

# **TENNESSEE STATE SCHOOL BOND AUTHORITY**

**October 19, 2020**

The Tennessee State School Bond Authority ("TSSBA", or the "Authority") met on Monday, October 19, 2020, at 3:00 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:

Commissioner Butch Eley, Department of Finance and Administration

The following members participated electronically via Webex Events:

The Honorable Tre Hargett, Secretary of State  
Kevin Bradley, proxy for the Honorable David Lillard, State Treasurer  
Mark Paganelli, proxy for Randy Boyd, President, University of Tennessee  
Danny Gibbs, 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. Wilson – Present  
Mr. Hargett – Present  
Mr. Bradley – Present  
Mr. Paganelli – Present  
Mr. Gibbs – 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, as amended by Executive Order No. 34, and further amended by Executive Order 60, allowed governing bodies to meet electronically regarding essential business in light of COVID-19, 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 16, as amended by Executive Order No. 34, and further amended by Executive Order 60, 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. Eley seconded the motion, and Ms. Thompson called the roll:

Mr. Eley – Aye  
Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Bradley – Aye  
Mr. Paganelli – Aye

Mr. Gibbs – Aye

The motion was approved unanimously.

Mr. Wilson called stated that the first item on the agenda was the approval of the minutes of the meetings held on August 28, 2020, and September 10, 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. Eley moved approval of the minutes, Mr. Wilson seconded the motion, and Ms. Thompson called the roll:

Mr. Eley – Aye  
Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Bradley – Aye  
Mr. Paganelli – Aye  
Mr. Gibbs – Aye

The motion was approved unanimously.

Mr. Wilson stated that the next item on the agenda was consideration of a project by Middle Tennessee State University (“MTSU”), for the School of Concrete and Construction Management. Mr. Wilson recognized Mr. Bill Waits, Assistant Vice President, Campus Planning, to present the project.

- Middle Tennessee State University – School of Concrete and Construction Management (456); Cost: \$40,100,000 of which \$2,000,000 will be financed from TSSBA; Term of Financing: 5 years as short-term financing at an assumed taxable rate.

Mr. Waits stated that the project was for construction of a 54,000 square foot facility to house the School of Concrete and Construction Management. Mr. Waits stated that the project would entail demolishing two vacated dormitories, Abernathy and Ezell Halls. Mr. Waits stated that the project would also include a renovation to the satellite chiller plant to increase chilled water capacity to service the new facility. Mr. Waits explained that as part of the \$40,100,000 project, MTSU was requesting \$2,000,000 of short-term TSSBA funding to be repaid with gift funding.

Mr. Wilson asked if the requested TSSBA funding was for the institutional match that MTSU was required to provide. Mr. Waits confirmed that it was. Mr. Waits explained that MTSU had \$3,015,000 in gift funding, \$1,000,000 in plant funds, and \$2,000,000 in TSSBA bridge funding to be repaid with gifts. Mr. Waits stated that these funds completed MTSU’s institutional match of \$6,015,000. Mr. Wilson asked if MTSU planned to finance the \$2,000,000 over 5 years. Mr. Waits confirmed that term of financing would be 5 years. Mr. Wilson asked if there were any further questions. Hearing none, Mr. Wilson made a motion to approve the project, Mr. Eley seconded the motion, and Ms. Thompson called the roll:

Mr. Eley – Aye  
Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Bradley – Aye  
Mr. Paganelli – Aye  
Mr. Gibbs – Aye

The motion was approved unanimously.

Mr. Wilson stated that the next item on the agenda was consideration of a resolution to approve the borrowing of money by another method by the University of Memphis. Mr. Wilson stated that the item had been deferred.

Mr. Wilson stated that the next item on the agenda was consideration of a resolution to approve the borrowing of money by another method by the University of Tennessee Health Science Center. Mr. Wilson recognized Mr. Austin Oakes, Executive Director of Capital Projects at the University of Tennessee, who presented the request. Mr. Oakes stated that the University was seeking approval of a lease amendment with a waiver of advertisement for property located at 298 Acorn Circle in Chattanooga. Mr. Oakes explained that this request was for the amendment of an existing lease of 16 units extending the term by 5 years which was contemplated in the original agreement. Mr. Oakes stated that the amendment would increase the fee to \$1,440 per month per unit, or \$276,480 per year. Mr. Oakes explained that the location and setup of the apartments had worked well for medical and dental students on clinical rotations over the past 5 years. Mr. Oakes stated that the pricing was competitive in the market. Mr. Oakes stated that the State Building Commission's Executive Subcommittee ("ESC") had approved the transaction on its consent agenda in September. Mr. Wilson asked if there were any questions, hearing none, Mr. Wilson moved approval of the resolution, Mr. Eley seconded the motion, and Ms. Thompson called the roll:

Mr. Eley – Aye  
Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Bradley – Aye  
Mr. Paganelli – Aye  
Mr. Gibbs – Aye

The motion was approved unanimously.

Mr. Wilson stated that the next item on the agenda was discussion of a Request for Information ("RFI") for the TSSBA short-term facility. Mr. Wilson recognized Ms. Thompson to present the item. Ms. Thompson explained that as the members were aware, the Authority's Revolving Credit Facility ("RCF") would expire on March 18, 2021. Ms. Thompson stated that the Authority had a need to seek information and explore what options there were for short-term financing of the Authority's projects. Ms. Thompson explained that the Authority expected the facility to continue to provide up to \$300,000,000 of short-term funding. Ms. Thompson stated that they had worked with the Authority's Financial Advisor, PFM Financial Advisors, and the Attorney General's ("AG's") Office to prepare a request for information in order to evaluate the Authority's short-term financing options. Ms. Thompson stated that the board materials provided a draft of the RFI which included an estimated timeline of events and outlined the process. Ms. Thompson stated there was also a memo from PFM Financial Advisors that recommends the Authority proceed with a new RFI process and provides the goals and considerations of the 2020 RFI. Ms. Thompson explained that the RFI was a report item that did not require action.

Mr. Wilson asked if there were any questions on the RFI process. Mr. Eley asked what the term of the current short-term financing agreement was that was ending in March. Ms. Thompson stated that the agreement had a 3-year term. Mr. Eley asked if the next short-term financing agreement was contemplated to have a 3-year term. Ms. Thompson stated that a 5-year term was contemplated for the next agreement. Mr. Wilson stated that \$300,000,000 appeared to be the right amount for the short-term facility and asked if any of the members had any comments on the amount of the facility.

Mr. Wilson asked if there were any other matters to come before the Authority. Hearing none, Mr. Wilson declared the meeting adjourned.

The meeting was adjourned.

Approved on this 12<sup>th</sup> day of November, 2020.

Respectfully submitted,

  
Sandra Thompson  
Assistant Secretary