Minutes

Texas Bond Review Board

Planning Session

Tuesday, July 14, 2020, 10:00 a.m.

Videoconference Meeting

The Texas Bond Review Board (BRB) convened in a planning session at 10:00 a.m., Tuesday, July 14, 2020 via videoconference as authorized under Texas Government Code section 551.127. Present were Brady Franks, Chair and Alternate for Governor Greg Abbott; Joaquin Guadarrama, Alternate for Lieutenant Governor Dan Patrick; Piper Montemayor, Alternate for Comptroller Glenn Hegar; and Andrew Blifford, Alternate for Speaker Dennis Bonnen. Also, in attendance were Leslie Brock and David Gordon with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Rob Latsha, Executive Director, called the meeting to order at 10:00 a.m. A quorum was present. He announced that due to Governor Greg Abbott’s March 13, 2020 proclamation of a state of disaster affecting all counties in Texas due to the Coronavirus (COVID-19) and the Governor’s March 16, 2020 suspension of certain provisions of the Texas Open Meetings Act, this meeting will be held by video webinar, as authorized under Texas Government Code section 551.127.With the exception of agenda items II, III and IV, no votes would be taken.

1. **Approval of Minutes**

UPON MOTION BY Piper montemayor AND SECOND BY JOAQUIN GUADARRAMA, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE MARCH 10, 2020 planning session AND THE MARCH 19, 2020 board meeting.

1. **Discussion and possible action regarding extension of emergency rule to Title 34 Texas Administrative Code, Part 9, Chapter 181 Bond Review Board Rules to delegate state security approval authority to the executive director and impose filing requirements for issuers of state debt**

The BRB proposes a 60-day extension to the emergency rule adopted by the BRB on March 19, 2020, to Texas Administrative Code (TAC) Title 34, Part 9, Chapter 181, Subchapter A, §181.11. Emergency Rule for Board Approval Through the BRB Exempt Process. This emergency rule is implemented as a result of the Governor’s declaration of a statewide emergency over the coronavirus (COVID-19). BRB staff proposes that all state debt issuers requiring approval continue to follow the exempt approval process. The purpose of the emergency rule is to reduce the need to hold a government public meeting to approve state debt, minimizing face-to-face contact and the public’s potential exposure to the coronavirus.

No votes were taken on this item.

1. **Discussion and possible action regarding proposal for publication in the Texas Register for public comment of new rule to Title 34 Texas Administrative Code, Part 9, Chapter 181 adding rule 181.13 to delegate state security approval authority to the executive director and impose filing requirements for issuers of state debt**

BRB staff proposes updates and clarifications to its administrative code rules in Texas Administrative Code (TAC) Chapter 181, adding §181.13. Rule for Board Approval Through the BRB Exempt Process During a State of Emergency. This new permanent rule is being proposed by staff to respond to any declaration of a statewide emergency. The purpose of the new rule is to allow the BRB’s executive director to approve state securities, thereby reducing the need to hold a government public meeting to approve state debt, minimizing face-to-face contact if a state of emergency presents imminent peril to public health, safety and welfare.

No votes were taken on this item.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Pecan Grove) Series 2020A and Series 2020B**

Representative present was Jon Galvan, Multifamily Bond Program Specialist, TDHCA.

Jon gave a brief overview of the transaction. This item will be officially discussed at a future meeting once the BRB application is complete.

1. **EXEMPT – Texas Public Finance Authority Revenue Commercial Paper Program (Texas Facilities Commission Projects), Series 2016A (Taxable) and Series 2016B (Tax-Exempt) for the issuance of commercial paper during fiscal year 2021**

This transaction was submitted on the BRB EXEMPT track, and the 6-day review period expired on Tuesday, July 7, 2020.

1. **EXEMPT – Texas Public Finance Authority Texas Department of Transportation Austin Campus Consolidation Project financed by the Texas Public Finance Authority Commercial Paper Revenue Notes, Series 2019A and Series 2019B (Taxable) for the issuance of commercial paper during fiscal year 2021**

This transaction was submitted on the BRB EXEMPT track, and the 6-day review period expired on Wednesday, July 8, 2020.

1. **EXEMPT – Texas Public Finance Authority Health and Human Services Deferred Maintenance Project financed by the Texas Public Finance Authority Commercial Paper Revenue Notes, Series 2019A and Series 2019B (Taxable) for the issuance of commercial paper during fiscal year 2021**

This transaction was submitted on the BRB EXEMPT track, and the 6-day review period expired on Wednesday, July 8, 2020.

1. **Public Comment**

There were no public comments.

1. **Date for Next Board Meeting**

The Bond Review Board will schedule government public meetings to discuss state debt transactions, as needed, for the foreseeable future.

1. **Items for Future Agendas**

A list of future agenda items was distributed to each member of the Board.

1. **Report from the Executive Director**
* So far for fiscal year 2020, staff has received a total of 1,554 local government debt issues that need to be processed. This is an increase of 26% from the total number of issues received during this time last year.
* For the Private Activity Bond (PAB) program, so far staff processed 107 reservations for a total of $4.25 billion in volume cap. To date, just under $1.46 billion of volume cap has been allocated for the year. While the allocation amounts are similar to last year, staff had processed 40 applications representing $1.99 billion in volume cap at this time last year.
* As the August 15th collapse approaches, staff is evaluating procedures for receiving electronic PAB applications at the BRB.
* Rob Latsha will be representing the BRB on July 22, 2020 at the virtual Texas Association of Affordable Housing Providers Conference along with Bobby Wilkinson from TDHCA.
* Staff is working on the Capital Expenditure Plan (CEP) and should have the report completed and posted to the agency’s website by September 1, 2020. Staff has already received requests for the information collected for the CEP.
* The Moody’s analytical team said they are interested in speaking at one of our next Texas Public Finance Webinars. Staff is planning to hold this webinar sometime in October.
1. **Adjourn**

There being no further business, the planning sessionwas adjourned at 10:46 a.m.