

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS:

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



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EXECUTIVE DIRECTOR

Lee Deviney

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

August 22, 2024

The Board of Directors (the "Board") of the Texas Public Finance Authority ("TPFA") convened in open meeting, notice duly posted pursuant to law (a copy of which is attached hereto as Exhibit "A"), at 9:00 a.m. on Thursday, August 22, 2024, in the William P. Clements Jr., Building, Room 402, 300 West 15th Street, in Austin, TX.

Present were: Mr. Billy M. Atkinson, Jr., Chair; Mr. Ramon Manning, Vice Chair, Jay A. Riskind, Secretary; Mr. Lance S. Etcheverry, Member; Mr. Larry G. Holt, Member; Ms. Shanda G. Perkins, Member; Mr. Benjamin E. Streusand, Member. Mr. Riskind and Mr. Holt participated via video conference.

Representing the TPFA staff were: Lee Deviney, Executive Director; Kevin Van Oort, General Counsel; John Hernandez, Deputy Director; Devyn F. Wills, Assistant General Counsel; Pamela Scivicque, Director of Business Administration; Matthew Berry, Financial Analyst; Adan Ramirez, Financial Analyst; and Kathryn Crabtree, Accountant.

In attendance were the following persons, representing the indicated entities: Chris Allen, RBC Capital Markets, LLC; Jerry Kyle and Donna McIntosh, Orrick, Herrington & Sutcliffe LLP; Mario Carrasco, Cabrera Capital Markets, LLC; Keith Richard, Seibert Williams Shank & Co. LLC; Paul Jack, Estrada Hinojosa; Brad Angst, Stifel, Nicolas & Co.; Tilghman Naylor, Loop Capital Markets LLC; Humberto F. Aguilera, Escamilla & Poneck, LLP; Gabriella Briceno, Ramirez & Company; Troy Madres, Morgan Stanley & Co.; Curtis Flowers, Morgan Stanley & Company; Barron Wallace, Bracewell LLP; Daniel Kardish, PFM Financial Advisors LLC; and Micah Vose, Bobby Steinsdoerfer, Andrew Rudman, and Jessica Flanigan, Lockton Companies. Mr. Vose, Mr. Steinsdoerfer, Mr. Rudman, and Ms. Flanigan participated via video conference.

Mr. Atkinson called the meeting to order at 9:02 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.

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

Mr. Atkinson noted that all Board members were present.

Item 3. Review and approval of the minutes of the June 6, 2024 Board Meeting.

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

Action: Motion by Mr. Manning to approve the minutes of the June 6, 2024 Board meeting as presented. Second by Mr. Streusand.

The motion passed unanimously.

Item 4. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Facilities Commission), Series 2024; authorizing and appointing a Pricing Committee of the Board; approving a Preliminary Official Statement; authorizing the refunding, defeasance, redemption, and discharge of: i) certain outstanding commercial paper notes issued under the Authority's Series 2016A (Taxable) and Series 2016B (Tax-Exempt) revenue commercial paper program and ii) certain outstanding revenue bonds issued on behalf of the Texas Facilities Commission; authorizing the issuance of an invitation to tender certain outstanding revenue bonds; authorizing the execution of an Escrow Agreement, Purchase Contract, Dealer Manager Agreement, and other related documents; and authorizing the taking of other necessary action related thereto.

Mr. Deviney provided a recap of the previous decisions and approvals by the Board, including the transaction parameters laid out in the proposed Bond Resolution, and described the transaction which involves the refunding of outstanding tax-exempt commercial paper issued on behalf of TFC and the tender of a portion of taxable series 2020 refunding bonds.

Mr. Paul Jack outlined the timeline for the tender and related pricing. Mr. Van Oort noted that, in addition to the standard pricing committee responsibilities present in a refunding transaction, the pricing committee would also be authorized by the Board to make pricing strategy decisions during the tender process, specifically when the tender invitation is sent out to market.

The Board discussed potential locations and dates for the bond pricing.

Action: Motion by Mr. Manning to adopt the resolution, in the form presented, authorizing the issuance of the Texas Public Finance Authority Lease Revenue Refunding Bonds, Series 2024; appointing a Pricing Committee of the Board; authorizing the issuance of an invitation to tender certain outstanding revenue bonds; authorizing the defeasance, redemption and discharge of certain outstanding revenue bonds and commercial paper notes; approving a Preliminary Official Statement; and authorizing the taking of other necessary related action. Additionally, that the Board appoint a Pricing Committee to consist of Mr. Etcheverry, Mr. Streusand, and Mr. Holt; with Mr. Etcheverry as Chair of the Committee and all remaining members of the Board to serve as alternates. Second by Mr. Streusand.

The motion passed unanimously.

Item 5. Discussion, consideration, and possible action to approve a directors' and officers' liability insurance policy.

Mr. Van Oort advised the Board that TPFA's insurance broker, Lockton, has provided a specimen D&O policy from Chubb, the prospective insurance carrier. Mr. Van Oort laid out the primary elements of the policy.

The subcommittee previously appointed by the Board to evaluate liability insurance options, consisting of Mr. Etcheverry, Mr. Riskind, and Mr. Streusand, updated the Board regarding their meeting with the insurance broker. The subcommittee members noted that the proposed policy was a major improvement over the liability insurance policies previously considered.

Further, in addition to the \$5 million in primary coverage from Chubb, there was discussion regarding the proposed \$5 million in secondary coverage from Liberty Mutual. Lockton staff participated via video conference and were available to answer questions.

Action: Motion by Mr. Manning that the Board authorize and direct the Executive Director to bind the proposed public officials liability insurance policy, subject to the receipt of any amendments to the policy endorsements as the Executive Director deems necessary and appropriate, including a secondary coverage policy with Liberty Mutual, for a combined coverage amount of \$10 million. Second by Ms. Perkins.

The motion passed unanimously.

Item 6. Charter School Finance Corporation: Appointments.

Mr. Deviney reminded the Board that three of the seven board directorships are filled on the Texas Public Finance Authority – Charter School Finance Corporation. Directors of the Corporation are appointed, in consultation with the Commissioner of Education, for a two-year term by the TPFA Board. Such appointments are subject to approval by the Governor. The current directors are David Miller, Monty Humble and Coalter Baker.

Mr. Deviney advised the Board that the Governor's Office has confirmed that the Governor would be receptive to the appointment of TPFA Board members to serve as directors of the Charter School Finance Corporation. Mr. Deviney advised the Board that Mr. Etcheverry and Ms. Perkins have confirmed their willingness to serve on the corporation board. Staff will continue to identify other qualified persons to serve on the corporation board.

Action: Motion by Mr. Streusand that Ms. Perkins and Mr. Etcheverry be appointed to the Board of Directors of the TPFA-Charter School Finance Corporation for terms to expire on May 1, 2026, subject to the approval of the Governor. Second by Mr. Holt.

The motion passed unanimously.

Item 7. Budget elements for the agency's 2026-2027 biennial appropriations request.

Mr. Deviney and Ms. Scivicque presented the various elements of TPFA's Legislative Appropriations Request ("LAR") for agency administrative operations and general obligation bond debt service for the 2026-2027 biennium. TPFA's LAR is due September 6, 2024.

Mr. Deviney noted that the proposed LAR includes funding for general obligation bond debt service for outstanding debt and previously authorized and unissued debt, and that any new debt authorized by the 89th Legislature would require additional debt service funding be appropriated. Funding for TPFA's administrative operations is anticipated to be submitted with no funding request for "exceptional items", or additional general revenue appropriations. Specifically, the proposed LAR would request funding to maintain the current level of services and resources, including 17 FTEs.

The Board discussed and directed staff to include an annual 5% merit salary increase pool for staff and to request an increase to the Executive Director salary to \$261,068.

Action: Motion by Mr. Etcheverry that the Board authorize staff to finalize and submit the agency's Legislative Appropriations Request, based on the budget parameters recommended by staff and delegate final approval authority to the Chairman. Second by Mr. Manning.

The motion passed unanimously.

Action: Motion by Mr. Manning to authorize the Chairman to adjust the requested schedule of exempt positions in the Legislative Appropriations Request for the 2026-2027 biennium. Second by Mr. Etcheverry.

The motion passed unanimously.

Item 8. Employee Recognition: Loan Nguyen

Chairman Atkinson recognized Loan Nguyen, TPFA's Chief Accountant, who is retiring after 31 years of service with a congratulatory resolution honoring her service to the State of Texas and the Texas Public Finance Authority.

Action: Motion by Mr. Etcheverry to adopt, by unanimous consent, the resolution honoring Ms. Nguyen. Second by Mr. Streusand.

The motion passed unanimously.

Item 9. Staff Update:

a. Legislative Update

Mr. Deviney provided that staff are monitoring interim committees of both houses of the legislature as those committees work through the interim charges issued by the Lt. Governor and the Speaker, respectively. As they become available, staff will review client agency LARs to identify potential future projects that may require TPFA financing. Staff are also in regular contact with Texas Public Charter Schools (formerly Texas Charter School Association) regarding funding initiatives for charter school facilities.

b. Personnel Update

Mr. Deviney stated that Chief Accountant Loan Nguyen is retiring on August 31 and that Kelly Tappendorf has resigned to take a job in her prior home of Portland, OR. These position vacancies will be posted. One of the new position's funding is now allocated to the management consultant and one additional position funded by the 88th Legislature remains vacant.

c. Management Consultant

Mr. Deviney informed the Board that staff submitted and received a finding of fact request to the Office of the Governor and LBB, seeking approval for TPFA to issue an RFP for a "Major Consulting Contract". TPFA received 10 responses to the RFP, evaluated those responses and selected Reflection Executive Advisors, LLC. Rene Valadez is the consultant working in-house, extensively. Mr. Valadez recently retired from the position of Internal Auditor at Texas Education Agency, previously he held the same position at the Office of the Governor. Mr. Valadez also worked at the State Auditor's Office, Lt. Governor's Office, and is a US Army veteran.

d. Information Resource enhancements

Mr. Deviney advised the Board that the agency is in the process of moving its servers to DIR's Data Center, and is planning to change its electronic content management platform to Microsoft tools, which are anticipated to be better-sized for a small state agency, less costly, and easier to maintain and update in future years.

Item 10. Future transactions and market conditions.

Mr. Berry discussed commercial paper program activity and recent commercial paper interest rates as well as market conditions leading up to the upcoming Federal Open Market Committee meeting.

Item 11. Future agenda items and meeting dates.

Mr. Deviney advised the Board that there would not be a need for a Board meeting in September 2024, but there may be a need for a meeting in October 2024. The Board discussed October 10, 2024 and October 17, 2024 as potential meeting dates.

Item 12. Executive Director compensation

Chairman Atkinson introduced the item. The General Appropriations Act establishes a salary cap for “exempt positions”, which are primarily state agency executive directors, elected officials and other specific/unique positions. For TPFA, the Executive Director salary cap in FY2024 is \$215,000 and \$230,000 in FY2025.

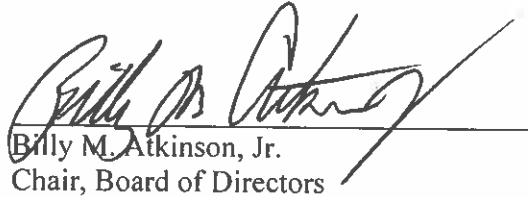
Action: Motion by Mr. Manning to increase the annual salary paid to the Executive Director to \$230,000, effective September 1, 2024, as authorized by the General Appropriations Act for the 2024-2025 biennium. Second by Mr. Etcheverry.

The motion passed unanimously.

Item 13. Adjourn.

Mr. Atkinson adjourned the meeting at 10:45 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 14th day of November 2024.


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

ATTACHMENT: Posting Notice



Devyn F. Wills

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Open Meeting Submission

TRD: 2024004784
Date Posted: 08/14/2024
Status: Accepted
Agency Id: 0113
Date of Submission: 08/14/2024
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Date of Meeting: 08/22/2024
Time of Meeting: 09:00 AM (##:## AM Local Time)
Street Location: 300 West 15th Street, Room 402
City: Austin
State: TX
Liaison Name: Devyn F. Wills
Liaison Id: 5
Additional Information Obtained From: Leandra Contreras. 512-463-5544
Agenda: Texas Public Finance Authority
 Board Meeting
 Thursday, August 22, 2024 - 9:00 A.M.

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

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 6, 2024 Board meeting.
4. Consideration, discussion, and possible action to adopt a Resolution authorizing the issuance of Texas Public Finance Authority Lease Revenue Refunding Bonds (Texas Facilities Commission), Series 2024; authorizing and appointing a Pricing Committee of the Board; approving a Preliminary Official Statement; authorizing the refunding, defeasance, redemption, and discharge of: i) certain outstanding commercial paper notes issued under the Authority's Series 2016A (Taxable) and Series 2016B (Tax-Exempt) revenue commercial paper program and ii) certain outstanding revenue bonds issued on behalf of the Texas Facilities Commission; authorizing the issuance of an invitation to tender certain outstanding revenue bonds; authorizing the execution of an Escrow Agreement, Purchase Contract, Dealer Manager Agreement, and other related documents; and authorizing the taking of other necessary action related thereto.
5. Discussion, consideration, and possible action to approve a directors' and officers' liability insurance policy.
6. Charter School Finance Corporation: Appointments
7. Budget elements for the agency's 2026-2027 biennial appropriations request.
8. Employee Recognition: Loan Nguyen
9. Staff Update:
 - a. Legislative Update
 - b. Personnel Update
 - c. Management Consultant
 - d. Information Resource enhancements
10. Future transactions and market conditions.
11. Future agenda items and meeting dates.
12. Executive Director compensation.
13. Adjourn

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

Persons with disabilities who have special communication or other needs, who are planning to attend the meeting, should contact Leandra Contreras at 512/463-5544. Requests should be made as far in advance as possible. Contact Leandra Contreras if you need any additional information, Texas Public Finance Authority, 300 W. 15th Street, Suite 411, Austin, TX 78701.

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