TENNESSEE STATE FUNDING BOARD
July 26, 2022

The Tennessee State Funding Board (the "Board") met on Tuesday, July 26, 2022, at 1:30 p.m., in the Volunteer Conference Center, Cordell Hull Building, 2nd Floor, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of State
The Honorable David Lillard, State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration

The following member was absent:

The Honorable Bill Lee, Governor

Having established that a quorum was present, Mr. Mumpower called the meeting to order and presented the minutes from the meeting held on June 15, 2022, for consideration and approval. Mr. Bryson made a motion to approve the minutes, and Mr. Hargett seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Mr. Stuart McWhorter, Commissioner of the 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 "Report"). Mr. VanderMeer reported that, as of the date of the June 15, 2022, Board meeting, the FastTrack balance was $192,505,376.88. Since that time, $92,473,110.27 in new funds had been appropriated, of which $473,110.27 was interest earned through the month of May; $249,841.00 in funds had been deobligated; $15,135,625.00 in new grants and loans had been approved; and $386,073.79 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of $269,706,629.36 as of the date of the Report. Mr. VanderMeer reported that total commitments had been made in the amount of $179,940,510.69, resulting in an uncommitted FastTrack balance of $89,766,118.67. Mr. VanderMeer reported that the amount of proposed grants for projects to be considered at this meeting totaled $7,050,000.00, and if these projects were approved, the uncommitted balance would be $82,716,118.67, for a total committed balance of $186,990,510.69, which represented 69.3% of the FastTrack balance.

Mr. McWhorter then presented the following FastTrack projects:

- **Highland Ventures Ltd. – Brentwood (Williamson County)**
  FastTrack Job Training Assistance Grant $ 800,000.00

- **Quanta Manufacturing Nashville, LLC – LaVergne (Rutherford County)**
  FastTrack Economic Development Grant $ 2,500,000.00

- **Energybox Inc – Nashville (Davidson County)**
  FastTrack Job Training Assistance Grant $ 1,000,000.00

- **iFixit & Hyperbolic Growth Fund, LLC & Epicycloid, LLC – Chattanooga (Hamilton County)**
  FastTrack Economic Development Grant $ 1,000,000.00

- **TechnologyAdvice, LLC – Nashville (Davidson County)**
  FastTrack Job Training Assistance Grant $ 1,750,000.00

The Board member packets included letters and FastTrack checklists signed by Commissioner McWhorter, and incentive acceptance forms signed by company representatives. Mr. Mumpower inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Mr. McWhorter responded affirmatively. Mr. Mumpower then inquired if the checklists had been completed for each project, and Mr. McWhorter responded affirmatively. Mr. Mumpower then inquired if all the projects included accountability agreements which would provide protections for the state in the event the entity could not fulfill the agreements, and Mr. McWhorter responded affirmatively. Mr. Bryson made a motion to approve the projects. Mr. Mumpower seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Ms. Sandra Thompson, Assistant Secretary to the Board and Director of the Division of State Government Finance ("SGF"), to present for consideration for approval a "Resolution Allocating from the Debt Service Fund to the Capital Projects Fund $61,561,969.18 and Canceling Authorized Bonds". Ms. Thompson stated that the resolution canceled prior bond authorizations in the amount of $61,561,969.18. Ms. Thompson then stated that the resolution would be retroactively effective as of June 30, 2022. Mr. Hargett made a motion to approve the resolution, and Mr. Lillard seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Ms. Thompson to present for consideration for approval a "Resolution Authorizing the Issuance of General Obligation ("GO") Bonds of the State of Tennessee". Ms. Thompson stated that the resolution authorized the issuance of GO bonds in the amount of $583,500,000.00, pursuant to the fiscal year 2022-2023 bond bill, Public Act 2022, Chapter 1133. Ms. Thompson then stated that the authorization included $83,500,000.00 for highway construction projects and $500,000,000.00 to provide funds for making a grant to the Metropolitan Government of Nashville Davidson County for construction of a domed sports stadium. Ms. Thompson then stated that the resolution would be retroactively effective as of July 1, 2022. Mr. Mumpower then inquired for the record that simply authorizing the issuance of bonds did not mean that bonds would be issued immediately and that timing of the issuance of bonds, if issued, was on a to-be-determined basis. Ms. Thompson responded in the affirmative. Mr. Mumpower then stated that the bond authorization for highway construction projects was used to facilitate contracts with highway construction firms, and that no bonds would be issued since the state used a pay-as-you go method for funding highways. Mr. Hargett made a motion to approve the resolution. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Ms. Thompson to present for consideration for approval a "Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and Canceling Authorized Bonds". Ms. Thompson stated that the resolution canceled bond authorizations for highway construction projects in the amount of $83,500,000.00. Ms. Thompson then stated that the resolution would be retroactively effective as of July 1, 2022. Mr. Lillard made a motion to approve the resolution. Mr. Bryson seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Ms. Thompson to present for consideration for approval a Declaration of Trust for Other Post-Employment Benefits ("OPEB") for the Gallatin Department of Electricity (the "Trust"). Ms. Thompson stated that local government entities were authorized by law to establish OPEB

trusts for the purpose of setting aside monies to prefund OPEB benefits. Ms. Thompson then stated that SGF and the Attorney General's office had reviewed the submitted Trust for the following items:

- The trust is irrevocable
- The assets will be expended solely to make payments for benefits and the cost of administering the Trust
- All business of the Trust must be transacted for the purpose for which received
- All assets, income and distributions of the Trust must be protected against the claims of creditors

Ms. Thompson further stated that all items were included in the Trust, and that staff made a recommendation of approval. Mr. Hargett made a motion to approve the Trust. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Ms. Thompson to present the Annual Review of the Board's Debt Management Policy (the "Policy"). Ms. Thompson stated that SGF had reviewed the Policy and submitted the Policy to other staff to review for potential revisions. Ms. Thompson then stated that no revisions were necessary at this time. The Board acknowledged that the Policy had been reviewed. No further action was necessary.

Mr. Mumpower then recognized Ms. Thompson to present a Report on the State of Tennessee GO Commercial Paper ("CP") and Bond Indebtedness. Ms. Thompson stated that the report had been included in the Board Members' packets. Ms. Thompson then stated that as of June 30, 2022, the amount of taxable CP outstanding was $24,063,000.00 and the amount of tax-exempt CP outstanding was $65,500,000.00 for a total of $89,563,000.00 outstanding. Ms. Thompson then stated that as of June 30, 2022, the amount of taxable GO bonds outstanding was $676,010,000.00 and the amount of tax-exempt GO bonds outstanding was $860,665,000.00 for a total balance of GO bonds outstanding of $1,536,675,000.00. Ms. Thompson further reported on the average daily balances, interest rate ranges, weighted average yields, and expenses for the GO CP program for fiscal year 2022. No further action was necessary.

After Mr. Mumpower requested other business and heard none, Mr. Hargett made a motion to adjourn the meeting, and Mr. Lillard seconded the motion. The motion was unanimously approved, and the meeting was adjourned.

Approved on this 8th day of September 2022.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary