

## TENNESSEE STATE SCHOOL BOND AUTHORITY

June 27, 2019

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Thursday, June 27, 2019, at 11:20 a.m. CDT in House Hearing Room II, Cordell Hull Building, 1<sup>st</sup> Floor, Nashville, Tennessee. The Honorable David Lillard, State Treasurer, was present and presided over the meeting.

The following members were also present:

William Wood, proxy for The Honorable Justin Wilson, Comptroller  
The Honorable Tre Hargett, Secretary of State  
Angela Scott, proxy for Commissioner Stuart McWhorter, Department of Finance and Administration  
Danny Gibbs, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents  
Tonjanita Johnson, proxy for Randy Boyd, Interim President, University of Tennessee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Lillard called the meeting to order and asked for a motion to approve the minutes of the meeting held on November 26, 2018. Mr. Hargett moved approval of the minutes. Ms. Scott seconded the motion, and the minutes were unanimously approved.

Mr. Lillard then stated that the next item on the agenda was consideration of a project from the University of Tennessee. Mr. Lillard recognized Ms. Michelle Crowder, Interim Executive Director of Capital Projects, to present the project for consideration for the University of Tennessee:

- University of Tennessee Chattanooga – Football/Athletic Facility (A95); Cost: \$20,000,000 of which \$13,000,000 will be financed by TSSBA; Term of Financing: to be financed over a period of 30 years at an assumed taxable rate.

Mr. Lillard asked Ms. Sandi Thompson, Director of the Office of State and Local Finance (“OSLF”) if staff had reviewed the request. Ms. Thompson replied that the OSLF had reviewed the application, and that revenues appeared to be sufficient to cover the debt service. Mr. Hargett made a motion to approve the project. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Lillard then stated that the next item on the agenda was the public hearing on and approval of the Tennessee State School Bond Authority Debt Management Policy. Mr. Lillard called upon Ms. Thompson to explain the changes. Ms. Thompson stated there were changes to the SEC rule 15c2-12. Ms. Thompson stated those changes have been added to the debt policy under the section of Disclosure. Mr. Lillard moved approval of the revised debt policy. Mr. Hargett seconded the motion and the debt policy was approved.

Mr. Lillard stated the next item was the approval of the “Supplemental Resolution Authorizing and Providing for the Issuance and Sale of Higher Educational Facilities Second Program Bonds” for the 2019 Series Bonds and to delegate the authority to sell and fix the details of the bonds. Mr. Lillard called upon Ms. Thompson to present the resolution. Ms. Thompson stated that the Supplemental Resolution provided the following information regarding this transaction:

- The original purpose of the financing is to issue new money bonds to repay the Revolving Credit Facility (RCF) and to fund project costs;
- In addition, the financing purpose could be also to refund, or refinance bonds that are currently outstanding that, depending on market conditions, if refunded, may accomplish cost savings that would be in the best financial interests and to the economic advantage of the Authority.
- Refunding bonds shall not be issued unless the issuance produces aggregate present value savings of at least 4%; (it has been determined by our financial advisor that there are no refunding opportunities at this time)

- New money bonds are authorized to be issued in an amount not to exceed \$150,000,000;
- Proposed structure – the structure of the financing would be 30 yr., level debt service; may be issued as Tax-Exempt or Taxable;
- There may also be projects that are being financed in the RCF, that could be financed with long-term debt, but that will be dependent upon whether it would be more cost effective to finance the projects in long-term bonds.
- Proposed method of sale - Bonds may be sold through competitive or negotiated sale; although the preferred method is competitive, it may be in the best interest of the Authority to negotiate the sale of its bonds.
- Form of Bond Purchase Agreement provided (in the event of a negotiated sale);

Mr. Lillard moved approval of the Supplemental Resolution and to delegate the authority to the Comptroller of the Treasury to sell and fix the details of the bonds. Mr. Wood seconded the motion and it was unanimously approved.

Mr. Hargett stated that he abstained from the vote due to lack of information in his packet provided by his staff.

The meeting was adjourned.

Approved on this 9<sup>th</sup> day of August, 2019

Respectfully submitted,

  
Sandra Thompson  
Assistant Secretary