



JASON E. MUMPOWER
Comptroller

TENNESSEE STATE FUNDING BOARD
OCTOBER 9, 2023
AGENDA

1. Call meeting to order, establish that there is a physical quorum, and receive public comment on actionable agenda items in accordance with 2023 Public Chapter 300 and Board guidelines
2. Consideration for approval of minutes from the August 21, 2023, meeting
3. Consideration for approval of an “Amended and Restated Declaration of Trust for Other Post-Employment Benefits” for Cleveland Utilities Authority
4. Report on the results of the sale of State of Tennessee, General Obligation Bonds, 2023 Series A and 2023 Series B (Federally Taxable)
5. Submission of the “Report on Debt Obligation” for the 2023 bond sale
6. Report from Economic Development Growth Engine Industrial Development Board of Memphis and Shelby County on the status of the Series 2017 - Graceland Project Bonds
7. Adjourn

TENNESSEE STATE FUNDING BOARD

August 21, 2023

The Tennessee State Funding Board (the “Board”) met on Monday, August 21, 2023, at 3:00 p.m., in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason E. Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of State
The Honorable David H. Lillard, Jr., State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration

The following member was absent:

The Honorable Bill Lee, Governor

Mr. Mumpower established that a quorum was present and called the meeting to order. Mr. Mumpower, in accordance with Public Chapter 300 and Board guidelines, asked Ms. Sandi Thompson, Assistant Secretary to the Board and Director of the Division of State Government Finance (“SGF”), if any requests for public comment had been received. Ms. Thompson responded that no requests had been received.

Mr. Mumpower then presented the minutes from the meeting held on June 27, 2023, for consideration and approval. Mr. Hargett made a motion to approve the minutes, and Mr. Bryson seconded the motion. The minutes were unanimously approved.

Mr. Mumpower then recognized Mr. Stuart McWhorter, Commissioner of the Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration, and Mr. Paul VanderMeer, Assistant Commissioner of Administration, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Mr. VanderMeer reported that, as of the date of the April 26, 2023, Board meeting, the FastTrack balance was \$253,114,788.55. Since that time, \$434,494,949.28 in new appropriations had been added, approximately comprised of a \$300,000,000.00 supplemental project appropriation, \$4,000,000.00 of interest earned in May and June, \$110,000,000.00 from the fiscal year 2023-2024 FastTrack appropriation, and \$20,500,000.00 for a project site in Coffee County. \$9,934,875.48 in funds had been deobligated; \$2,380,000.00 in funds for the acquisition of a site in Coffee County had been transferred back to FastTrack as the costs would be billed directly to the ECD FastTrack program instead of the Department of General Services. \$20,927,500.00 in new grants or loans greater than \$750,000 had been approved; \$626,000.00 in new grants or loans less than \$750,000.00 had been approved; and \$253,093.95 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$678,118,019.36 as of the date of the Report. Mr. VanderMeer reported that total commitments had been made in the amount of \$547,607,181.25, resulting in an uncommitted FastTrack balance of \$130,510,838.11. Mr. VanderMeer reported that the amount of proposed grant for the project to be considered at this meeting totaled \$22,204,000.00 and if these projects were approved, the uncommitted balance would be \$108,306,838.11, for a total committed balance of \$569,811,181.25, which represented 84.0% of the FastTrack balance.

Mr. McWhorter then presented the following FastTrack projects:

- **Hanon Systems USA, LLC – Loudon City (Loudon County)**
FastTrack Economic Development Grant \$4,500,000.00
- **EnChem America Inc. – Brownsville (Haywood County)**
FastTrack Economic Development Grant \$2,000,000.00
- **Magna Seating of America, Inc. – Stanton (Haywood County)**
FastTrack Economic Development Grant \$3,000,000.00
- **Cosma International of America, Inc. – Stanton (Haywood County)**
FastTrack Economic Development Grant \$7,500,000.00
- **Cosma International of America, Inc. – Lawrenceburg (Lawrence County)**
FastTrack Economic Development Grant \$2,500,000.00
- **McNeilus Truck and Manufacturing, Inc. – Murfreesboro (Rutherford County)**
FastTrack Economic Development Grant \$1,300,000.00
- **The Kroger Co. – Cleveland (Bradley County)**
FastTrack Economic Development Grant \$1,000,000.00
- **Lochinvar, LLC – Lebanon (Wilson County)**
FastTrack Job Training Assistance Grant \$ 404,000.00

Mr. Hargett made a motion to approve the projects, and Mr. Bryson seconded the motion. The Board member packets included letters and FastTrack checklists signed by Commissioner McWhorter, and incentive acceptance forms signed by company representatives. Mr. Mumpower inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Mr. McWhorter responded affirmatively. Mr. Mumpower then inquired if the checklists had been completed for each project, and Mr. McWhorter responded affirmatively. Mr. Mumpower then inquired if all the projects included accountability agreements which would provide protection for the state in the event the entity could not fulfill the agreement, and Mr. McWhorter responded affirmatively. Hearing no other discussion, Mr. Mumpower took the vote, and the motion was unanimously approved.

Mr. Mumpower then recognized Mr. Steve Osborne, Assistant Director of the Division of Local Government Finance (“LGF”), to present the annual report on requests for approval of Balloon Indebtedness (the “Balloon Indebtedness Report”). Mr. Osborne stated that the Balloon Indebtedness Report was in a new format with charts and descriptive sections to make the report more understandable to the public. Mr. Osborne then stated that there were only four requests for balloon indebtedness received in fiscal year 2023, the same number that was received in fiscal year 2022. Mr. Osborne stated that the past two years marked the lowest number of new balloon indebtedness requests since the law became effective in 2015. Mr. Osborne then stated that LGF attributed the low number to higher borrowing costs and lower number of refunding opportunities. Mr. Osborne reported that of the four requests, three were for new money bonds and one was for refunding bonds. Mr. Osborne then reported that the new money requests were for the prepurchase of natural gas contracts, airport improvements, and the new Tennessee Titans stadium. Mr. Osborne further stated that the airport bonds were able to be issued without balloon indebtedness. No further action was necessary.

Mr. Mumpower then recognized Mr. Osborne to present the annual report on outstanding debt for Industrial Development Boards (“IDBs”). Mr. Osborne reported that for the first time since Tennessee Code Annotated § 7-53-304 was enacted, all one hundred ninety-two (192) active IDBs in the state reported their outstanding debt. Mr. Osborne then stated that of the ninety-three (93) counties that have IDBs, thirty-nine (39) had no debt outstanding. Mr. Osborne then stated that the IDBs in the remaining counties reported two-hundred twelve (212) conduit debt obligations and one-hundred one (101) direct debt obligations for fiscal year 2022. Mr. Osborne further stated that the IDB of Metropolitan Nashville and Davidson County was the largest IDB by number of issues (85) and by the amount of debt outstanding at slightly greater than \$1,000,000,000.00. There was no further action was necessary.

Mr. Mumpower then recognized Mr. Osborne to report on the Notice of Default by the Economic Development Growth Engine Industrial Board of Memphis and Shelby County, Tennessee (“EDGE”). Mr. Osborne stated that EDGE had filed its sixth notice of default with LGF. Mr. Osborne continued to say that the notice marked a change from prior notices in that the 2017 Series A Graceland Bonds (the “Series A Bonds”) had now been reported as in default. Mr. Osborne further stated that the Series A Bonds were the senior bonds of the five Graceland bond series, and along with the sixth default of 2017 Series D Graceland Bonds (the “Series D Bonds”), were presented in the report. Mr. Osborne then stated that the Series A Bonds default was due in part to a successful appeal by the Graceland estate on one of the parcels of land which lowered the assessed value of the land and resulted in a lower tax base that was used to calculate the Tax-Increment Financing (“TIF”) revenue that services the debt. Mr. Osborne further stated that the combination of the decrease in the TIF revenue, the overpayment to the debt service fund by the Trustee in a prior year, and the related reduction of the outstanding debt service reserve fund in fiscal year 2022, resulted in a lack of sufficient funds to cover the debt service on the bonds. Mr. Osborne reported that subsequent to the notice of default, the trustee made a partial interest payment to the bondholders in the amount of \$789,683.00 from the Series A debt service fund and debt service reserve fund. Mr. Osborne further reported that following the partial payment nearly \$1,000,000.00 of debt service was still due to the bondholders on the bonds. Mr. Osborne then reported that the Series A bond default was a default under both state law and the bond indenture, while the Series D default was a default under state law, but not under the bond indenture.

Mr. Mumpower asked if there was any public money involved with the Series A Bonds. Mr. Osborne responded in the negative and stated that there was no recourse to the state, the city, the county, or the IDB. Mr. Lillard then inquired about the follow-up action in regard to the sequential notices of default the Board had been receiving. Mr. Mumpower answered that since there were no public monies involved, however, the topic was open for discussion in the future. Mr. Lillard then stated that there was headline risk since the bonds had been issued by an IDB in Shelby County, Tennessee and the word Tennessee was in the issuer’s name and was present on the bonds. Mr. Mumpower then asked that Ms. Thompson reach out to EDGE’s attorney, Mr. James McLaren, Adams and Reese LLP, and request that he be prepared to attend the next meeting of the Board regarding the issue. Mr. Mumpower stated that he would also reach out to Mr. McLaren personally. Mr. Bryson then thanked LGF for reformatting the reports to make them visually easier to read and review. There was no further action necessary.

Mr. Mumpower then recognized Ms. Thompson to present a Report on the State of Tennessee General Obligation Commercial Paper (“CP”) and Bond Indebtedness. Ms. Thompson stated that on an annual basis staff reports to the Board on the General Obligation (“GO”) outstanding debt for both long-term debt and the CP program. Ms. Thompson then stated that the report in the Board Members’ packets outlined those

amounts as of June 30, 2023. Ms. Thompson then stated that the total amount of CP outstanding was \$72,938,000.00 and that total amount of tax-exempt and taxable bonds outstanding was \$1,374,695,000.00. Ms. Thompson further explained that the numbers presented did not include the bond sale that occurred on August 16, 2023, that would be closed on August 30, 2023. Ms. Thompson then presented the remainder of the report highlighting some of the statistics for the CP program including the average daily balance, interest rate range, weighted average yield, and program expenses for fiscal year 2023. Mr. Mumpower then stated that he thought the bond sale was a successful undertaking and asked if there was anything that Ms. Thompson could relate regarding the sale. Ms. Thompson then stated that during a transaction you always look at what the market does the day following the sale. Ms. Thompson further stated that market moved against the state on the day following the sale. Ms. Thompson further replied that it was a successful sale considering the interest rate environment. Ms. Thompson further stated that the 3.68% total interest cost for the tax-exempt bonds was excellent for 20-year debt. Ms. Thompson also stated that the total interest cost was 4.99% for the taxable bonds. No further action was necessary.

Mr. Mumpower stated that concluded the business on the agenda. Mr. Bryson made a motion to adjourn the meeting, and Mr. Lillard seconded the motion. The motion was unanimously approved, and the meeting was adjourned.

Approved on this _____ day of _____ 2023.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

**AMENDED AND RESTATED DECLARATION OF TRUST
FOR OTHER POST-EMPLOYMENT BENEFITS**

This Amended and Restated Declaration of Trust (“Trust”) is made as of the 8th day of September, 2023, by Cleveland Utilities Authority (the “Employer”). This Trust will come into existence when the Tennessee State Funding Board created pursuant to Tennessee Code Annotated, Section 9-9-101 has approved it.

RECITALS

WHEREAS, the Governmental Accounting Standards Board issued Statements 43 and 45, which set forth standards on accounting and reporting for other post-employment benefits (other than pensions) by governmental entities (the “Standards”); and

WHEREAS, the Standards require political subdivisions of the State of Tennessee to report such other post-employment benefits on an actuarial basis during an employee’s career rather than on a pay-as-you-go basis during retirement; and

WHEREAS, Chapter 771 of the Tennessee Public Acts of 2006 authorized Tennessee political subdivisions that offer other post-employment benefits to create an investment trust whereby the political subdivisions may begin financing those benefits in advance; and

WHEREAS, the chief governing body of the Board of Public Utilities of Cleveland, TN (the “Board”), a political subdivision of the State of Tennessee that is exempt from federal income tax under the Internal Revenue Code of 1986, as amended from time to time (the “Code”), passed a resolution authorizing the establishment in 2016 of a trust known as the Cleveland Utilities Post-Employment Benefits Trust (the “Original Trust”) for the exclusive purpose of funding other post-employment benefits accrued by Employees of the Board, to be paid as such benefits come due in accordance with the arrangements between the Board and the Participants and their Beneficiaries, as such terms are defined in Section 1.1 below; and

WHEREAS, the Employer is a newly-created energy authority and political subdivision of the State of Tennessee created pursuant to the Tennessee Energy Authority Act that is exempt from federal income tax under the Code; and

WHEREAS, the Board and the Employer desire to amend the Original Trust in order to transfer the Original Trust and its assets and liabilities to the Employer in connection with the transfer of Employees and other post-employment benefits from the Board to the Employer; and

WHEREAS, the chief governing body of the Board and the Employer has passed a resolution authorizing the adoption of this amended and restated Trust as an investment trust for the exclusive purpose of funding other post-employment benefits accrued by Employees of the Employer, to be paid as they come due in accordance with the

arrangements between the Employer and the Participants and their Beneficiaries, as such terms are defined in Section 1.1 below.

NOW, THEREFORE, in consideration of the premises, the Board and the Employer hereby amend and restate this Trust to be known as the Cleveland Utilities Authority Other Post-Employment Benefits Trust.

ARTICLE I DEFINITIONS

- 1.1. **Definitions.** For purposes of this Trust, the following terms shall have the respective meanings set forth below unless otherwise expressly provided.
- (a) “Beneficiary” means the Spouse, Dependents, or the person or persons designated by a Participant pursuant to the terms of a post-employment benefits plan to receive any benefits payable under such plan.
 - (b) “Committee” means the OPEB Committee created pursuant to Section 5.1 of this Trust.
 - (c) “Dependent” means an individual who is a person described in Section 152 of the Internal Revenue Code of 1986, as may be amended from time to time.
 - (d) “Trustee” means First Horizon Bank and its successors and assigns, or such other entity as may be appointed by the Committee to provide trust services pursuant to Section 6.1(b) of this Trust.
 - (e) “Employee” means an individual who performs services for the Employer and who has been designated as eligible to participate in and receive benefits under a post-employment benefits plan.
 - (f) “Other post-employment benefits” (“OPEB”) or “post-employment benefits” means non-pension benefits paid on behalf of a former Employee or a former Employee’s Beneficiary after separation from service. Such benefits may include, but shall not be limited to, medical, prescription drugs, dental, vision, hearing, Medicare Part B or Part D premiums, life insurance, long-term care, and long-term disability.
 - (g) “Participant” means an Employee of the Employer who satisfies the requirements for participation in a post-employment benefits plan sponsored by the Employer.
 - (h) “Spouse” means the Participant’s lawful spouse as determined under the laws of the State of Tennessee.
 - (i) “State Funding Board” or “Funding Board” means the board created pursuant to Tennessee Code Annotated, Section 9-9-101.

**ARTICLE II
PURPOSE AND SCOPE OF TRUST**

- 2.1 This Trust is established exclusively for the purpose of funding other post-employment benefits accrued by Employees of the Employer, to be paid as they come due in accordance with the terms of the Employer's respective post-employment benefits plan(s).
- 2.2 Nothing in this Trust shall be construed to define or otherwise grant any rights or privileges to post-employment benefits. Such rights and privileges, if any, shall be governed by the terms of the Employer's respective post-employment benefits plan(s).

**ARTICLE III
TRUST ASSETS**

- 3.1 This Trust shall consist of all contributions paid or otherwise delivered to it, and all investment income and realized and unrealized gains and losses.

**ARTICLE IV
TRUST CONDITIONS**

- 4.1 This Trust shall be irrevocable, and the assets of this Trust shall be preserved, invested, and expended solely pursuant to and for the purposes of this Declaration of Trust and shall not be loaned or otherwise transferred or used for any other purpose. The assets of the Trust shall be expended solely to:
- (a) Make payments for post-employment benefits pursuant to and in accordance with terms of a post-employment benefits plan; and
 - (b) Pay the cost of administering this Trust.
- 4.2 All assets, income, and distributions of the Trust shall be protected against the claims of creditors of the Employer, Employees, former Employees, Participants, and Beneficiaries, and shall not be subject to execution, attachment, garnishment, the operation of bankruptcy, the insolvency laws, or other process whatsoever, nor shall any assignment thereof be enforceable in any court.

**ARTICLE V
OPEB COMMITTEE**

- 5.1 The general administration and responsibility for the proper operation of this Trust shall be governed by an OPEB committee (the "Committee"). The Committee shall consist of members as follows:

INSERT THE TITLE/POSITION OF EACH COMMITTEE MEMBER

- (a) Chief Executive Officer
- (b) Chief Financial Officer
- (c) VP Administrative Services

- 5.2 The Committee shall annually elect from its membership a chair and a vice chair and shall designate a secretary who need not be a member of the Committee. Written minutes covering all meetings and actions of the Committee shall be prepared by the secretary and shall be kept on file, open to public inspection pursuant to the provisions of Tennessee Code Annotated, Title 10, Chapter 7.
- 5.3 Members of the Committee shall serve without compensation but shall receive reasonable reimbursement for actual and necessary travel expenses in accordance with the Employer's travel regulations.
- 5.4 A majority of the voting members of the Committee serving shall constitute a quorum for the transaction of business at a meeting of the Committee. Voting upon action taken by the Committee shall be conducted by a majority vote of the voting members present at the meeting of the Committee. The Committee shall meet at the call of the chair or upon the call of a majority of the members, and as may be otherwise provided in any operating policies or procedures adopted by the Committee.
- 5.5 The business of the Committee shall be conducted at meetings of the Committee held in compliance with Tennessee Code Annotated, Title 8, Chapter 44.

ARTICLE VI POWERS AND DUTIES OF THE COMMITTEE

- 6.1 In addition to the powers granted by any other provisions of this Trust, the Committee shall have the powers necessary or convenient to carry out the purposes and objectives of this Trust including, but not limited to, the following express powers:
- (a) Retain a Corporate Trustee authorized by the Committee to exercise its discretion to invest any funds of the Trust in any instrument, obligation, security, or property that constitutes legal investments for assets of the Trust as described in applicable law, including without limitation Tennessee Code Annotated, Section 8-50-1201, et seq., as amended from time to time, including the use of mutual funds, commingled investment funds or collective investment trusts, institutional accounts, and master trusts, provided that any such investment is authorized in the investment policy adopted, and from time to time amended, by the chief governing body of the Employer;
 - (b) Contract for the provision of all or any part of the services necessary for the management and operation of the Trust, including, but not limited to, trust and custody services and investment management services;

- (c) Contract with financial consultants, auditors, and other consultants as necessary to carry out its responsibilities under the provisions of this Trust;
- (d) At the Committee's sole discretion, contract with an actuary or actuaries for the benefit of the Employer in determining the level of funding necessary by the Employer to fund the other post-employment benefits offered by a post-employment benefits plan;
- (e) Prepare annual financial reports, including audited financial statements, following the close of each fiscal year relative to the activities of the Trust. Such statements and reports shall contain such information as shall be prescribed by the Committee and shall be prepared in accordance with the standards established by the Governmental Accounting Standards Board; and
- (f) Upon the request of the State Funding Board, file the annual report and financial statements with the secretary of the State Funding Board. The report and statements shall be filed with the secretary of the State Funding Board within ninety (90) calendar days from the date of the request, unless the secretary extends such time in writing.

ARTICLE VII POWERS AND DUTIES OF THE TRUSTEE

- 7.1 It shall be the duty of the Trustee to receive, hold, manage, invest, and reinvest the Trust funds and to make payments from the Trust in accordance with governing law and the provisions set forth herein. The Trustee shall be responsible for such sums as are actually received by it as Trustee hereunder. The Trustee shall have no duty or authority to ascertain whether any contributions should be made to it pursuant to a post-employment benefits plan. The duties and obligations shall be limited to those expressly imposed upon it by this Trust.

ARTICLE VIII INVESTMENTS

- 8.1 The Corporate Trustee retained by the Committee shall be responsible for investing the assets of the Trust funds in accordance with Section 6.1(a) above.
- 8.2 Subject to the limitations in Section 6.1(a) above, the Trustee, or its nominee, has full power to hold, purchase, sell, assign, transfer, or dispose of any of the securities or investments in which the assets of the Trust have been invested, as well as of the proceeds of such investments and any moneys belonging to the Trust.

- 8.3 All of the Trustee's business shall be transacted, all of the Trust funds invested, all warrants for money drawn, any payments made, and all of the cash and securities and other property of the Trust shall be held:
- (a) In the name of the Trustee as title holder only; and
 - (b) For the account of the Trustee or its nominee in such forms as are standard in the investment community for the timely transaction of business or ownership identification, such as book entry accounts.
- 8.4 Except as otherwise provided, no Committee member or employee of the Committee shall have any personal interest in the gains or profits of any investment made by the Trustee.

ARTICLE IX EMPLOYER CONTRIBUTIONS TO TRUST

- 9.1 Notwithstanding Section 6.1(d) above, it shall be the sole and exclusive responsibility of the Employer to determine the level of contributions the Employer will make to the Trust for the purpose of financing the post-employment benefits accrued by its respective Employees. Neither the Trust nor the Committee shall be responsible for collecting or otherwise determining the level of contributions needed by the Employer to finance any post-employment benefits offered by the Employer.

ARTICLE X WITHDRAWALS FOR PAYMENT OF OTHER POST-EMPLOYMENT BENEFITS

- 10.1 The Trustee shall, upon the request of the Employer, reimburse the Employer for payments made for other post-employment benefits upon the Trustee's receipt of certified documentation evidencing the payment. Such payments shall be made by the Trustee on no more than a quarterly basis.
- 10.2 Notwithstanding anything in this part to the contrary, the Trustee shall not honor a request for reimbursement made by the Employer under this Article if assets credited to the Trust are not equal to or greater than the amount requested. Retroactive payments shall be paid by the Trustee upon accumulation of sufficient assets.

ARTICLE XI BOOKS AND RECORDS

- 11.1 The books and records of the Trust shall be maintained in accordance with generally accepted accounting principles and shall be open to public inspection. The annual report, including financial statements, and all books, accounts, and

financial records of the Trust shall be subject to audit by the State Comptroller of the Treasury.

- 11.2 The Committee may, with the prior approval of the State Comptroller of the Treasury, engage a licensed certified public accountant to perform the audits. The audit contract between the Committee and the certified public accountant shall be on a contract form prescribed by the State Comptroller of the Treasury. Reimbursement of the costs of audits prepared by the State Comptroller of the Treasury and the payment of fees for audits prepared by a licensed certified public accountant shall be the responsibility of the Committee, which may be paid from the assets of the Trust.

ARTICLE XII AMENDMENT

- 12.1 The Employer shall have the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Trust; however, no such amendment shall authorize or permit the assets of the Trust (other than such part as may be used to pay the expenses of administering the Trust) to be used for or diverted to purposes other than those expressed in this Declaration of Trust. Any such amendment shall not be effective until approved by resolution of the chief governing body of the Employer and by the State Funding Board.

ARTICLE XIII PLAN TERMINATION OR MODIFICATION

- 13.1 In the event the Employer's post-employment benefits plans are terminated or substantially modified rendering the assets of this Trust to be unnecessary to fund the post-employment benefits plans, the assets of this Trust shall be distributed pursuant to Section 13.2 below.
- 13.2 (a) The Trust shall have perpetual existence, except if dissolved by the Employer. Following any such dissolution, the Committee and Trustee shall proceed to wind up the affairs of the Trust in an orderly manner and within a reasonable period of time considering relevant circumstances. After paying or making reasonable provision for the payment of all liabilities of the Trust, and upon receipt of such releases, indemnities or like documentation as the Committee may reasonably deem necessary for the protection of the Employer, the Committee, and the Trustee, the Trustee shall distribute the remaining property of the Trust, in cash or in kind or partly each, for the sole purpose of assisting in the payment of post-employment benefits for Participants, Spouses, and Dependents, and for related reasonable expenses, fees and allocated administrative fees and expenses. Upon the satisfaction of all liabilities under the Trust, any remaining assets shall be transferred to another entity whose income is excluded from gross income under Code Section 115. In no event will Trust assets be distributed to or revert to any entity that is not an entity whose income is excluded from gross income under Code Section 115.

(b) If a substantial plan modification is adopted that, because of a reduction of benefits or eligibility, results in the plan moving from a funded status of less than seventy-five percent (75%) to an over-funded status of at least one hundred fifty percent (150%) and such over-funded level continues for two (2) consecutive actuarial valuations, then such action shall be considered a plan termination and the excess assets shall be distributed in the same manner as in subsection (a) above.

13.3 Actuarial valuations contemplated by this Article shall be performed by a plan's independent consulting actuary in accordance with actuarial methods recognized by the Governmental Accounting Standards Board for other post-employment benefits.

ARTICLE XIV PARTICIPANT OR BENEFICIARY CONTRIBUTIONS TO TRUST

14.1 If Participant or Beneficiary contributions are required or permitted under the terms of a post-employment benefits plan, such contributions shall be assets of this Trust and subject to all the provisions of this Trust; provided, however, the Employer or its designee shall establish a recordkeeping account for each Participant or Beneficiary showing the amount of contributions made by such Participant or Beneficiary, and to the extent authorized under the Plan, any earnings or interest thereon. Notwithstanding Article XIII or any other provision of this Trust to the contrary, a Participant or Beneficiary shall be vested in the amount recorded to that Participant's or Beneficiary's account.

ARTICLE XV PROTECTIVE CLAUSE

15.1 Neither the Employer, the Committee, nor the Trust shall be responsible for the validity of any contract of insurance or other arrangement maintained in connection with a post-employment benefits plan, for the failure on the part of the insurer or provider to make payments provided by such contract, or for the action of any person that may delay payment or render a contract void or unenforceable in whole or in part.

ARTICLE XVI CONSTRUCTION

16.1 This Trust created herein shall be governed by and construed in accordance with the laws of the State of Tennessee.

16.2 If any terms and conditions of this Trust are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Trust shall not be affected thereby and shall be construed to effectuate the purpose of this Trust.

EMPLOYER:

Cleveland Utilities Authority

By: Amy Ensley

Name: Amy Ensley
Title: Clerk of Chief Governing Body

COMMITTEE MEMBERS:

Tim Henderson

Tim Henderson, President & Chief Executive Officer

Marshall Stinnett

Marshall Stinnett, VP Chief Financial Officer

John Corum

John Corum, VP Administrative Services

TRUSTEE:

First Horizon Bank, Trustee

[Signature]

APPROVED:

Chair of State Funding Board

Date



STATE OF TENNESSEE
RESULTS OF 2023 SERIES A and 2023 SERIES B BOND SALE
 For Bonds Issued August 30, 2023

	2023 Series A	2023 Series B	Total 2023
	Tax-Exempt	Taxable	Series A & B
	New Money	New Money	
	<hr/>	<hr/>	<hr/>
Bond Proceeds:			
Par Amount	\$ 452,680,000.00	\$ 44,930,000.00	\$ 497,610,000.00
Bond Premium	49,672,774.05	-	49,672,774.05
Total Proceeds	<hr/> \$ 502,352,774.05	<hr/> \$ 44,930,000.00	<hr/> \$ 547,282,774.05
Statistics:			
Final Maturity	May 1, 2043	May 1, 2043	
Range of Yields	2.90% - 3.83%	4.54% - 5.37%	
True Interest Cost	3.6803%	4.9929%	3.7908%
Underwriter's Discount:	\$ 1,914,836.40	\$ 228,525.21	\$ 2,143,361.61
Average Underwriter Discount per Bond (inc. fees)	\$4.23 per bond	\$5.09 per bond	



Jason E. Mumpower
Comptroller

Report On Debt Obligation

Entity and Debt Information		
Entity Name		
State of Tennessee		
Entity Address		
Cordell Hull Bldg., 425 Rep John Lewis Way N., Nashville, Tennessee, 37243		
Debt Issue Name		
State of Tennessee, General Obligation Bonds, 2023 Series A		
Debt Issue Face Amount		
\$452,680,000.00		
Face Amount Premium or Discount?	Premium Amount	
Premium	\$49,672,774.00	
Tax Status		
Tax - Exempt		
Interest Type	True Interest Cost (TIC)	
True Interest Cost (TIC)	3.680309%	
Debt Obligation		
Bond		
Moody's Rating	Standard & Poor's Rating	Fitch Rating
Aaa	AAA	AAA
Other Rating Agency Name	Other Rating Agency Rating	
N/A	N/A	
Security		
General Obligation		
Type of Sale Per Authorizing Document		
Competitive Bid		
Dated Date	Issue/Closing Date	Final Maturity Date
8/30/2023	8/30/2023	5/1/2043

Debt Purpose

Purpose	Percentage	Description
General Government	100%	provide funds for the purpose of making a grant to Metro Govt. of Nashville and Davidson Co. for the construction of a football stadium
Education	0%	N/A
Other	0%	N/A
Refunding	0%	N/A
Utilities	0%	N/A

Cost of Issuance and Professionals

Does your Debt Issue have costs or professionals?

Yes

Description	Amount	Recurring Portion	Firm Name
Financial Advisor Fees	\$95,519.00	N/A	PFM Financial Advisors
Legal Fees - Bond Counsel	\$136,456.00	N/A	Hawkins Delafield & Wood
Legal Fees - Trustee's Counsel	\$1,050.00	N/A	Maynard Nexsen
Rating Agency Fees	\$192,659.00	N/A	Fitch, Moody's, and S&P
Underwriter's Discount %	0.430731%	N/A	Wells Fargo Bank
Underwriter's Take Down	\$1,914,836.00	N/A	Wells Fargo Bank
Trustee Fees	\$3,000.00	N/A	Regions Bank
Printing and Advertising Fees	\$2,047.00	N/A	iPreo
Miscellaneous	\$4,549.00	N/A	N/A
TOTAL COSTS	\$2,350,116.00		

Maturity Dates, Amounts, and Interest Rates

Year	Amount	Interest Rate
2024	\$22,630,000.00	5
2025	\$22,635,000.00	5
2026	\$22,635,000.00	5
2027	\$22,635,000.00	5
2028	\$22,635,000.00	5
2029	\$22,635,000.00	5
2030	\$22,635,000.00	5
2031	\$22,635,000.00	5
2032	\$22,635,000.00	5
2033	\$22,635,000.00	5
2034	\$22,635,000.00	5
2035	\$22,635,000.00	5
2036	\$22,635,000.00	5
2037	\$22,635,000.00	5
2038	\$22,635,000.00	5
2039	\$22,635,000.00	5
2040	\$22,635,000.00	5
2041	\$22,630,000.00	5
2042	\$22,630,000.00	5
2043	\$22,630,000.00	5

See final page for Submission Details and Signatures

Submission Details and Signatures

Is there an official statement or disclosure document, as applicable, that will be posted to EMMA: <https://emma.msrb.org/>?

Yes

Name and title of individual responsible for posting continuing disclosure information to EMMA

Sharon Schmucker

Signature - Chief Executive or Finance Officer of the Public Entity

Name

Sandra Thompson

Title/Position

Director, Division of State Government Finance, Comptroller

Email

sandi.thompson@cot.tn.gov

Alternate Email

N/A

Signature - Preparer (Submitter) of This Form

Name

Cindy Liddell

Title/Position

Senior Program Accountant

Email

cindy.liddell@cot.tn.gov

Alternate Email

N/A

Relationship to Public Entity

N/A

Organization

Division of State Government Finance, Comptroller

Verification of Form Accuracy

By checking the box below as the signing of this form, I attest the following:

1. I certify that to the best of my knowledge the information in this form is accurate.
2. The debt herein complies with the approved Debt Management Policy of the public entity.
3. If the form has been prepared by someone other than the CEO or CFO, the CEO or CFO has authorized the submission of this document.

Verify Form Accuracy

Date to be Presented at Public Meeting

09/20/2023

Date to be emailed/mailed to members of the governing body

08/30/2023

Final Confirmation:

I hereby submit this report to the Division of Local Government Finance of the Tennessee Comptroller of the Treasury and understand my legal responsibility to: File this report with the members of the governing body no later than 45 days after the issuance or execution of the debt disclosed on this form. The Report is to be delivered to each member of the Governing Body and presented at a public meeting of the body. If there is not a scheduled public meeting of the governing body within forty-five (45) days, the report will be delivered by email or regular US mail to meet the 45-day requirement and also presented at the next scheduled meeting.



Jason E. Mumpower
Comptroller

Report On Debt Obligation

Entity and Debt Information		
Entity Name		
State of Tennessee		
Entity Address		
Cordell Hull Bldg., 425 Rep John Lewis Way N., Nashville, Tennessee, 37243		
Debt Issue Name		
State of Tennessee, General Obligation Bonds, 2023 Series B (Federally Taxable)		
Debt Issue Face Amount		
\$44,930,000.00		
Face Amount Premium or Discount?		
N/A		
Tax Status		
Taxable		
Interest Type		True Interest Cost (TIC)
True Interest Cost (TIC)		4.992868%
Debt Obligation		
Bond		
Moody's Rating	Standard & Poor's Rating	Fitch Rating
Aaa	AAA	AAA
Other Rating Agency Name		Other Rating Agency Rating
N/A		N/A
Security		
General Obligation		
Type of Sale Per Authorizing Document		
Competitive Bid		
Dated Date	Issue/Closing Date	Final Maturity Date
8/30/2023	8/30/2023	5/1/2043

Debt Purpose

Purpose	Percentage	Description
General Government	100%	provide for the retirement at maturity of a portion of the State's outstanding commercial paper issued to fund certain capital projects of the State of Tennessee
Education	0%	N/A
Other	0%	N/A
Refunding	0%	N/A
Utilities	0%	N/A

Cost of Issuance and Professionals

Does your Debt Issue have costs or professionals?

Yes

Description	Amount	Recurring Portion	Firm Name
Financial Advisor Fees	\$9,481.00	N/A	PFM Financial Advisors
Legal Fees - Bond Counsel	\$13,544.00	N/A	Hawkins, Delafield & Wood
Rating Agency Fees	\$19,122.00	N/A	Fitch, Moody's and S&P
Underwriter's Discount %	0.508625%	N/A	Raymond James
Underwriter's Take Down	\$228,525.00	N/A	Raymond James
Printing and Advertising Fees	\$203.00	N/A	iPreo
Miscellaneous	\$451.00	N/A	N/A
TOTAL COSTS	\$271,326.00		

Maturity Dates, Amounts, and Interest Rates

Year	Amount	Interest Rate
2023	\$2,250,000.00	5.020
2024	\$2,245,000.00	5.37
2026	\$2,250,000.00	4.75
2027	\$2,250,000.00	4.59
2028	\$2,250,000.00	4.54
2029	\$2,250,000.00	4.59
2030	\$2,250,000.00	4.64
2031	\$2,245,000.00	4.60
2032	\$2,245,000.00	4.65
2033	\$2,245,000.00	4.7
2034	\$2,245,000.00	4.77
2035	\$2,245,000.00	4.82
2036	\$2,245,000.00	4.89
2037	\$2,245,000.00	4.95
2038	\$2,245,000.00	5
2039	\$2,245,000.00	5.05
2040	\$2,245,000.00	5.1
2043	\$6,735,000.00	5.2

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Submission Details and Signatures

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Sharon Schmucker

Signature - Chief Executive or Finance Officer of the Public Entity

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Sandra Thompson

Title/Position

Director, Division of State Government Finance, Comptroller

Email

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Alternate Email

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Signature - Preparer (Submitter) of This Form

Name

Cindy Liddell

Title/Position

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