Minutes

Texas Bond Review Board

Planning Session

Tuesday, May 12, 2015, 10:00 a.m.

Clements Building, Room 103

300 W. 15th Street

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a planning session at 10:00 a.m., Tuesday, May 12, 2015 in the Clements Building, Room 103 in Austin, Texas. Present were Ky Ash, Chair and Alternate for Governor Greg Abbott; Joaquin Guadarrama, Alternate for Lieutenant Governor Dan Patrick; Andrew Blifford, Alternate for Speaker Joe Straus; and Piper Montemayor, Alternate for Comptroller Glenn Hegar. Also in attendance were Leslie Brock and Jim Crowson 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 10:05 a.m. 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 Water Development Board State of Texas General Obligation Water Financial Assistance Bonds, Series 2015E (Economically Distressed Area Program), 2015F and 2015G (Taxable)**

Representatives present were: Kathleen Jackson, Board Member, TWDB; Jennifer White, Chief of Staff, TWDB; Amanda Landry, Chief Financial Officer, TWDB; David Duran, Financial Analyst, TWDB; Anne Burger Entrekin, Financial Advisor, First Southwest Company.

The TWDB seeks approval to issue its State of Texas General Obligation Bonds Water Financial Assistance Bonds Series 2015E (EDAP), Series 2015F and Series 2015G (Taxable) in an aggregate par amount of $108,250,000 and maximum proceeds amount of $108,775,000 including premiums, if any.

The TWDB expects to issue the Series 2015E (EDAP) bonds in a par amount of $50,000,000, the Series 2015F bonds in a par amount of $45,500,000, and the 2015G (Taxable) bonds in a par amount of $12,750,000.

The Series 2015E bonds will be issued to fund certain projects within the EDAP program and to pay costs of issuance.

The Series 2015F bonds will be issued to fund state match requirements within the Water Financial Assistance Fund (WFA) for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund and to pay costs of issuance.

The Series 2015G taxable bonds will be issued to fund certain taxable projects within the Water Financial Assistance Fund and to pay costs of issuance.

The Series 2015E bonds will be issued pursuant to Article III, Sections 49-d-8 and 49-d-10, Texas Constitution, Subchapter L of Chapter 17 of the Texas Water Code.

The Series 2015F and Series 2015G bonds will be issued pursuant to Article III, Sections 49-d-8 and 49-d-9, Texas Constitution, Subchapter L of Chapter 17 of the Texas Water Code.

The TWDB adopted the resolutions for the issuance of the Series 2015E, Series 2015F, and Series 2015G bonds on February 25, 2015.

The TWDB anticipates receiving LBB approval of the Series 2015E (EDAP) issuance on May 14, 2015.

The bonds are general obligations of the State of Texas and are secured by the state’s full faith and credit.

Total direct bond related costs are estimated to be $3.46 per bond. Total underwriter’s spread is expected to be $5.54 per bond for a total cost of $9.00 per bond.

Amanda Landry answered questions from the Board.

1. **Texas Public Finance Authority Midwestern State University Revenue Financing System Revenue and Refunding Bonds, Series 2015**

Representatives present were: Lee Deviney, Executive Director, TPFA; Dr. Jesse Rogers, President, MWSU; Dr. Keith Lamb, VP of Student Affairs and Enrollment Management, MWSU; Dr. Marilyn Fowle, VP of Business Affairs and Finance, MWSU.

The Texas Public Finance Authority (TPFA) is seeking approval to issue its Texas Public Finance Authority Midwestern State University Revenue Financing System (RFS) Revenue Bonds, Series 2015 with a maximum par and total proceeds amount of $60,300,000 including premiums, if any.

The proceeds will be used for the purpose of (i) acquiring, purchasing, constructing, improving, renovating, enlarging and/or equipping property, buildings, structures, facilities, roads, or related infrastructure; (ii) refunding certain outstanding obligations; and (iii) paying the costs related to the issuing of the Bonds.

The new money portion will be used for a 500-bed residence hall project and an 18,500 square foot addition to the Fine Arts building in an amount not to exceed $38.25 million, (the Projects).

The refunding portion will be used for a current refunding of the remaining maturities in the Revenue Financing System Revenue and Refunding Bonds, Series 2003, and an advanced refunding for most of the Revenue Financing System Revenue and Refunding Bonds, Series 2007 (the Refundable Bonds).

TPFA will issue the bonds pursuant to the Texas Education Code, Chapters 55, particularly 55.02 and 55.13 and Texas Government Code, Section 1232.101.

The MSU Board approved the request for financing resolution for the Projects at its meeting on December 1, 2014. The MSU Board approved the request for financing resolution for the Refundable Bonds at its meeting on February 13, 2015. The TPFA Board approved MSU’s request for financing for the Series 2015 bonds on December 4, 2014 and March 5, 2015, respectively.

TPFA approved the bond resolution on May 7, 2015.

The bonds are special obligations of the Board of Regents of Midwestern State University. The bonds will be payable from, and secured solely by the pledged revenues pursuant to the Bond Resolution. The bonds are not general obligations of Midwestern State University, the State or any political subdivision of the state.

Total direct bond related costs are estimated to be $4.57 per bond. Total underwriter’s spread is expected to be $5.52 per bond for a total cost of $10.09 per bond.

Lee Deviney answered questions from the Board.

1. **Discussion on Statement of Work for Database Initiative with MicroAssist and any Legal Options**

Representatives present were: Steve Rouse, Project Manager, BRB Database Consolidation

The Board addressed Agenda item IV after the report from the Executive Director.

At 10:24 a.m. the Board went into a Closed Session under the authority of Section 551 of the Texas government Code to discuss Item IV. The planning session reconvened at 10:51 a.m. at which time Steve Rouse addressed questions from the Board related to the database project.

1. **Public Comment**

There was no public comment

1. **Date for Next Board Meeting**

The next Board Meeting is scheduled for Thursday, May 21, 2015 at 10:00 a.m. in the Clements Building Room 103.

1. **Items for Future Agendas**

Board members received an updated list of future agenda items.

1. **Report from the Executive Director**

* Rob Latsha spoke about HB 3654 and its impacts on the Bond Review Board.
* Rob Latsha spoke about the May 1st multifamily housing collapse in the Private Activity Bond Program.
* Justin Groll spoke about 2015 Local Government processing.

1. **Adjourn**

There being no further business, the planning sessionwas adjourned at 10:55 a.m.