Deputy Director of Finance, TxDOT.

Texas Public Finance Authority seeks approval to issue its State of Texas General Obligation Commercial Paper Notes (Colonia Roadway Projects), Series 2002B in an aggregate amount not to exceed $24,000,000 pursuant to a request from the Governor’s office as part of the Program’s third call.

Proceeds from the CP notes will be used to finance state assistance to counties for colonia roadway projects to improve access to colonias by paving and repaving roads.

The TPFA Board approved the financing at its meeting held January 5, 2012. LBB approval is not required for state securities issued under the 2002B Program.

John Munoz explained that the project expenses must first be approved through an application process and after project completion counties are reimbursed from the CP note proceeds.

1. **Texas Public Finance Authority General Obligation Commercial Paper Notes, Series 2008 - Issuance of Notes to provide funding for the Texas Criminal Justice Department**

Representatives present were: Susan Durso, Interim Executive Director and General Counsel, TPFA; John Hernandez, Deputy Director, TPFA; and Jerry McGinty, Chief Financial Officer, TDCJ.

TPFA is seeking approval to issue $50,000,000 of CP under the 2008 Program to finance repair and renovation projects for various Texas Department of Criminal Justice (TDCJ) facilities and pay the costs of issuance and related administrative costs, if any. TDCJ anticipates that its initial expenditures will begin in May 2012 and require a CP issuance of $10,000,000 in FY 2012 and $40,000,000 in FY 2013.

TDCJ received LBB approval on December 22, 2011 for the FY 2012 projects, and the approval letter indicates that the FY 2013 projects will be reviewed at a later date. TPFA seeks authority to issue $40,000,000 in CP for the FY 2013 projects contingent on LBB approval.

Jerry McGinty stated that the proceeds would be used for around 35 different facilities providing repair and renovation to roofing, security fencing, lighting upgrades and various other safety items.

1. **Final Approval of Recommended changes to Texas Administrative Code §181.1, §181.2, §181.3, §181.9 and §181.10**

The proposed rule changes will align the Board’s rules with statutory changes made by Senate Bill 5 in the 82nd Legislative Regular Session.

1. **Public Comment**

There was no public comment.

1. **Date for Next Board Meeting**

The next scheduled Board Meeting is Thursday, January 19, 2012.

1. **Items for Future Agendas**

An updated list detailing future bond transactions was handed out.

1. **Report from the Executive Director**

* Staff expects to update the agency website with local debt data for fiscal year 2011 by Friday, January 13, 2012.
* Staff is working to complete the debt capacity model which will be part of the February 2012 Debt Affordability Study due February 15, 2012.
* Staff is working on the next Brown Bag Luncheon and plans to have a presentation on post bond issuance regulatory compliance.
* Staff will be meeting with the Comptroller’s office regarding local debt data during the afternoon of January 10, 2012.
* Rob Latsha gave a summary of the final 2011 PAB numbers stating $1.1 billion in unused PAB authority would be lost. Mr. Latsha also stated that approximately 85% of Qualified Energy Conservation Bond authority has not been used. The state has received no applications for this program.

1. **Adjourn**

There being no further business to discuss, the planning session adjourned at 10:31 a.m.