

TEXAS PUBLIC FINANCE AUTHORITY

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EXECUTIVE DIRECTOR

Robert P. Coalter

Supplemental Summary for the FY 2013 Annual HUB Report for Agency 347

In compliance with Texas Government Code, Chapter 2161, the Board of the Authority has adopted the Comptroller's rules, and more detailed procedures for HUB participation goals in bond issues, in compliance with the published rules. These procedures are included in the Authority's strategic plan and reflected in its underwriting policies.

The Board has selected a pool of 24 firms that includes one HUB firm and five minority and/or woman-owned firms for Fiscal Years 2013 - 2015 negotiated bond underwritings. Under the Authority's contracts for professional services required for bond issues, the Board also selected a pool of nine law firms, two of which are HUBs, to be selected to serve as bond counsel on a bond issue by bond issue basis during Fiscal Years 2013-2015. During this reporting period, \$1,528,558 or 96.21% of the Authority's total expenditures were related to costs of issuance and the ongoing administration of bonds, including fees for private liquidity providers on four commercial paper programs. Such expenses also include fees for bond ratings, paying agents, financial services, private liquidity services, arbitrage rebate compliance, and insurance premiums to satisfy bond covenants. These services are only available from a few large corporations; therefore, limited HUB and/or minority firms are available to provide such services. Although state-supported liquidity is provided during this reporting period, fees for terminating private liquidity facilities are reflected in the agency's overall expenditures, reflecting an increase in ongoing bond administration costs. During this reporting period, the Authority completed three financing transactions. Two of the three had HUB participation. The private placement transaction was completed using 100% minority owned placement agent, and the second transaction had minority participation of 20.2% of the total underwriting takedown fees, and 100% minority participation in printing costs.

The Authority is committed to purchasing goods and services from HUB and minority-owned businesses and continues to utilize the CPA Central Master Bidders List to locate available HUBs.

Please contact me at (512) 463-5544 should you have any questions.

Robert P. Coalter
Executive Director