

TENNESSEE STATE SCHOOL BOND AUTHORITY
December 14, 2020

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Monday, December 14, 2020, at 1:45 p.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee, with certain members attending electronically via Webex Events. Interested members of the public were able to observe and listen to the meeting through electronic means. The Honorable Justin Wilson, Comptroller of the Treasury, was present and presided over the meeting.

The following member was physically present:

The Honorable Tre Hargett, Secretary of State

The following members participated electronically via Webex Events:

The Honorable David Lillard, State Treasurer
Commissioner Butch Eley, Department of Finance and Administration
Mark Paganelli, proxy for Randy Boyd, President, University of Tennessee
Dick Tracy, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member was absent:

The Honorable Bill Lee, Governor

Mr. Wilson called the meeting to order and asked Ms. Sandi Thompson, Director of the Division of State Government Finance (SGF) and Assistant Secretary of the TSSBA, to verify that she had distributed to the members copies of the documents to be discussed at the meeting in substantially the same form as to be considered. Ms. Thompson confirmed that her office had distributed the documents to the members. Mr. Wilson then asked for Ms. Thompson to call the roll and for members to identify themselves and announce if any persons were present with them. Ms. Thompson called the roll:

Mr. Eley – Present
Mr. Lillard – Present
Mr. Paganelli – Present
Mr. Tracy – Present
Mr. Hargett – Present
Mr. Wilson – Present

Recognizing a quorum present, Mr. Wilson called the meeting to order and stated that Governor Lee, a member of the Authority, had previously declared a state of emergency to facilitate Tennessee’s response to the coronavirus disease. He stated that Governor Lee’s Executive Order No. 16, which allowed governing bodies to meet electronically regarding essential business in light of Coronavirus Disease 2019 (COVID-19), and this order was extended by Executive Order Nos. 34, 51, and 60; and further extended by Executive Order No. 65 so long as they provided electronic access to the public and met certain safeguards established in that Order to ensure the openness and transparency of the proceedings. Mr. Wilson stated that the Notice for this meeting indicated the meeting would be conducted through Webex Events and provided information for the public to participate electronically. Mr. Wilson stated that the Authority needed a motion pursuant to the provisions of Executive Order No. 16, as extended by Executive Orders No. 34, 51, and 60, and further extended by Executive Order No. 65, that meeting electronically without a physical location was necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak, that the matters listed on the agenda of the meeting related to the essential business of the Authority, and that the necessary safeguards had been taken. Mr. Wilson made such a motion, Mr. Hargett seconded the motion, and Ms. Thompson called the roll:

Mr. Hargett – Aye
Mr. Wilson – Aye
Mr. Lillard – Aye

Mr. Eley – Aye
Mr. Paganelli – Aye
Mr. Tracy – Aye

The motion was approved unanimously.

Mr. Wilson stated that the first item to come before the Authority was the consideration of a resolution to approve the borrowing of money by another method by the University of Tennessee. Mr. Wilson recognized Mr. Austin Oakes, Executive Director of Capital Projects at the University of Tennessee, to present the request. Mr. Oakes stated that the University of Tennessee had one request to borrow money by another method for the University of Tennessee Space Institute. Mr. Oakes explained that the request was for approval of a lease associated with real property located at 210 Wynn Drive in Huntsville, Alabama. Mr. Oakes stated that this 2-year lease for 3,200 square feet valued at \$36,000 per year would provide the Space Institute with the opportunity to partner with other contractors on research related to NASA space programs and other initiatives. Mr. Wilson asked if there were any questions or comments on the project. Hearing none, Mr. Hargett moved approval, Mr. Wilson seconded the motion, and Ms. Thompson called the roll:

Mr. Hargett – Aye
Mr. Wilson – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Paganelli – Aye
Mr. Tracy – Aye

The motion was approved unanimously.

Mr. Wilson stated that the next item was the approval of the minutes of the meeting held on November 12, 2020. Mr. Wilson stated that he had read the minutes, and everything appeared to be in order. Mr. Wilson asked if there were any comments, questions, or discussion on the minutes. Hearing none, Mr. Hargett moved approval of the minutes, Mr. Wilson seconded the motion, and Ms. Thompson called the roll:

Mr. Hargett – Aye
Mr. Wilson – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Paganelli – Aye
Mr. Tracy – Aye

The motion was approved unanimously.

Mr. Wilson stated that the next item on the agenda was the consideration of a Request for Qualifications (RFQ) for Bond Counsel. Mr. Wilson explained that the Authority had a five-year contract for Bond Counsel services with Hawkins, Delafield, Wood that was set to expire on April 30, 2021. Mr. Wilson explained that the form of the Request for Qualifications that was used in the previous process was included in the packets. Mr. Wilson explained that staff was currently working with the Attorney General's ("AG") office to update and revise the document for distribution before the end of year. Mr. Wilson stated that staff was requesting the TSSBA delegate authority to the Comptroller to fix the details of the RFQ and to distribute. Mr. Wilson stated that there were some minor changes, but the document was substantially in the form in which it was included. Mr. Wilson asked if there was any further discussion on the RFQ. Hearing none, Mr. Wilson moved approval, Mr. Hargett seconded the motion, and Ms. Thompson called the roll:

Mr. Hargett – Aye
Mr. Wilson – Aye
Mr. Lillard – Aye

Mr. Eley – Aye
Mr. Paganelli – Aye
Mr. Tracy – Aye

The motion was approved unanimously.

Mr. Wilson stated next item on the agenda was presentation and discussion of a Request for Proposal (RFP) for a short-term financing vehicle for the TSSBA program. Mr. Wilson explained that the Authority has utilized a revolving credit facility for short-term financing for the past several years. Mr. Wilson stated that based on a review with the Authority's financial advisor, Public Financial Management ("PFM"), of responses received through a Request for Information (RFI) on November 12th, certain types of products were identified and evaluated to be conducive to the needs and operations of the Authority, and the short-term financing of its projects. Mr. Wilson explained that the attributes sought in the short-term financing options were cost efficiency, administrative ease, a \$300 million capacity, a contemplated phaseout of the LIBOR benchmark, a contemplation of either public or private debt, and matches the capital spending of the program.

Mr. Wilson explained that the next step was to issue an RFP to the entities that offer the short-term products under consideration such as a revolving credit facility (RCF), commercial paper (CP), or bond anticipation notes (BANs). Mr. Wilson explained that the RFP was to be distributed December 15, 2020, with a response date of January 12, 2021. Mr. Wilson stated that the form of the last RFP issued by the authority was in the meeting packet. Mr. Wilson explained that PFM was finalizing the RFP, and that staff was requesting that the authority to fix the final details of the RFP be delegated to the Comptroller.

Mr. Wilson asked if there was any further discussion on the RFP. Hearing none, Mr. Hargett moved approval, Mr. Lillard seconded the motion, and Ms. Thompson called the roll:

Mr. Hargett – Aye
Mr. Wilson – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Paganelli – Aye
Mr. Tracy – Aye

The motion was approved unanimously.

Mr. Wilson stated next item on the agenda was presentation and discussion of a Request for Proposal (RFP) for underwriters for refunding bonds for the TSSBA. Mr. Wilson explained that the Authority was considering refunding a substantial number of bonds for interest cost savings. Mr. Wilson explained that while the Authority does not know future market conditions, the savings could be substantial. Mr. Wilson stated that the Authority had sent out an RFP and received 13 responses from investment banking firms to serve as underwriter for the refunding of these bonds. Mr. Wilson stated that staff was reviewing the responses along with PFM in order to provide a recommendation. Mr. Wilson stated that the recommendation would be presented to the Authority at its next meeting along with a supplemental bond resolution necessary to be prepared by Bond Counsel. Mr. Wilson explained that his office planned to make a preliminary decision along with PFM as to who should be selected as underwriter, but the decision would be finalized by the Authority. Mr. Wilson stated that no action from the Authority was necessary and reiterated that it was important to know that this could be a substantial deal.

Mr. Wilson stated that the next item on the agenda was consideration and approval of the TSSBA Guidelines for requests for approval to borrow money by another method. Mr. Wilson stated that a final draft of the guidelines was in the board packet. Mr. Wilson explained that staff had worked with the AG's office to finalize the guidelines and had presented the guidelines to the Division of State Audit in the Comptroller's office, and the Office of the State Architect for their review. Mr. Wilson explained that the criteria for the submission of leases for approval was based on the criteria of the Executive Subcommittee ("ESC") of the

State Building Commission (“SBC”). Mr. Wilson explained that the Authority had also included equipment and vehicle leases (non-real property), which are not under the purview of the ESC.

Mr. Wilson asked if there were any questions or comments on the guidelines. Hearing none, Mr. Wilson moved approval of the guidelines, Mr. Hargett seconded the motion, and Ms. Thompson called the roll:

Mr. Hargett – Aye
Mr. Wilson – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Paganelli – Aye
Mr. Tracy – Aye

The motion was approved unanimously.

Mr. Wilson asked if there were any other matters to come before the Authority. Hearing none, Mr. Wilson made a motion to adjourn.

The meeting was adjourned.

Approved on this 25th day of January 2021.

Respectfully submitted,


Sandra Thompson
Assistant Secretary