

TENNESSEE STATE FUNDING BOARD

August 17, 2017

The Tennessee State Funding Board (the "Board") met on Thursday, August 17, 2017, at 10:25 a.m., in the Tennessee State Capitol, Executive Conference Room, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of the State of Tennessee
The Honorable David Lillard, State Treasurer
Commissioner Larry Martin, Department of Finance and Administration

The following member was absent:

The Honorable Bill Haslam, Governor

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the June 22, 2017 meeting. Mr. Lillard made a motion to approve the minutes. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. Bob Rolfe, Commissioner of Tennessee Department of Economic and Community Development ("ECD"), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Senior Advisor for Fiscal Policy, ECD, to present the "FastTrack Report to State Funding Board" (the "Report"). Mr. VanderMeer reported that, as of the date of the last Board meeting on June 22, 2017, the FastTrack balance was \$177,275,839.21. Since that time, \$275,878.79 in interest for the period April to June 2017 and \$85,050,000.00 in new appropriations for fiscal year 2017-2018 were received; and \$166,000.00 in funds had been deobligated and returned to the FastTrack program. Mr. VanderMeer reported that \$4,600,000.00 in funds were transferred from the FastTrack program to ECD's business development division for the development of the Lawrence County Higher Education Center (the "Center"), which is a collaboration between multiple public and private higher education centers, including Columbia State, Tennessee Technological University and Middle Tennessee State University. Mr. VanderMeer reported that the programs offered at the Center would be based on the workforce demands of the region's local businesses. Mr. Wilson stated that the authority for this transfer was set forth in the 2017 appropriations act, which Mr. VanderMeer confirmed. Mr. Wilson asked if the transfer was reviewed with ECD General Counsel and if it was determined to be appropriate and Mr. VanderMeer responded affirmatively. Mr. VanderMeer then reported that \$13,048,500.00 in new grants had been approved; and \$225,830.58 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$244,893,387.42 as of the date of the Report. Mr. VanderMeer reported that commitments had been made in the amount of \$198,971,176.38, resulting in an uncommitted FastTrack balance of \$45,922,211.04. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$7,080,000.00, and if these projects were approved, the uncommitted balance would be \$38,842,211.04 and the total commitments would be \$206,051,176.38, which represented 84.1% of the FastTrack balance. Mr. Wilson inquired if the remaining \$38.8 million uncommitted balance would be a sufficient amount to carry out the FastTrack program thorough January 2018. Mr. Rolfe responded that it would not due to the large number of projects in the pipeline and he anticipates there will be challenges.

Mr. Rolfe stated that the projects were being presented to the Board because state law required that FastTrack projects in amounts exceeding \$750,000.00 per eligible business within any three-year period be reviewed and approved by the Board. Mr. Rolfe then presented the following FastTrack projects:

- **Fitzgerald Collision and Repair, LLC – Rickman (Overton Co.)**
FastTrack Job Training Grant \$ 580,000.00
- **FCR Sparta, LLC – Sparta (White Co.)**
FastTrack Job Training Grant \$ 300,000.00
- **Protomet Corporation, Inc. – Loudon (Loudon Co.)**
FastTrack Economic Development Grant \$1,500,000.00
- **Textile Corporation of America, Inc. – Pikeville (Bledsoe Co.)**
FastTrack Economic Development Grant \$3,000,000.00
- **Thomas & Betts Corporation – Memphis (Shelby Co.)**
FastTrack Job Training Grant \$ 100,000.00
FastTrack Economic Development Grant \$1,600,000.00

The Board received in their packets signed letters, FastTrack checklists, and incentive acceptance forms signed by Mr. Rolfe. Mr. Wilson inquired if the information provided in the ECD packets was true and correct and Mr. Rolfe responded affirmatively. Mr. Wilson also inquired if the companies that have signed the incentive acceptance forms fully understood the agreements and Mr. Rolfe responded affirmatively. Commissioner Martin made a motion to approve the FastTrack projects that were presented. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval a “Resolution Allocating from Debt Service Fund to the Capital Projects Fund \$484,010.00 and Canceling Authorized Bonds” to be effective June 30, 2017. Mr. Wilson explained that this Resolution was to cancel bonds related to the University of Memphis (UOM) project for acquisition of sites within UOM’s master plan. Mr. Wilson stated that the Funding Board had been notified by the Commissioner of Finance and Administration, which in accordance with the agreement between UOM and the Funding Board, UOM had made a payment of \$484,010.00 and that such funds had been deposited into the Debt Service Fund. Mr. Hargett made a motion to approve the Resolution. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson the presented for approval a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$7,000,000.00 and Canceling Authorized Bonds” to be effective upon approval. Mr. Wilson explained that the Resolution was to cancel bonds authorized for the Department of Safety Interoperable Communication System, as was recommended in a memo from the Commissioner of Finance and Administration. Mr. Hargett made a motion to approve the Resolution. Mr. Lillard seconded the motion, and it was unanimously approved.

After requesting other business and hearing none, Mr. Wilson adjourned the meeting.

Approved on this 8th day of September 2017.

Respectfully submitted,



Sandra Thompson
Assistant Secretary

**RESOLUTION ALLOCATING FROM DEBT SERVICE FUND TO
THE CAPITAL PROJECTS FUND \$484,010.00 AND CANCELING
AUTHORIZED BONDS**

Recitals

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 591, Public Acts of Tennessee, 2007 (the "2007 Act"), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Ninety-Five Million Dollars and no cents (\$295,000,000.00) of which Seven Million Dollars and no cents (\$7,000,000.00) is allocated pursuant to Section 4(3) of the 2007 Act (the "Item 3 Bonds") to the Department of Finance and Administration, to provide funds for acquisition of sites and existing structures for expansion purposes for the Tennessee Board of Regents on behalf of the University of Memphis (the "UM").

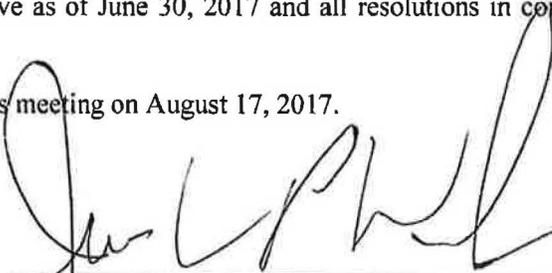
The State Funding Board has previously canceled Two Million, Three Hundred Ninety-Four Thousand, Nine Hundred Nineteen Dollars and Ninety-Seven Cents (\$2,394,919.97) of the Item 3 Bonds. None of the remaining Four Million, Six Hundred Five Thousand, Eighty Dollars and Three Cents (\$4,605,080.03) principal amount of the Item 3 Bonds has been issued as 2007 Act Bonds but cash has been expended from the Capital Projects Fund.

By memorandum dated August 8, 2017, the Commissioner of Finance and Administration notified the State Funding Board that UM has paid Four Hundred Eighty-Four Thousand, Ten Dollars and no cents (\$484,010.00) into the Debt Service Fund in accordance with the agreement between UM and the State Funding Board and recommended that: (1) a like amount should be allocated to the Capital Projects Fund and (2) a like amount of general obligation bonds effective in the fiscal year ending June 30, 2017 be canceled.

Be It Resolved By the Funding Board of the State of Tennessee:

1. The project authorized to be financed by the 2007 Act, Item 3 Bonds has been financed in part with current funds and Four Hundred Eighty-Four Thousand, Ten Dollars and no cents (\$484,010.00) is no longer needed to fund such authorized project.
2. Four Hundred Eighty-Four Thousand, Ten Dollars and no cents (\$484,010.00) in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, is allocated from the Debt Service Fund to the Capital Projects Fund to defray the cost of a portion of the Item 3 Bonds.
3. In accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, and the memorandum from the Commissioner of Finance and Administration dated August 8, 2017, the State Funding Board cancels Four Hundred Eighty-Four Thousand, Ten Dollars and no cents (\$484,010.00) of the principal amount authorized by the 2007 Act for the Item 3 Bonds.
4. This resolution shall be effective as of June 30, 2017 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on August 17, 2017.



JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

**RESOLUTION ALLOCATING FROM THE DEBT SERVICE FUND TO
THE CAPITAL PROJECTS FUND \$7,000,000.00 AND CANCELING
AUTHORIZED BONDS**

RECITALS

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1024, Public Acts of Tennessee, 2012 (the "2012 Act"), to issue and sell its general obligation bonds in an amount not to exceed Three Hundred Eighty-One Million, Nine Hundred Thousand Dollars and no cents (\$381,900,000.00) of which Seventy Million Dollars and no cents (\$70,000,000.00) is allocated pursuant to Section 4(3) of the 2012 Act (the "2012 Interop Com System Bonds") to the Department of Finance and Administration for the purpose of acquisition and implementation of an interoperable communication system upgrade.

The Funding Board has previously canceled Thirty-Five Million Dollars and no cents (\$35,000,000.00) of the 2012 Interop Com System Bonds; none of the remaining Thirty-Five Million Dollars and no cents (\$35,000,000.00) of the 2012 Interop Com System Bonds principal amount authorized has been issued as 2012 Interop Com System Bonds but bond anticipation notes in the form of commercial paper have been issued.

Section 6, Item 11 of Chapter 460, Public Acts of Tennessee, 2017 (the "2017 Appropriation Act") appropriates to the Funding Board the sum of Seven Million Dollars and no cents (\$7,000,000.00) to cancel a like amount of unissued 2012 Interop Com System Bonds.

By memorandum dated June 12, 2017, the Commissioner of Finance and Administration recommended that the Funding Board proceed with canceling Seven Million Dollars and no cents (\$7,000,000.00) of the unissued 2012 Interop Com System Bonds.

Be It Resolved By the Funding Board of the State of Tennessee:

1. The project authorized to be financed by the 2012 Interop Com System Bonds has been financed in part with commercial paper and the commercial paper has been retired in whole or in part without the issuance of bonds and Seven Million Dollars and no cents (\$7,000,000.00) is no longer needed to fund such authorized project.
2. Seven Million Dollars and no cents (\$7,000,000.00), in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, is allocated from the Debt Service Fund to the Capital Projects Fund to defray the cost of a portion of the 2012 Interop Com System Act Bonds.

3. In accordance with authority provide by Tennessee Code Annotated Section 9-9-208, the 2017 Appropriation Act and the memorandum from the Commissioner of Finance and Administration dated June 12, 2017, the Funding Board hereby cancels Seven Million Dollars and no cents (\$7,000,000.00) of the principal amount of the 2012 Interop Com System Bonds.

4. This resolution shall be effective as of August 17, 2017 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on August 17, 2017.

A handwritten signature in black ink, appearing to read "Justin P. Wilson", written over a horizontal line.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD