TENNESSEE STATE FUNDING BOARD
September 21, 2016

The Tennessee State Funding Board (the "Board") met on Wednesday, September 21, 2016, at 2:00 p.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
Commissioner Larry Martin, Department of Finance and Administration

The following members were absent:

The Honorable Bill Haslam, Governor
The Honorable David Lillard, State Treasurer

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the July 14, 2016, meeting. Commissioner Martin made a motion to approve the minutes. Mr. Hargett 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 Report to State Funding Board" ("the Report"). Mr. VanderMeer reported that, as of the date of the last Board meeting, the FastTrack balance was $229,941,952.34. Since that time, $33,195.34 in interest was earned on the FastTrack fund; $23,727,244.00 in new loans had been approved and $144,001.01 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants or loans of $206,103,902.67 as of the date of the Report. Mr. VanderMeer reported that commitments had been made in the amount of $143,834,035.46 resulting in an uncommitted FastTrack balance of $62,269,867.21. Mr. VanderMeer reported that the projects to be considered at this meeting totaled $8,626,382.00, and if these projects were approved, the uncommitted balance would be $53,643,485.21; and the committed balance would be $152,460,417.46, or 74.0% of FastTrack balance available for funding.

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. Ms. Stitt then presented the following FastTrack projects:

- **Automation Tool Company – Cookeville (Putnam Co.)**
  FastTrack Economic Development $1,000,000.00

- **Chattanooga Seating Systems, L.L.C. – Chattanooga (Hamilton Co.)**
  FastTrack Job Training Assistance $ 611,652.00

- **Eurotranciatura USA LLC – Paris (Henry Co.)**
  FastTrack Job Training Assistance $ 42,000.00
  FastTrack Economic Development $ 650,000.00

- **Evergreen Packaging, Inc. – Memphis (Shelby Co.)**
  FastTrack Economic Development $1,050,000.00

- **Lowe's Home Centers, LLC – Coopertown (Robertson Co.)**

FastTrack Infrastructure Development	$ 742,500.00
FastTrack Economic Development	$3,000,000.00

- **Mullican Flooring – Johnson City (Washington Co.)**

FastTrack Economic Development	$1,000,000.00

- **Tenneco Automotive Operating Company, Inc. – Spring Hill (Maury Co.)**

FastTrack Job Training Assistance	$ 200,000.00
FastTrack Economic Development	$ 330,230.00

The Board received in their packets signed letters, FastTrack checklists, and incentive acceptance forms from the Commissioner of ECD. Mr. Hargett made a motion to approve the FastTrack projects that were presented. Mr. Wilson seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval a "Resolution Allocating from the Internal Service Fund to the Capital Projects Fund $4,380,000.00 and Canceling Authorized Bonds." Mr. Wilson explained that the Resolution was to cancel the bond authorization related to the Enterprise Resource Planning Software project, as was recommended in a memo from the Commissioner of Finance and Administration. Mr. Wilson made a motion to approve the Resolution effective as of the date of this meeting. Commissioner Martin 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 $1,400,000.00 and Canceling Authorized Bonds." Mr. Wilson explained that the Resolution was to cancel the bond authorization related to the West Tennessee Megasite project, as was recommended in a memo from the Commissioner of Finance and Administration. Mr. Wilson made a motion to approve the Resolution effective as of the date of this meeting. Commissioner Martin 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 $33.17 and Canceling Authorized Bonds." Mr. Wilson explained that the Resolution was to cancel the bond authorization related to State projects, as was recommended in a memo from the Commissioner of Finance and Administration. Mr. Wilson made a motion to approve the Resolution effective as of the date of this meeting. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then stated that item number 9 on the Agenda would be considered next. Mr. Wilson then presented for consideration and approval a revised Other Post Employment Benefit (OPEB) Trust for the Tennessee School Boards Association (TSBA). Mr. Wilson explained that the Trustees of the TSBA voted to change the name of the OPEB Trust and then submitted the revised OPEB Trust for TSBA to the Board for approval. Mr. Wilson made a motion to approve the OPEB Trust for TSBA. Mr. Hargett seconded the motion, and it was unanimously approved.

At this time, Mr. Hargett left the meeting. The remaining agenda items were report items only and did not require board approval, therefore a quorum was not necessary.

Mr. Wilson then recognized Ms. Sandra Thompson, Director of the Office of State and Local Finance and Assistant Secretary to the Board, who presented a report on the results of the sale of 2016 General Obligation Bonds. Ms. Thompson reported that the State sold three series of bonds: Series A tax-exempt new money bonds, Series B tax-exempt refunding bonds and Series C taxable refunding bonds. Ms.

Thompson stated that the par amount of the 2016 Series A bonds was $175,865,000.00, the par amount of the 2016 Series B refunding bonds was $124,900,000.00 and the par amount of the 2016 Series C refunding bonds was $63,385,000.00. Ms. Thompson reported that the 2016 Series A bonds generated a premium of $42,513,156.35 and the Series B refunding bonds generated a premium of $35,745,897.10. Ms. Thompson reported that the True Interest Cost was 2.29% for the Series A bonds, 2.00% for the Series B refunding bonds and 2.12% for the Series C refunding bonds. Ms. Thompson then stated that the net present value savings generated on the 2016 Series B refunding bonds was $15,148,862.02 or 10.93% of the refunded par amount of $138,650,000 and the net present value savings generated on the 2016 C refunding bonds was $7,659,549.67 or 13.68% of the refunded par amount of $55,995,000. No action was necessary.

Mr. Wilson then submitted the Report on Debt Obligation (CT-0253) for the State's 2016 bond sale. The Board accepted the CT-0253 and no further action was necessary.

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

Approved on this 17th day of November 2016.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary