TENNESSEE STATE FUNDING BOARD
JULY 14, 2016

The Tennessee State Funding Board (the "Board") met on Thursday, July 14, 2016, at 10:20 a.m., in the Legislative Plaza, Room LP-29, Nashville, Tennessee. The following members were present:

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

The following member was absent:

The Honorable Bill Haslam, Governor

Mr. Wilson recognized Mr. Lillard who introduced Mr. Brian Derrick, Deputy Director of Accounting for the Tennessee Department of Treasury. Mr. Derrick recognized Mr. Conner Burns and Ms. Hannah Willis, Union University; and Brittney Belanger, Tennessee Tech University, who were interns with the Treasury Office during the summer.

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the June 9, 2016, meeting. Mr. Hargett made a motion to approve the minutes. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Ms. Jamie Stitt, Deputy Assistant Commissioner of Business Development, 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 funding report. Mr. VanderMeer reported that, as of the date of the last Board meeting, the FastTrack balance was $160,390,172.29. Since that time, $172,047.22 in interest for the period December 2015 through May 2016 and $80,893,400.00 in new appropriations for fiscal year 2017 were received; $764,492.30 in funds had been deobligated and returned to the FastTrack program; $10,244,481.00 in new loans had been approved and $2,033,678.47 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants or loans of $229,941,952.34 as of today's meeting. Mr. VanderMeer reported that commitments had been made in the amount of $154,721,054.60 resulting in an uncommitted FastTrack balance of $75,220,897.74. Mr. VanderMeer reported that the projects to be considered at this meeting totaled $2,040,000.00, and if these projects were approved, the uncommitted balance would be $73,180,897.74, or 68.2% of FastTrack funds committed.

Ms. Stitt stated that the projects were being presented to the Board because state law required that FastTrack projects in amounts exceeding $750,000 per eligible business within any three-year period be reviewed and approved by the Board. Mr. Borden then presented the following FastTrack project:

- **Lodge Manufacturing Company – South Pittsburg & New Hope (Marion County)**
  FastTrack Economic Development $ 790,000

- **Schneider Electric USA, Inc. – Franklin (Williamson County)**
  FastTrack Economic Development $1,250,000

Mr. Wilson stated that the Board received signed letters, FastTrack checklists, and incentive acceptance forms from the Commissioner of ECD. Mr. Wilson inquired if Ms. Stitt had reviewed the information

provided and if it appeared to be in order, true, and correct. Ms. Stitt replied affirmatively. Mr. Lillard made a motion to approve the FastTrack projects that were presented. Commissioner Martin 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 $440,064.00 and Canceling Authorized Bonds". 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 that, in accordance with the agreement between UOM and the Funding Board, UOM had made a payment of $440,064.00 and that such funds had been deposited into the Debt Service Fund. Mr. Hargett made a motion to approve the Resolution. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval a "Resolution Allocating from the Debt Service Fund to the Capital Projects Fund $7,000,000 and Canceling Authorized Bonds." 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. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a Declaration of Trust for Other Post Employment Benefits (OPEB) for the Board of Public Utilities of Cleveland, Tennessee. Mr. Wilson stated that both he and counsel within the Attorney General's office had reviewed the OPEB Trust and that it contains the essential provisions required by law. Mr. Wilson then stated that during the review process, it was noted that some terminology in the OPEB Trust was unclear. Mr. Wilson made a motion to approve the OPEB Trust contingent upon revisions being made to the satisfaction of the Attorney General's Office and the Office of State and Local Finance with the stipulation that Cleveland should submit the revisions before the end of business on August 31, 2016. 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 21st day of September 2016.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary