Minutes

Texas Bond Review Board

Planning Session

Tuesday, July 8, 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 planning session at 10:00 a.m., Tuesday, July 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; 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 10:07 am. 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 Public Finance Authority State of Texas General Obligation Commercial Paper Notes, Series 2008 (Texas Juvenile Justice Department)**

Representatives present were: Lee Deviney, Executive Director, TPFA; John Barton, Senior Financial Analyst, TPFA; Mike Meyer, Chief Financial Officer, TJJD; Art Hinojosa, Architect, TJJD; Mike Waggoner, Accountant, TJJD.

TPFA is seeking approval to issue CP notes under the 2008 Program to finance deferred maintenance projects for the Texas Juvenile Justice Department (TJJD) in a total amount of $5,500,000 plus the cost of issuance and related administrative costs, if any.

The notes will be used to maintain and equip certain facilities of TJJD. A list of deferred maintenance projects include: utility road and site work, safety/security, general repair, HVAC/lighting and the reconfiguration of an infirmary. Also included are professional design fees, associated fees and administrative costs associated with the construction projects. See Appendix A for a list of projects.

TPFA will issue the notes pursuant to the Texas Constitution, Article III, Section 50-g; Texas Government Code, Section 1232.1116; GAA 2013 Art. IX, Sec. 17.02 pg IX-64.

The TJJD Board approved a resolution authorizing TPFA to issue short-term obligations to finance the cost of various projects on March 28, 2014. TJJD expects to receive LBB approval prior to the July 17, 2014 Bond Review Board Meeting. The financing for TJJD was approved by TPFA’s Board on June 5, 2014.

The notes are general obligations of the state. As such, the state’s full faith and credit are pledged to repayment of the notes.

1. **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**

Representatives present were: Lee Deviney, Executive Director, TPFA; John Barton, Senior Financial Analyst, TPFA; Wayne Roberts, Chief Executive Officer, CPRIT; Daniel Limas, Grant Accountant, CPRIT.

TPFA is seeking authorization to issue CP notes under its State of Texas General Obligation Commercial Paper Program (Cancer Prevention and Research Institute of Texas), Series A (Taxable) and Series B (Tax-Exempt) (collectively, the CPRIT CP Program) in a maximum amount of $300,000,000 during fiscal year 2015 including the costs of issuance and related administrative costs, if any.

The proceeds will be used to fund cancer prevention and research grants, pay operating costs as dictated by the 83rd Legislature and pay costs of issuance. See Appendix A for an estimated draw schedule for the 2015 fiscal year.

TPFA will issue the notes pursuant to Article III, Section 67 of the Texas Constitution; Chapters 1232 and 1371 of the Texas Government Code; Section 102.202 of the Texas Health and Safety Code; GAA Article I, p. 1-14.

The CPRIT Oversight Committee approved the Request for Financing on May 21, 2014. The TPFA Board anticipates approving the financing on July 10, 2014.

The notes are general obligations of the state.

1. **Texas Public Finance Authority Texas Windstorm Insurance Association 2014 Revenue Bonds**

Representatives present were: Lee Deviney, Executive Director, TPFA; John Barton, Senior Financial Analyst, TPFA; Pete Gise, Chief Financial Officer, TWIA.

Staff is waiting to receive a completed application. TPFA expects to submit this transaction on the EXEMPT track.

Lee Deviney and Pete Gise provided an overview of the project.

1. **Public Comment**

There were no public comments.

1. **Date for Next Board Meeting**

The regular Board Meeting is scheduled for 2 pm, Thursday, July 17, 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 is processing a second modified QECB application from the city of Wharton. This financing will be used for an energy savings performance contract and staff is reviewing the application before sending it to the governor’s office for authorization to approve the QECB authority.
* Data entry deadline has passed for the 2014-15 Capital Expenditure plan. We expect to receive the first data transfer from the coordinating board this week and the report is due September 1.
* Staff will begin work on the 2016-17 LAR once figures have been received. The LAR is due July 28.
* Staff continues to meet regularly with MicroAssist on the database upgrade project. As a result of several changes to improve functionality the architecture has not been completed which has delayed the conversion process. However, for no additional cost to the agency the software will have important added functionality and the project is still expected to be up and running undergoing acceptance testing by August 31.

1. **Adjourn**

There being no further business, the planning sessionwas adjourned at 10:29 am.