Minutes

Texas Bond Review Board

Planning Session

Thursday, September 17, 10:00 a.m.

Capitol Extension, Room E2.026

1400 N. Congress Avenue

Austin, Texas

The Texas Bond Review Board convened a planning session at 10:00 a.m., Thursday, September 17, 2009 in the Capitol Extension, Room E2.026 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Don Green, Alternate for Lt. Governor David Dewhurst; Kenneth Besserman, Alternate for Comptroller Susan Combs. Also in attendance were Tom Griess with the Office of the Attorney General, Bond Finance Office staff members and others.

**I. Call to Order**

Bob Kline, Executive Director of the Bond Review Board, called the meeting to order at 10:03 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.

**II. Comptroller of Public Accounts Oracle Agreement**

Representatives present were: Lita Gonzalez, Deputy General Counsel for Agency Affairs; Victor Gonzalez, Chief Technology Officer; and Robert T. Chapa, Jr., Chief Financial Officer.

Bob Kline gave a brief summary stating that the Comptroller was seeking approval to enter into an agreement with Oracle Corporation to obtain new, perpetual software licenses at a total cost not to exceed $8,000,000 to be paid over 5 years as part of the statewide ERP Project. The total cost is $7,896,009 for acquiring the new licenses.

The Comptroller plans to acquire a new “enterprise” license to be held by the Comptroller for the benefit of one hundred forty-three (143) authorized state agencies including the Health and Human Services Commission, the Texas Department of Transportation and the Department of Information Resources.

Funding for the ERP Project including hardware, software and implementation costs was appropriated for the 2010-11 biennium. Additional appropriations to the Comptroller and impacted agencies will be required in subsequent years to complete the installment payments.

**III. The Governor’s Hurricane Ike Proclamation, approval of Hurricane Ike application fee and necessary Board actions.**

John Barton provided the Alternates with the latest draft of the Governor’s Hurricane Ike Bonds Proclamation. This Proclamation has not been signed as of September 17, 2009. John Barton asked the Board to approve a Memorandum of Understanding between the Governor’s Office and the Bond Review Board explaining BRB duties related to the Hurricane Ike bonds.

**IV. HERA and Private Activity Bonding Carryforward Procedures**

John Barton explained that a formal letter will be sent to issuers explaining the changes detailed in IRS, Notice 2008-79. The IRS HERA notice gives flexibility to issuers to use their authority for either qualified mortgage bonds or qualified residential rental projects, regardless of the type of project specified in their initial application. The letter will state that issuers will be allowed the ability to select either alternative by simply marking the appropriate box on a Private Activity Volume Cap Application when applying.

He also explained that Section 3.4 of the IRS Notice states that issuers that filed a proper carryforward election for HERA Volume Cap may assign any portion of that HERA Volume Cap (reservation) to another eligible issuer in the state.

In addition, Mr. Barton stated that a letter will be sent to state issuers detailing the Bond Review Board’s authority to allocate unencumbered funds at the end of a program year pursuant to SB 2064 of the 81st Legislature.

**V. Public Comments**

There were no public comments.

**VI. Adjourned**

There being no further business, the meeting was adjourned at 10:11 a.m.