

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS:

Billy M. Atkinson, Jr., Chair
Ramon Manning, Vice Chair
Jay A. Riskind, Secretary
Larry G. Holt
Shanda G. Perkins
Brendan Scher
Benjamin E. Streusand



EXECUTIVE DIRECTOR

Lee Deviney

MAILING ADDRESS:

Post Office Box 12906
Austin, Texas 78711-2906

PHYSICAL ADDRESS:

300 West 15th Street, Suite 411
Austin, Texas 78701

TELEPHONE: (512) 463-5544

FACSIMILE: (512) 463-5501

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TEXAS PUBLIC FINANCE AUTHORITY

August 5, 2021

The Board of Directors (the "Board") of the Texas Public Finance Authority (the "Authority") convened in open meeting, notice duly posted pursuant to law (a copy of which is attached hereto as Exhibit "A") at 10:00 a.m., Thursday, August 5, 2021, via video conference call and in person at the William P. Clements, Jr. Building, 300 W. 15th Street, Room 402, Austin, Texas.

Present were: Mr. Billy M. Atkinson, Jr., Chairman; Mr. Ramon Manning, Vice Chair; Mr. Jay A. Riskind, Secretary; Mr. Larry G. Holt, Member; Ms. Shanda G. Perkins, Member; Mr. Brendan Scher, Member; and Mr. Benjamin E. Streusand, Member.

Representing the Authority's staff were: Lee Deviney, Executive Director; John Hernandez, Deputy Director; Kevin Van Oort, General Counsel; Pamela Scivicque, Director of Business Administration; and Matthew Berry, Financial Analyst.

In attendance were the following persons, representing the indicated entities: David Cruz and Piper Montemayor, Texas Comptroller of Public Accounts; Jerry Kyle and Andrew Bethune, Orrick, Herrington & Sutcliffe LLP; Chris Allen and Gabriella Briceno, RBC Capital Markets, LLC; Mario Carrasco, Dirk Spoons and Jennifer Welch, Citigroup Global Markets, Inc.; Frank Reed and James Carter, Academy Securities Inc.; Karlos Allen, Eric Brown and Michael Mace, PFM Financial Advisors LLC; Tim Peterson, Jefferies LLC; Bech Bruun, UBS; Courtney Springer, Mesirow Financial, Inc.; Humberto Aguilera, Escamilla & Poneck, LLP; John Daniel and Patrick Scott, Barclays Capital Inc.; Paul Jack, Estrada Hinojosa & Co., Inc.; Tim Kelley, Piper Sandler & Co.; Keith Richards, Seibert Williams Shank & Co., LLC; Hamill Williams, Hilltop Securities; Mark Nitcholas and Michael Rice, RW Baird; Brad Angst, Stifel, Nicolaus & Company, Inc.; Jeffrey Scruggs and Claire Lee, Goldman Sachs; Hasan Mack, Mc Call Parkhurst & Horton; Paul Braden, Norton Rose Fulbright; Gail Schaeffer, Blaylock Van, LLC; Robin Redford, Ramirez and Co.; Duane Westerman and Nick Westerman, SAMCO Capital Markets; Kevin Escobar, Frost Bank; Debi Jones, Raymond James; Blaine Brunson, Morgan Stanley and Co., LLC; and Tilghman Naylor, Loop Capital Markets.

Mr. Atkinson called the meeting to order at 10:15 a.m. and noted the presence of a quorum.

Item 1. Confirm meeting posting compliance with the Open Meetings Act.

Mr. Atkinson confirmed that the meeting was duly posted with the Secretary of State. Due to Governor Abbott's March 13, 2020, proclamation declaring a state of disaster due to the coronavirus and March 16, 2020, suspension of certain provisions of the Texas Open Meetings Act, this meeting of the Texas Public Finance Authority was being held via video conference call, as authorized under Section 551.127 of the Texas Government Code.

Item 2. Excuse absences of Board members, if necessary.

All members were present.

Mr. Manning joined the meeting at 10:20 a.m.

Item 3. Review and approval of the minutes of the June 10, 2021, Board meeting.

Mr. Atkinson asked if there were any corrections to the minutes. None were noted.

Action: Motion by Mr. Scher to approve the minutes of the June 10, 2021 Board meeting.
Second by Mr. Riskind.

The motion passed unanimously.

Item 4. Consideration, discussion and possible action to authorize the refinancing of certain outstanding general obligation bonds and general obligation commercial paper notes and the issuance of general obligation debt under Art III, Sec. 50-g and Sec. 67, of the Texas Constitution; determine a method of sale; appointment of outside consultants; and taking other related action.

Mr. Deviney reminded the Board of their previous authorization to move forward with refinancing certain bonds, commercial paper and new 2008 GOCP on March 5, 2020, including a current funding of the 2011 bonds. Since this Board action, additional bonds have become candidates for refunding savings. Chris Allen with RBC Capital Markets provided an overview of each series of additional general obligation bonds available to refund for savings. Due to the amount of due diligence necessary on the number of agencies and the number of projects involved to issue tax-exempt bond refinancing, and the nominal difference in interest rates between taxable and tax-exempt bonds, staff recommends a fully taxable transaction.

Due to the increased transaction size, Mr. Deviney recommended expanding the pool of previously approved underwriters to also include Piper Sandler & Co. and Raymond James & Associates, as Co-Managers.

Action: Motion by Mr. Manning to direct staff to move forward to develop a refunding of outstanding General Obligation bonds and General Obligation commercial paper as well as the issuance of general obligation debt under Sections 50-g and 67 of Article III of the Texas Constitution, and further move that Board utilize the service providers previously appointed at the March 5, 2020, Board meeting, specifically: RBC Capital Markets as financial advisor; the firm of Norton Rose Fulbright as bond counsel, and the firm of Escamilla & Poneck as disclosure counsel.

Further, Mr. Manning moved to designate an underwriting syndicate, for the potential issuance of general obligation and refunding bonds, in a negotiated sale, to consist of: Goldman Sachs & Co., as the senior manager and the following firms as co-managers: Jefferies, LLC; Blaylock Van, LLC; SAMCO Capital Markets; Piper Sandler & Co.; and Raymond James & Associates. Second by Mr. Streusand.

The motion passed unanimously.

Item 5. Ratification of existing commercial paper programs.

Mr. Van Oort explained, due to a rule change by the Bond Review Board, the board will need to annually ratify the authorizing resolutions of TPFA's four existing commercial paper programs.

Action: Motion by Mr. Streusand to ratify the bond resolutions previously adopted on the date indicated which authorized and created the following commercial paper programs: Texas Public Finance Authority Commercial Paper Revenue Notes, Series 2019A and Taxable Series 2019B (Adopted November 9, 2019), Texas Public Finance Authority Revenue Commercial Paper Notes (Texas Facilities Commission Projects), Series 2016A (Taxable) and Series 2016B (Tax-Exempt) (Amended and Restated January 9, 2020), Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes, Series 2008 (Adopted March 6, 2008), and Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes (Cancer Prevention and Research Institute of Texas Project), Series A (Taxable) and Series B (Tax-Exempt). Further, that the Board hereby authorize the continued use of these commercial paper programs for the purposes originally authorized for the fiscal year beginning September 1, 2021; and regarding the HHSC deferred maintenance projects, the Board hereby authorizes the continued use of the Texas Public Finance Authority Commercial Paper Revenue Notes Series 2019A and Taxable Series 2019B to finance the deferred maintenance project authorized by the 86th Legislature and as described in the request for financing submitted by the Health and Human Services Commission on October 30, 2019. Second by Mr. Riskind.

The motion passed unanimously.

Item 6. Consideration, discussion and possible action on a request for financing submitted by the Comptroller of Public Accounts to finance the acquisition of a bullion depository; determine a method of sale, appointment of outside consultants; and taking other related action.

Mr. Deviney described the request for financing for revenue debt in the amount of \$20 million, submitted by the Comptroller of Public Accounts for the purchase of a bullion depository facility

pursuant to SB 2230. Bond proceeds and lease payments are appropriated in the General Appropriations Act. David Cruz, Senior Legal Counsel with the Comptroller of Public Accounts, reported that the use of the facility is for the Texas Bullion Depository of both public and private storage of gold bullion and other precious metals. Mr. Deviney indicated that due to the private use activity and small size of the transaction, staff recommends the issuance of taxable commercial paper through the Series 2019AB commercial paper program.

Action: Motion by Mr. Streusand to approve the Request for Financing submitted by the Comptroller of Public Accounts for acquisition of a facility for the operations of the Texas Bullion Depository, in an amount not to exceed \$20 million and that such financing may be accomplished through the issuance of revenue commercial paper utilizing the existing Series 2019AB commercial paper program, and to appoint the firm of Orrick, Herrington & Sutcliffe to provide bond counsel services related to the issuance of commercial paper to finance the project. Second by Ms. Perkins.

The motion passed unanimously.

Item 7. Consideration, discussion and possible action on a request for financing submitted by the Health and Human Services Commission to finance deferred maintenance projects; appointment of outside consultants; and taking other related action.

This item was deferred to a later date.

Item 8. Consideration, discussion and possible action related to HB 1520; status report on the implementation of HB 1520; incorporation of an issuing financing entity; appointment of board members; appointment of securitization consultant.

Mr. Deviney and Mr. Atkinson provided a summary of HB 1520, including the role of TPFA to create a special purpose entity and appoint board members, and the roles of the Texas Railroad Commission and the special purpose entity in the process of issuing natural gas securitization debt. To assist staff to help navigate the natural gas securitization structure, the appointment of Mr. Monty Humble is recommended to serve as consultant.

Action: Motion by Mr. Scher to execute a contractual arrangement with Mr. Monty Humble to facilitate the transactional structure of the utility securitization, to include input from board members to staff for inclusion in a contract prior to execution. Second by Mr. Manning.

The motion passed unanimously.

Item 9. Consideration, discussion and possible action to designate service provider pools for future transactions.

Mr. Deviney provided a summary of the 2019 RFP process and the board's appointment of the current service provider pools for financial advisor, bond counsel and underwriters for a two-year period, with an option to extend any or all of those pools for an additional two years. Mr. Atkinson

recommended renewing the current pools of service providers for an additional two years. Mr. Atkinson indicated that the issuance an RFP for underwriting services for the 2022-2023 biennium may be considered at a future date, based on future bond issuances.

Action: Motion by Mr. Holt that the board extend the term of the current bond counsel pool for an additional two-year period, through August 31, 2023; to extend the term of the current financial advisory services pool for an additional two-year period, through August 31, 2023; and to extend the term of the current underwriting pool for negotiated transactions for an additional two-year period, through August 31, 2023. Second by Ms. Perkins.

The motion passed unanimously.

Item 10. Status Report: Financing for the Texas Military Preparedness Commission

Mr. Deviney advised that the transaction has not moved forward at the request of the Texas Military Preparedness Commission.

Item 11. Staff Update:

a. Legislative update

No discussion or action.

b. Market update

Matt Berry presented the Market Update. Mr. Berry stated that almost \$12 million in interest had been paid on the fixed-rate revenue debt on August 1, 2021. Mr. Berry stated a 30-day taxable commercial paper trade was done at 10 basis points and a 35-day tax-exempt commercial paper trade at 7 basis points.

Mr. Deviney and Mr. Atkinson expressed their gratitude to the TPFA staff for their diligent work and professionalism during the COVID-19 crisis.

Item 12. Future transactions and market conditions.

Mr. Deviney highlighted upcoming TPFA financing transactions and future board meetings.

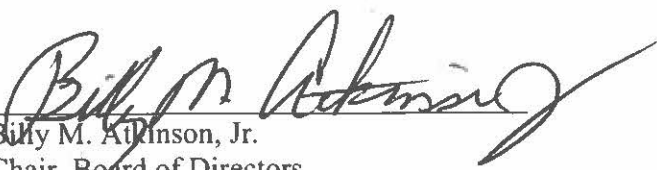
Item 13. Future agenda items and meeting dates.

Mr. Deviney reviewed the calendar of future items and asked members to save September 9 and October 7 for possible meeting dates.

Item 14. Adjourn.

Mr. Atkinson adjourned the meeting at 11:39 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 7th day of October 2021.


Billy M. Atkinson, Jr.
Chair, Board of Directors

ATTACHMENT: Posting Notice



Open Meeting Information

Agency Name: Texas Public Finance Authority

Date of Meeting: 08/05/2021

Time of Meeting: 10:00 AM (Local Time)

Board: Texas Public Finance Authority Board Meeting

Status: Accepted

Street Location: Via Video Conference: Public access information available at: <http://www.tpfa.texas.gov>
-and- In Person: William P. Clements, Jr. Building, Room 402 300 West 15th Street

City Location: Austin

Meeting State: TX

TRD: 2021004545

Submit Date: 07/28/2021

Emergency Mtg: No

Additional Information Donna Weinberger 512-463-5544

Obtained From:
Texas Public Finance Authority
Board Meeting
Thursday, August 5, 2021 - 10:00 A.M.

Via Video Conference:
Public access information available on
the TPEFA website at: <http://www.tpfa.texas.gov>

-and-

Agenda: In Person:
William P. Clements, Jr. Building, Room 402
300 West 15th Street
Austin, Texas

Due to Governor Greg Abbott's March 13, 2020 proclamation of a state of disaster affecting all counties in Texas due to the coronavirus and the Governor's March 16, 2020 suspension of certain provisions of the Texas Open Meetings Act, this meeting of the Texas Public Finance Authority will be held via video conference call, as authorized under Section 551.127 of the Texas Government Code.

The video conference call will originate from the Clements Building at the location indicated above. This open meeting will be conducted as both a public meeting and as a video conference, concurrently. The meeting will be open to the public at the Clements Building location indicated above as well as via video link.

AGENDA

The Board may discuss and take action regarding any of the following matters:

1. Confirm meeting posting compliance with the Open Meetings Act.
2. Excuse absences of Board members, if necessary.
3. Review and approval of the minutes of the June 10, 2021 Board meeting.
4. Consideration, discussion and possible action to authorize the refinancing of certain outstanding general obligation bonds and general obligation commercial paper notes and the issuance of general obligation debt under Art III, Sec. 50-g and Sec. 67, of the Texas Constitution; determine a method of sale; appointment of outside consultants; and taking other related action.
5. Ratification of existing commercial paper programs.
6. Consideration, discussion and possible action on a request for financing submitted by the Comptroller of Public Accounts to finance the acquisition of a bullion depository; determine a method of sale, appointment of outside consultants; and taking other related action.
7. Consideration, discussion and possible action on a request for financing submitted by the Health and Human Services Commission to finance deferred maintenance projects; appointment of outside consultants; and taking other related action.
8. Consideration, discussion and possible action related to HB 1520; status report on the implementation of HB 1520; incorporation of an issuing financing entity; appointment of board members; appointment of securitization consultant.
9. Consideration, discussion and possible action to designate service provider pools for future transactions.
10. Status Report: Financing for the Texas Military Preparedness Commission
11. Staff Update:
 - a. Legislative update
 - b. Market update
12. Future transactions and market conditions.

13. Future agenda items and meeting dates.

14. Adjourn.

THE BOARD MAY GO INTO CLOSED SESSION AS PERMITTED UNDER THE OPEN MEETINGS ACT, GOVERNMENT CODE CHAPTER 551.

An electronic copy of the agenda is available at <http://www.tpfa.texas.gov/agenda.aspx>. A recording of the meeting will be available after the meeting. To obtain the recording, please contact Donna Weinberger, at 512/463-5544.

Information regarding use of the Zoom webinar application can be found on the TPFA website: at <http://www.tpfa.texas.gov>. Further technical information regarding the Zoom webinar application can be found at the Zoom Help Center: <https://support.zoom.us/hc/en-us/articles/115004954946-Joining-and-participating-in-a-webinar-attendee->.

Information regarding accessing the meeting via a toll-free dial-in number is also available on the TPFA website at: <http://www.tpfa.texas.gov>.

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