Minutes

Texas Bond Review Board

Board Meeting

Thursday, September 18, 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 Board Meeting at 10:00 a.m., Thursday, September 18, 2014 in the Capitol Extension Room E2.026 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; John Opperman, Alternate for Lieutenant Governor David Dewhurst; Piper Montemayor, Alternate for Comptroller Susan Combs; and Andrew Blifford, Alternate for Speaker Joe Strauss. Also in attendance were Stephanie Leibe with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Ed Robertson, as Chair, called the meeting to order at 10:08 a.m. A quorum was present.

1. **Approval of Minutes**

UPON MOTION BY John Opperman AND SECOND BY Piper Montemayor, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE JULY 8, 2014 Planning Session, THE July 17, 2014

Board meeting, the AUGUST 28, 2014 PLANNING SESSION AND THE SEPTEMBER 4, 2014 called board meeting.

1. **Public Comment**

There were no public comments.

1. **Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds, Series 2014**

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

UPON MOTION BY ED ROBERTSON AND SECOND BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED THE Texas TRANSPORTATION COMMISSION STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION BONDS WITH A LEVEL-PRINCIPAL DEBT SERVICE STRUCTURE IN A MAXIMUM PAR AMOUNT OF $1,500,000,000 AND MAXIMUM PROCEEDS AMOUNT OF $1,743,475,000 INCLUDING PREMIUMS, IF ANY, AS OUTLINED IN THE APPLICATION DATED SEPTEMBER 2, 2014 AND SUPPLEMENTS THROUGH SEPTEMBER 8, 2014.

1. **EXEMPT – Texas Transportation Commission Toll Revenue Converting Note (IH35E Managed Lanes)**

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

This transaction has been submitted on the exempt track and staff is currently reviewing the application.

Ben Asher and Jennifer Wright answered questions from the board.

1. **Exempt - Texas Public Finance Authority Charter School Finance Corporation Taxable Education Revenue Bonds (Harmony Public Schools) Series 2014Q (Qualified School Construction Bonds – Direct Pay) and Taxable Education Revenue Bonds (Harmony Public Schools) Series 2014B (in one or more series)**

Representatives present were: John Hernandez, Deputy Executive Director, TPFA; John Barton, Senior Financial Analyst, TPFA; Yalcin Akyildiz, CFO, HPS; Julie Norton, Director of Communications, HPS; Tom Sage, Bond Counsel, Andrews Kurth LLP, Steven Perry, Financial Advisor, Wells Nelson; Debi Jones, Senior Underwriter, Raymond James.

This transaction has been submitted on the exempt track and staff is currently reviewing the application.

Representatives presented an overview and answered questions from the board.

1. **Exempt - Texas Public Finance Authority Charter School Finance Corporation Taxable Education Revenue Bonds (KIPP Austin Public Schools Inc.) Series 2014A, 2014B, and the Taxable Series 2014Z (Qualified Zone Academy Bonds) (in one or more series)**

Representatives present were: John Hernandez, Deputy Executive Director, TPFA; John Barton, Senior Financial Analyst, TPFA; Anand Kesavan, CFO KIPP Austin Public Schools; David Dawson, Borrower’s Counsel, Winstead PC; Tom Sage, Bond Counsel, Andrews Kurth LLP; Francine Stefan, Financial Advisor, First Southwest Co.; Clarence Grier, Senior Managing Underwriter, RBC Capital Markets.

This transaction has been submitted on the exempt track and staff is currently reviewing the application.

Representatives presented an overview and answered questions from the board.

1. **Exempt - Texas Public Finance Authority Charter School Finance Corporation Taxable Education Revenue Bonds (South Texas Educational Technologies, Inc.) Series 2014 (Qualified School Construction Bonds – Direct Pay)**

Representatives present were: John Hernandez, Deputy Executive Director, TPFA; John Barton, Senior Financial Analyst, TPFA; Alim Ansari, CEO, STET; James Hayes, CFO, STET; Nancy Sanchez, Comptroller, STET.

TPFA expects to submit this transaction on the exempt track.

Representatives presented an overview and answered questions from the board.

1. **Date for Next Board Meeting**

The next scheduled Planning Session is on Monday, November 10, 2014, and the next scheduled Board Meeting is on Thursday, November 20, 2014.

1. **Report from the Executive Director**

* Staff has begun the reconciliation for state data for FY 2014.
* Staff is continuing acceptance testing of the new database.
* Since the PAB collapse the BRB has received $495.0 million in volume cap requests which leaves just under $1.4 billion in unencumbered volume cap.

1. **Adjourn**

There being no further business, the board meetingwas adjourned at 10:38 a.m.