Minutes

Texas Bond Review Board

Planning Session

Monday, September 8, 2014, 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., Monday, September 8, 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; 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 2:03 pm. 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 Transportation Commission State of Texas Highway Improvement General Obligation Bonds, Series 2014**

Representatives present were: Ben Asher, Innovative Financing/Debt Management Officer, TXDOT; Sara Ulbrich, Innovative Financing/Debt Program Manager, TXDOT; Rebecca Bronson, Attorney with Office of General Counsel, TXDOT; Carol Polumbo, Bond Counsel, McCall Parkhurst & Horton; Paul Jack, Financial Advisor, Estrada Hinojosa.

The Texas Transportation Commission is seeking approval to issue State Highway Improvement General Obligation Bonds in a maximum par of $1,500,000,000 and not to exceed amount of $1,743,475,000, including premiums, if any.

Proceeds from the bonds will be used to: 1) pay or reimburse the State Highway Fund for the costs of highway improvement projects authorized under Section 222.004, Texas Transportation Code and 2) to pay: a) the costs of administering the projects, and b) the cost of issuing the Bonds.

The bonds are being issued pursuant to the authority granted to the Commission by Article III, Section 49-p of the Texas Constitution; Section 222.004, Texas Transportation Code, as amended; Chapter 1371, Texas Government Code, as amended; and pursuant to the Third Supplemental Resolution to the Master Resolution.

The Commission approved a Minute Order on January 30, 2014 authorizing the Department to issue the $2,901,359,953 in authority for highway improvement projects. The authority for the Commission to sell and deliver the Bonds expires at 5:00 p.m. C.S.T. on January 30, 2015.

The 83rd Legislative Session appropriated bond proceeds of $1,195,504,130 and $875,247,434 for FY 2014 and 2015, respectively (GAA VII-16).

On August 28th, TTC received an allocation of state volume cap in the amount of $150,000,000 to fund highway improvement project costs for the SH 288 project located in Harris County.

The preliminary debt service indicates a level-principal repayment structure with an average life of 14.96 years and a final maturity date of April 1, 2044. The true interest cost (TIC) is expected to be 3.53%.

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.

TXDOT staff addressed questions from the Board.

1. **Texas Transportation Commission Second Tier Toll Revenue Note (IH35E Managed Lanes)**

Representatives present were: Ben Asher, Innovative Financing/Debt Management Officer, TXDOT; Jennifer Wright, Innovative Financing/Debt Program Manager, TXDOT; Rebecca Bronson, Attorney with Office of General Counsel, TXDOT; Carol Polumbo, Bond Counsel, McCall Parkhurst & Horton.

TXDOT has submitted this transaction on the EXEMPT track.

TXDOT staff gave an overview of this transaction and answered questions.

1. **Public Comment**

There were no public comments.

1. **Date for Next Board Meeting**

The regular Board Meeting is scheduled for 10 a.m., Thursday, September 18, 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 expects to receive applications for the KIPP and Harmony charter schools within the next couple of days. The application for the South Texas Education Tech charter school is expected at a later date.

1. **Adjourn**

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