Minutes

Texas Bond Review Board

Board Meeting

Thursday, November 19, 2020, 10:00 a.m.

Videoconference Meeting

The Texas Bond Review Board (BRB) convened in a Board Meeting at 10:00 a.m., Thursday, November 19, 2020 via videoconference as authorized under Texas Government Code section 551.127. Present were Brady Franks, Chair and Alternate for Governor Greg Abbott; Bryan Mathew, Alternate for Lieutenant Governor Dan Patrick; and Piper Montemayor, Alternate for Comptroller Glenn Hegar. 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**

Brady Franks, as Chair, called the meeting to order at 10:02 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.

1. **Approval of Minutes**

UPON MOTION BY Piper montemayor AND SECOND BY bryan mathew, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE July 14, 2020 planning session, July 23, 2020 planning session, july 30, 2020 called board meeting, AND september 8, 2020 planning session.

1. **Public Comment**

There was no public comment.

1. **Texas Department of Housing and Community Affairs Request for Annual Waiver of the Section 2306.142(l) Requirements pursuant to Texas Government Code 2306.142(m) for calendar year 2021**

Representative present was Monica Galuski, Director of Bond Finance and Chief Investment Officer, TDHCA.

UPON MOTION BY bryan mathew AND SECOND BY piper montemayor, THE TEXAS BOND REVIEW BOARD waived the requirements of Section 2306.142(l) of the Texas Government Code pursuant to Section 2306.142(m) during calendar year 2021 based on TDHCA’s determination that it is unfeasible or will damage the financial condition of TDHCA to issue bonds with the restrictions contained in Section 2306.142(l) of the Texas Government Code.

1. **Texas Public Finance Authority Lease Revenue and Refunding Bonds (Texas Facilities Commission) Series 2020 (in one or more tax-exempt or taxable series)**

Representatives present were Lee Deviney, Executive Director, TPFA; Kevin Van Oort, General Counsel, TPFA; John Hernandez, Deputy Director, TPFA; John Barton, Sr. Financial Analyst, TPFA; Chris Allen, Financial Advisor, RBC Capital Markets; John Raff, Director of Facility Design and Construction, TFC; and Diane Jackson, CFO, TFC.

UPON MOTION BY piper montemayor AND SECOND BY bryan mathew, THE TEXAS BOND REVIEW Board APPROVED the Texas Public Finance Authority Lease Revenue and Refunding Bonds (Texas Facilities Commission), Series 2020 (in one or more taxable or tax-exempt series) in a maximum par amount and a maximum total proceeds amount not to exceed $400,000,000 including premiums, if any, as outlined in the application dated October 27, 2020 and supplements through November 17, 2020.

1. **EXEMPT - Texas Private Activity Bond Surface Transportation Corporation Senior Lien Revenue Refunding Bonds (LBJ Infrastructure Group LLC I-635 Managed Lanes Project) Taxable Series 2020C (in one or more series)**

Representatives present were Benjamin Asher, Director, TxDOT; Jennifer Wright, Project Finance & Debt Director, TxDOT; Jim Bateman, General Counsel, TxDOT; and Carol Polumbo, Partner, McCall Parkhurst & Horton, Bond Counsel.

This transaction was submitted on the BRB EXEMPT track. The 6-day review period started on Monday, November 16, 2020 and will end at the close of business on Monday, November 23, 2020. BRB staff recommended this transaction be called in for formal review.

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. The next scheduled planning session will be on Monday, January 11, 2021 or Tuesday, January 12, 2021, given the first day of the 87th Legislative Session. The next Board meeting is scheduled for Thursday, January 21, 2021. BRB staff is working with TDHCA regarding a possible December Board meeting.

1. **Report from the Executive Director**

* Staff is continuing to process local government debt issues for fiscal year 2020. BRB staff received approximately 1,900 local debt issues for processing in fiscal year 2020. That is a 28% increase from last year and the most ever received in one fiscal year. Staff expects to complete all processing by November 30th.
* The 2021 Private Activity Bond lottery took place via Zoom webinar on Thursday, November 5th. There was a total of 68 applications in line to receive a reservation on or around January 2, 2021. Total requested amount of state volume cap during the lottery was $2,683,000,000.
* Rob presented at the Texas Association of Local Housing Finance Agencies conference on Tuesday, November 10, 2020 at 12pm and discussed the administration of the state’s Private Activity Bond Program.
* Staff has reconciled all state debt outstanding based on the State Debt Issuer Reports received back in October. Staff is preparing the agency’s State Debt Annual Report for FY 2020 and plans to send a draft to the Board by Monday, November 23, 2020. Due to the local government processing backlog, local debt for fiscal year 2019 will remain in the state debt report until staff completes processing and updates the figures.
* The new BRB Data Center website is in beta testing. Staff plans to release the data center on the agency’s website by late November.
* BRB and CPA staff held a Texas Public Finance Seminar on Thursday, November 12th at 1pm. Nick Samuels, from Moody’s Investors Service, discussed the credit environment for Texas’ state credit. The presentation was well received.

1. **Adjourn**

There being no further business, the Board Meetingwas adjourned at 10:18 a.m.