Minutes

Texas Bond Review Board

Planning Session

Tuesday, May 13, 2014, 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, May 13, 2014 in the Capitol Extension Room E2.026 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Hasan Mack, Alternate for Lieutenant Governor David Dewhurst; Serena Kuvet, Alternate for Comptroller Susan Combs and Andrew Blifford, Alternate for Speaker Joe Straus. 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 10:09 am. 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 Historical Commission’s Courthouse Grant Program)**

Representatives present were: John Hernandez, Interim Executive Director, TPFA; John Barton, Senior Financial Analyst, TPFA; Sharon Fleming, Division Director, THC.

TPFA is seeking approval to issue CP notes under the 2008 Program to finance grants related to courthouse projects for the Texas Historical Commission, in a total amount of $4,216,705 plus the costs of issuance and related administrative costs, if any.

The notes will be used to fund grants for the renovation and repair of the state’s historic courthouses under the Texas Historic Courthouse Preservation Program at THC. The grants will address serious building deficiencies including fire and electrical hazards, water leaks in spaces where records are stored, major structural failures of stairs, walls and foundations, replacement of inefficient windows, as well as masonry repairs and roof replacement.

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 THC Board approved a resolution authorizing TPFA to issue short-term obligations to finance the cost of various projects on July 26, 2013. LBB approval for THC was received on January 17, 2014. The financing for THC was approved by TPFA’s Board on April 3, 2014. The notes are general obligations of the state. As such, the state’s full faith and credit are pledged to repayment of the notes.

John Hernandez and Sharon Fleming provided an overview of the project.

1. **Texas State Technical College Waco Hangar Renovation Loan – Texas Economic Development Bank**

Staff is waiting on additional information for the application to be complete. Stephanie Leibe provided legal comments on the transaction.

1. **Texas State Technical College Marshall (Red Oak) – Equipment Finance through Texas Public Finance Authority’s Master Lease Purchase Program**

Representatives present were: Jonathan Hoekstra, Vice Chancellor for Finance, TSTC; Gary Hendricks, Ed.D., Vice Chancellor for Business Intelligence, TSTC.

TSTC is seeking approval to finance $950,000 of the costs for furnishings and equipment for the Technical Education Building at TSTC North Texas through TPFA’s MLPP.

Proceeds will be used to acquire furnishings and equipment, primarily industrial-instructional equipment, for the Technical Education Building at TSTC North Texas to accommodate future programs in industrial maintenance, electronics, information technology, transportation and engineering technology.

Texas Government Code, Section 1232 authorizes TPFA to finance the purchase of equipment for state agencies, and the TSTC Board of Regents has a standing resolution signed on February 8, 2002 authorizing the Chancellor or his designee to use the MLPP from time to time. The TSTC Board approved the financing on May 8, 2014.

Lease purchases under the MLPP are financed with proceeds of commercial paper notes issued by TPFA. The Notes are a special and limited obligation of the State of Texas, repaid from lease payments to TPFA from the lessee state agency in an amount sufficient to pay the principal and interest on the Notes that mature or become due during the fiscal year.

Jonathan Hoekstra provided an overview of the project.

1. **EXEMPT – Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Pine Haven Apartments) Series 2014**

Representatives present were: Teresa Morales, Multifamily Division Manager, TDHCA.

This transaction is on the EXEMPT track and staff is finalizing its analysis. TDHCA provided an overview of the project.

1. **EXEMPT – Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Northcrest Apartments) Series 2014**

Representatives present were: Teresa Morales, Multifamily Division Manager, TDHCA.

This transaction is on the EXEMPT track and staff is finalizing its analysis. TDHCA provided an overview of the project.

1. **Public Comment**

There were no public comments.

1. **Date for Next Board Meeting**

The regular Board Meeting is scheduled for 10 am, Thursday, May 22, 2014 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**
* Staff provided testimony to the Senate Committee on Intergovernmental Relations on April 17, 2014. The Committee members expressed particular interest in tax-supported debt data. Staff provided an addendum detailing the growth of tax-supported debt per capita.
* On May 6, 2014 staff participated in a conference call with the Efficiency Leaders Council to help local authorities understand the state’s QECB process.
* On May 8, 2014 staff held a capital expenditure plan training session in conjunction with the Texas Higher Education Coordinating Board to demonstrate how state agencies and institutions of higher education are to enter their projects into the MP1 reporting system.
* On May 19, 2014 a delegation from the Mongolian Ministry of Finance will visit with BRB staff to discuss the BRB’s role in the Capital Expenditure plan and the state debt approval process.
* Staff has been invited to give testimony related to transparency to the House Committee on Investments and Financial Services on May 21, 2014.
* Staff has been invited to speak at a Department of Public Safety executive breakfast regarding bonding capacity at the state level on May 22, 2014.
* Staff continues to work with MicroAssist on the local and state debt database upgrades. The project is on schedule and approaching the data conversion phase.
* Staff is preparing the Agency’s Customer Service Survey and Strategic Plan.
* Staff would like to receive Board comments regarding the Local Annual Report by May 14, 2014.
1. **Adjourn**

There being no further business, the planning sessionwas adjourned at 10:34 am.