# TENNESSEE STATE FUNDING BOARD
## July 17, 2018

The Tennessee State Funding Board (the "Board") met on Tuesday, July 17, 2018, at 9:45 a.m., in the Tennessee State Capitol, Room G-11, 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
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 barring any further comment, asked approval of the minutes from the June 19, 2018 meeting. Mr. Hargett made a motion to approve the minutes. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson recognized Ms. Jamie Stitt, Assistant Commissioner of Business and Workforce Development, Tennessee Department of Economic and Community Development ("ECD"), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Assistant Commissioner of Administration, ECD, to present the "FastTrack Report to State Funding Board" (the "Funding Report"). Mr. VanderMeer reported that, as of the date of the last Board meeting on June 19, 2018, the FastTrack balance was $247,977,378.47. Since that time, $108,717,575.96 in new appropriations had been received, comprised of $108,000,000.00 of cost increase in appropriations for fiscal year 2019; $79,500.00 in funds had been deobligated and returned to the FastTrack program; $13,277,009.00 in new grants had been approved; and $350,744.42 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of $343,146,701.01 as of the date of the Funding Report. Mr. VanderMeer reported that commitments had been made in the amount of $261,415,944.36, resulting in an uncommitted FastTrack balance of $81,730,756.65, which represented 76.2% of the FastTrack balance. Mr. VanderMeer reported that the projects to be considered at this meeting totaled $7,470,000.00, and if these projects were approved, the uncommitted balance would be $74,260,756.65 and the total committed balance would be $268,885,944.36, which represented 78.4% of the FastTrack balance.

Mr. Wilson requested the FastTrack projects presented to the Board be presented at one time. Ms. Stitt then presented the following FastTrack projects:

- **MTD Consumer Group Inc. – Martin (Weakley County)**
  FastTrack Economic Development Grant $ 1,000,000.00
  FastTrack Job Training Grant $ 760,000.00

- **Oshkosh Manufacturing, LLC – Jefferson City (Jefferson County)**
  FastTrack Economic Development Grant $ 5,000,000.00

- **Thomas & Betts Corporation – Athens (McMinn County)**
  FastTrack Economic Development Grant $ 710,000.00

The Board received in their packets signed letters, FastTrack checklists, and incentive acceptance forms signed by Mr. Bob Rolfe, Commissioner of ECD. Mr. Wilson inquired if the information provided in the ECD packets was true and correct and Ms. Stitt responded affirmatively. Mr. Wilson also inquired if the companies that had signed the incentive acceptance forms fully understood the agreements and could meet the obligations set forth in the agreements. Ms. Stitt responded affirmatively.

Mr. Martin inquired as to how ECD tracked the capital investment a company makes over a period of time. Ms. Stitt responded that ECD does not track capital investment like they track jobs; however, if the company is asking for reimbursement of an eligible activity then documentation of the expenses are required to be submitted.. Mr. Wilson 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 consideration and approval a "Resolution Allocating from Debt Service Fund to the Capital Projects Fund $501,487.00 and Canceling Authorized Bonds" to be effective June 30, 2018. 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 UOM had made a payment of $501,487.00 and that such funds had been deposited into the Debt Service Fund. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a "Resolution Allocating Funds to Defray a Portion of the Cost of Highway Bridge Construction Projects and Canceling Authorized Bonds" to be effective June 30, 2018. Mr. Wilson explained that in prior years the General Assembly had approved the authorization of bonds for bridge construction and those projects had been financed with current funds and the authorization is being canceled in the amount of $29,100,000.00. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a "Resolution Certifying and Authorizing the Allocation of Funds to the Sinking Fund for the 2018-2019 Fiscal Year" to be effective July 1, 2018. Mr. Wilson stated the resolution certified the amount of taxes and fees to be deposited into the sinking fund to cover the debt service expenses for fiscal year 2018-2019. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a "Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and to Cancel Authorized Bonds" to be effective July 1, 2018. Mr. Wilson explained that this resolution canceled bonds for highway construction projects in the amount of $79,000,000.00. Mr. Wilson further explained that the authorization is utilized to facilitate contracts with highway construction firms since the State's current practice is to fund highway projects with cash and not issue bonds. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a "Resolution Authorizing the Issuance of General Obligation Bonds of the State of Tennessee" in the amount of $215,295,000.00 to be effective July 1, 2018. Mr. Wilson stated that this resolution was based on the Public Acts of 2018, Chapter 1062 (the "Bond Bill"), which provided to the Department of Finance and Administration $30,708,000.00 for general capital projects and $57,587,000.00 for state office buildings and support facilities revolving fund; and to the Department of Transportation $127,000,000.00 for highway construction projects. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Ms. Sandra Thompson, Director of the Office of State and Local Finance (OSLF) and Assistant Secretary to the Board, to present a report on the General Obligation (GO) indebtedness of the State. Ms. Thompson stated that as of the end of fiscal year 2018 the amount of commercial paper outstanding was $165,176,000.00, comprised of $46,663,000.00 of taxable commercial paper and $118,513,000.00 of tax-exempt commercial paper. Ms. Thompson further stated that as of June 30, 2018, long-term debt outstanding was $250,780,000.00 for taxable bonds and $1,647,015,000.00 for tax-exempt bonds, for a total long-term debt of $1,897,795,000.00. Ms. Thompson also presented an analysis of the GO Commercial Paper Program for the fiscal year 2018 and stated that the average daily balance for taxable commercial paper was $27,244,644.00 with interest rates ranging from 1.20% to 2.03%. Ms. Thompson further stated that the average daily balance for tax-exempt commercial paper was $186,730,896.00 with interest rates ranging from 0.86% to 1.76%. Ms. Thompson also stated that the Commercial Paper Program incurred expenses during the fiscal year in the amount of $2,372,000.00 for interest, $1,255,000.00 for the Standby Purchase Agreement fee, $106,052.00 in dealer services fee, $3,000.00 for issuing and paying agent fee, and $10,000.00 for rating fees. No further action was necessary.

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

Approved on this 13th day of September 2018.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary

**RESOLUTION ALLOCATING FROM DEBT SERVICE FUND TO THE CAPITAL PROJECTS FUND $501,487.00 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, Eight Hundred Seventy-Eight Thousand, Nine Hundred Twenty-Nine Dollars and Ninety-Seven Cents ($2,878,929.97) of the Item 3 Bonds. None of the remaining Four Million, One Hundred Twenty-One Thousand, Seventy Dollars and Three Cents ($4,121,070.03) 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 July 10, 2018, the Commissioner of Finance and Administration notified the State Funding Board that UM has paid Five Hundred One Thousand, Four Hundred Eighty-Seven Dollars and no cents ($501,487.00) into the Debt Service Fund in accordance with an 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, 2018 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 Five Hundred One Thousand, Four Hundred Eighty-Seven Dollars and no cents ($501,487.00) is no longer needed to fund such authorized project.

2. Five Hundred One Thousand, Four Hundred Eighty-Seven Dollars and no cents ($501,487.00) in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205, 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 9-9-208, and the memorandum from the Commissioner of Finance and Administration dated July 10, 2018, the State Funding Board hereby cancels Five Hundred One Thousand, Four Hundred Eighty-Seven Dollars and no cents ($501,487.00) of the principal amount authorized by the 2007 Act for the Item 3 Bonds.

4. This resolution shall be retroactively effective as of June 30, 2018 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

# RESOLUTION ALLOCATING FUNDS TO DEFRAY A PORTION OF THE COST OF HIGHWAY BRIDGE CONSTRUCTION PROJECTS AND CANCELING AUTHORIZED BONDS

## Recitals

(1) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1109, Public Acts of Tennessee, 2010 (the "2010 Act"), to issue and sell its general obligation bonds in an amount not to exceed One Hundred Ninety-Four Million, One Hundred Thousand Dollars and no cents ($194,100,000.00) of which Eighty-Seven Million, Five Hundred Thousand Dollars and no cents ($87,500,000.00) is allocated pursuant to Section 4(4) of the 2010 Act for the Department of Transportation for the purpose of providing funds to be spent for the implementation of Phase II of the Tennessee transportation infrastructure improvement bond program for the construction of bridges and highways (the "2010 Bridge Construction Bonds").

The Funding Board has previously canceled Eighty-Seven Million, One Hundred Thousand Dollars and no cents ($87,100,000.00) of the 2010 Bridge Construction Bonds; none of the remaining Four Hundred Thousand Dollars and no cents ($400,000.00) of the 2010 Bridge Construction Bonds principal amount authorized has been issued.

Section 6, Item 2 (b) of Chapter 460, Public Acts of Tennessee, 2017 (the "2017 Appropriations Act") directs the Funding Board to cancel highway bonds in an amount equal to the conversion to federal funding related to the bridge construction bonds.

Based on notification from the Tennessee Department of Transportation ("TDOT") that Four Hundred Thousand Dollars and no cents ($400,000.00) of the 2010 Bridge Construction Bond authorization was converted to federal financing in the fiscal year ending June 30, 2018, the Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling Four Hundred Thousand Dollars and no cents ($400,000.00) of the unissued 2010 Bridge Construction Bonds.

(2) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 470, Public Acts of Tennessee, 2011 (the "2011 Act"), it issue and sell its general obligation bonds in an amount not to exceed Two Hundred Seventy-Three Million Dollars and no cents ($273,000,000.00) of which Eighty-Seven Million, Five Hundred Thousand Dollars and no cents ($87,500,000.00) is allocated pursuant to Section 4(7) of the 2011 Act for the Department of Transportation for the purpose of providing funds to be spent for the implementation of Phase III of the Tennessee transportation infrastructure improvement bond program for the construction of bridges and highways (the "2011 Bridge Construction Bonds").

None of the 2011 Bridge Construction Bonds principal amount has been issued.

Section 6, Item 2 (b) of the 2017 Appropriations Act directs the Funding Board to cancel highway bonds in an amount equal to the conversion of federal funding related to the bridge construction bonds.

Based on notification from TDOT that Twenty-Eight Million, Seven Hundred Thousand Dollars and no cents ($28,700,000.00) of the 2011 Bridge Construction Bond authorization was converted to federal funding in the fiscal year ending June 30, 2018, the Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling Twenty-Eight Million, Seven Hundred Thousand Dollars and no cents ($28,700,000.00) of the unissued 2011 Bridge Construction Bonds.

**Be It Resolved By The Funding Board Of The State Of Tennessee:**

1. The projects authorized to be financed by the 2010 Bridge Construction Bonds and the 2011 Bridge Construction Bonds have been financed in whole or in part with current funds and a total of Twenty-Nine Million, One Hundred Thousand Dollars and no cents ($29,100,000.00) is no longer needed to fund such authorized projects.

2. Four Hundred Thousand Dollars and no cents ($400,000.00) of the unissued 2010 Bridge Construction Bonds are hereby cancelled.

3. Twenty-Eight Million, Seven Hundred Thousand Dollars and no cents ($28,700,000.00) of the unissued 2011 Bridge Construction Bonds are hereby cancelled.

4. This resolution shall be retroactively effective as of June 30, 2018, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

# RESOLUTION CERTIFYING AND AUTHORIZING THE ALLOCATION OF FUNDS TO THE SINKING FUND FOR THE 2018-2019 FISCAL YEAR

## Recitals

Pursuant to Chapter 176, Public Acts of Tennessee, 2013 (the "Act"), effective July 1, 2013, the State of Tennessee has pledged in T.C.A. Section 9-9-104 for the payment of debt service on a pro rata basis on its general obligation bonds issued on or before June 30, 2013, the following:

Annual proceeds of a tax to five cents ($.05) per gallon upon gasoline;
Annual proceeds of the special tax on petroleum products imposed by T.C.A. Section 67-3-203 (formerly T.C.A. Section 67-3-1303);
One half (1/2) of the annual proceeds of motor vehicle registration fees; and
Entire annual proceeds of franchise taxes imposed by the franchise tax law in Title 67, Chapter 4, Part 21 (formerly Title 67, Chapter 4, Part 9).

Pursuant to the Act, the State Funding Board is authorized by T.C.A. Section 9-9-106 to certify the amount necessary to provide for the payment of debt service from the fees, taxes and other revenues and funds available for such purpose.

Section 1, Title III-31 of Chapter 1061, Public Acts of Tennessee, 2018, (the "2018 Appropriations Act") appropriates the aggregate sum of Three Hundred Sixty-Seven Million, One Hundred Forty-Seven Thousand Dollars and no cents ($367,147,000.00) for debt service expenses and amortization of authorized and unissued bonds for the 2018-2019 fiscal year. Section 1, Title III-33 of the 2018 Appropriations Act, appropriates to the Sinking Fund such amount of the excise tax receipts as determined by the State Funding Board.

The Commissioner of Finance and Administration recommended by memorandum dated July 10, 2018, that the State Funding Board allocate Three Hundred Fifty Million, Five Hundred Eighty-Four Thousand, Six Hundred Dollars and no cents ($350,584,600.00) in pledged tax revenues. Further, he recommended the following specific dollar allocation of taxes for the payment of debt service on general obligation debt of the State of Tennessee:

| TAX OR FEE | AMOUNT | BASIS OF ALLOCATION |
|---|---|---|
| Franchise Tax | $ 18,000,000.00 | Equal monthly |
| Excise Tax | 185,584,600.00 | Equal monthly |
| Gasoline Tax | 80,200,000.00 | Equal monthly |
| Motor Vehicle Title Fees | 2,700,000.00 | Equal monthly |

Further, he recommended a monthly allocation totaling Sixty-Four Million, One Hundred Thousand Dollars and no cents ($64,100,000.00) of Sales Tax revenues [which is the estimated allocation of the net receipts of State Sales Tax pursuant to T.C.A. Section 67-6-103]. These recommendations assume (i) utilization of Sports Authority Revenue in the amount of Three Million, Seven Hundred Eight Thousand Dollars and no cents ($3,708,000.00) and Other Revenues (College and Universities and State Veterans' Homes) in the amount of Four Million, Seven Hundred Eighty-One Thousand Dollars and no cents ($4,781,000.00), (ii) a Federal Highway Bridge Funds Match of Four Million, Eight Hundred Thousand Dollars and no cents ($4,800,000.00), and (iii) an adjusted balance at June 30, 2019 of negative Forty-Two Thousand Dollars and no cents ($-42,000.00).

**Be It Resolved By The Funding Board Of The State Of Tennessee**:

1. It is hereby certified to the Commissioner of Finance and Administration that the following sums shall be allocated to the Sinking Fund for debt retirement for the 2018-2019 fiscal year:

| SOURCE, TAX OR FEE | AMOUNT | BASIS OF ALLOCATION |
|---|---|---|
| Franchise Tax | $ 18,000,000.00 | Equal monthly |
| Excise Tax | 185,584,600.00 | Equal monthly |
| Gasoline Tax | 80,200,000.00 | Equal monthly |
| Motor Vehicle Title Fees | 2,700,000.00 | Equal monthly |
| Sales Tax (estimated TCA allocation) | 64,100,000.00 | Monthly |

2. This resolution shall be retroactively effective as of July 1, 2018, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

# RESOLUTION ALLOCATING FUNDS TO DEFRAY A PORTION OF THE COST OF HIGHWAY CONSTRUCTION PROJECTS AND CANCELING AUTHORIZED BONDS

## Recitals

(1) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1109, Public Acts of Tennessee, 2010 (the "2010 Act"), to issue and sell its general obligation bonds in an amount not to exceed One Hundred Ninety-Four Million, One Hundred Thousand Dollars ($194,100,000) of which Seventy-Seven Million Dollars ($77,000,000) is allocated pursuant to Section 4(4) of the 2010 Act (the "2010 DOT Bonds") for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

None of the 2010 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of Chapter 1061, Public Acts of Tennessee, 2018, (the "2018 Appropriations Act") appropriates to the Funding Board the sum of Seventy-Seven Million Dollars ($77,000,000) to cancel a like amount of unissued 2010 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling Seventy-Seven Million Dollars ($77,000,000) of the unissued 2010 DOT Bonds.

(2) 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 ($381,900,000) of which Eighty Million Dollars ($80,000,000) is allocated pursuant to Section 4(4) of the 2012 Act (the "2012 DOT Bonds") for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

The Funding Board has previously canceled Five Million Dollars ($5,000,000) of the 2012 DOT Bonds; none of the remaining Seventy-Five Million Dollars ($75,000,000) of the 2012 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of the 2018 Appropriations Act appropriates to the Funding Board the sum of One Million Dollars ($1,000,000) to cancel a like amount of unissued 2012 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling One Million Dollars ($1,000,000) of the unissued 2012 DOT Bonds.

(3) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 452, Public Acts of Tennessee, 2013 (the "2013 Act"), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Sixty-Six Million Dollars ($266,000,000) of which Eighty-One Million Dollars ($81,000,000) is allocated pursuant to Section 4(2) of the 2013 Act (the "2013 DOT

Bonds") for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

The Funding Board has previously canceled Three Million Dollars ($3,000,000) of the 2013 DOT Bonds; none of the remaining Seventy-Eight Million Dollars ($78,000,000) of the 2013 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of the 2018 Appropriations Act appropriates to the Funding Board the sum of One Million Dollars ($1,000,000) to cancel a like amount of unissued 2013 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling One Million Dollars ($1,000,000) of the unissued 2013 DOT Bonds.

**Be It Resolved By The Funding Board Of The State Of Tennessee:**

1. The projects authorized to be financed by the 2010 DOT Bonds, 2012 DOT Bonds and 2013 DOT Bonds have been financed in whole or in part with current funds and a total of Seventy-Nine Million Dollars ($79,000,000) is no longer needed to fund such authorized projects.

2. Seventy-Seven Million Dollars ($77,000,000) of the unissued 2010 DOT Bonds are hereby canceled.

3. One Million Dollars ($1,000,000) of the unissued 2012 DOT Bonds are hereby canceled.

4. One Million Dollars ($1,000,000) of the unissued 2013 DOT Bonds are hereby canceled.

5. This resolution shall be retroactively effective as of July 1, 2018, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

# A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE OF TENNESSEE

**Be It Resolved By The Funding Board Of The State Of Tennessee:**

1. The Funding Board of the State of Tennessee (the "Funding Board") hereby finds and determines that the Funding Board is authorized to provide for the issuance of general obligation bonds of the State of Tennessee (the "State") under the provisions of Sections 1 and 4 of Chapter 1062, Public Acts of Tennessee, 2018, to be allocated as follows:

> Item 1. Thirty Million Seven Hundred Eight Thousand Dollars and no cents ($30,708,000.00) to the Department of Finance and Administration to be expended for the purposes of acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission. Such grants so identified and approved are determined to be for a public purpose.
>
> Item 2. Fifty-Seven Million Five Hundred Eighty-Seven Thousand Dollars and no cents ($57,587,000.00) to the Department of Finance to provide funds for the state office buildings and support facilities revolving fund to be allocated and expended for the purposes of acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments and extraordinary repairs to existing structures.
>
> Item 3. One Hundred Twenty-Seven Million Dollars and no cents ($127,000,000.00) to the Department of Transportation to be expended for construction of highways and for the purpose of acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, and repair, replacement, or rehabilitation of bridges.

Further, the Funding Board is authorized to sell bonds in amounts not to exceed 2.5% of all of the amounts stated above, the proceeds of which are to be allocated to the Funding Board and expended for the purpose of funding discounts and the costs of issuance.

2. The Funding Board hereby finds and determines that no bonds or bond anticipation notes have been issued pursuant to the Public Acts referred to in Section 1 hereof, and that such authorization has not been cancelled or rescinded.

3. The Funding Board hereby authorizes the issuance of general obligation bonds of the State in the respective maximum principal amounts and for the respective purposes set forth in Section 1 hereof (the "Bonds"). The sale and issuance of the Bonds shall be provided for by subsequent resolution of the Funding Board. Pending the issuance of Bonds, bond anticipation notes may be issued from time to time under and pursuant to the resolution adopted by the Funding Board on March 6, 2000, entitled "RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF COMMERCIAL PAPER; AUTHORIZING AND PROVIDING FOR A STANDBY COMMERCIAL PAPER PURCHASE AGREEMENT; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO", as amended or restated, or under and pursuant to other resolutions hereafter adopted by the Funding Board.

4. The Funding Board reserves the right to rescind the authorization of any Bonds authorized hereunder to the extent (i) general obligation bonds have not been issued against such Bond authorization or (ii) general obligation bond anticipation notes have not been issued in anticipation of the issuance of Bonds to be issued against such Bond authorization.

5. Available State funds may be expended for any or all of the purposes specified in Section 1 hereof, in anticipation of reimbursement from the proceeds of Bonds or bond anticipation notes issued under and pursuant to the respective authorizations specified in Section 1 hereof. The Funding Board hereby authorizes the Commissioner of Finance and Administration or the Secretary or Assistant Secretary of the Board to evidence an official intent to this effect, and otherwise execute, file and publish such documents or take such other action, as may be necessary to permit reimbursement from the proceeds of Bonds or bond anticipation notes, the interest on which shall be excluded from gross income for federal income tax purposes.

6. If any provisions of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to that end the provisions of this resolution are declared to be severable.

7. This resolution shall be retroactively effective as of July 1, 2018, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD