TENNESSEE STATE SCHOOL BOND AUTHORITY
July 22, 2021

The Tennessee State School Bond Authority ("TSSBA", or the "Authority") met on Thursday, July 22, 2021, at 1:02 p.m. in House Hearing Room 1, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were present:

The Honorable David Lillard, State Treasurer
Commissioner Butch Eley, Department of Finance and Administration
The Honorable Tre Hargett, Secretary of State
Dr. Flora Tydings, Chancellor, Tennessee Board of Regents
Mark Paganelli, proxy for Randy Boyd, President, University of Tennessee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum, Mr. Mumpower called the meeting to order and stated that the first item on the agenda was the approval of the minutes of the meeting held on June 15, 2021. Mr. Mumpower asked if there were any questions, or discussion on the minutes. Hearing none, Mr. Lillard moved approval of the minutes, and Ms. Tydings seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration of approval of a project by Middle Tennessee State University ("MTSU"). Mr. Mumpower recognized Mr. Bill Waits, Assistant Vice President of Campus Planning and Architect at Middle Tennessee State University, to present the request.

Mr. Waits stated that the request was to borrow $2,500,000 from the Authority for the Applied Engineering Building for a term of five years Mr. Waits explained that approval of the request will assist MTSU in meeting the required institutional match funding. Mr. Waits stated that the loan would be repaid with facility fee revenues. Mr. Waits explained that the building will serve the engineering technology program at MTSU. Mr. Waits explained that the Voorhies Engineering Technology Building will be demolished as part of this project.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Hargett made a motion to approve the request, and Mr. Lillard seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration and request for approval of a Resolution to Approve the Borrowing of Money by Another Method by the Tennessee Board of Regents ("TBR") for Northeast State Community College ("NESCC"). Mr. Mumpower recognized Mr. Dick Tracy, Executive Director of Facilities Development at TBR, to present the request.

Mr. Tracy stated that this request was for approval to enter into the lease of an airport hangar for NESCC. Mr. Tracy explained that the rate was $3.43 per square foot and the term of the lease was 20 years. Mr. Tracy explained that the funding from the lease would repay debt the airport authority had issued to make improvements to the building.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Hargett made a motion to approve the request, and Mr. Lillard seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration of approval of a project by Middle Tennessee State University ("MTSU"). Mr. Mumpower recognized Mr. Dick Tracy, to present the request.

Mr. Tracy stated that MTSU was requesting $2,500,000 for a term of five years for the Tennis Facilities Improvement project. Mr. Tracy stated that the total estimated project cost was $4,800,000. Mr. Tracy explained that the scope of the work included demolition and construction of new tennis courts, seating, and support facilities. Mr. Tracy stated that the funds would be repaid with facilities fees and gifts.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Lillard made a motion to approve the request, and Mr. Hargett seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration and request for approval of a Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee at Martin ("UTM"). Mr. Mumpower recognized Mr. Austin Oakes, Executive Director of Capital Projects at the University of Tennessee, to present the request.

Mr. Oakes stated that the request was for approval for UTM to enter into the lease of equipment with Caldwell and Gregory for the maintenance, replacement, and provision of laundry equipment in the UTM residence halls. Mr. Oakes explained that the contract was for 80 machines with a total annual cost of $40,032. Mr. Oakes stated that the agreement had a five-year term, with a 3% increase in the third year, and included a provision that UTM may terminate the agreement at their sole discretion.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Hargett made a motion to approve the request, and Mr. Lillard seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that the final item on the agenda was a public hearing on and approval of the TSSBA's Debt Policy. Mr. Mumpower recognized Ms. Sandi Thompson, Director of the division of State Government Finance ("SGF") to present the item. Ms. Thompson stated that the Authority has a debt management policy in place that is to be reviewed by the Authority no less frequently than annually. Ms. Thompson explained that the director of SGF shall present any recommendations of amendments to the Authority. Ms. Thompson explained that the following revisions were being presented to the Authority by staff for consideration and approval.

Ms. Thompson stated that there were several minor revisions made to correct grammar, division and department names, and to provide clarity and define certain terms. Ms. Thompson explained that the most pertinent revision to the policy was to the refunding outstanding debt section. Ms. Thompson stated that this section of the policy was revised to reflect how the Authority currently, and will in the future, analyze and consider refunding candidates for certain outstanding maturities. Ms. Thompson explained that for advance refundings, the requirement that the refunding would result in present value savings of at least 4% per series of refunded bonds remained the same. Ms. Thompson explained that for current refundings, the present value savings requirement was revised to at least present value savings of 2%, instead of 4%, per series of refunded bonds. Ms. Thompson explained that the current refunding must meet this criteria, and if not, the current refunding must meet the criteria that the present value of savings must be equal to or greater than twice the amount of the cost of issuance allocable to the refunding series.

Ms. Thompson stated that a provision had been added to allow the Comptroller, in consultation with the financial advisor, to waive the foregoing considerations given that the sale of the refunding bonds would still accomplish cost savings to the public. Ms. Thompson stated that the waiver would then be reported in writing to the Authority at its next meeting. Ms. Thompson stated that the section on option value

calculation had been replaced with a section on escrow efficiency. Ms. Thompson stated that escrow efficiency was a better measure used to consider whether to refund, and to evaluate the savings and the cost of conducting an advance refunding. Ms. Thompson stated that a couple of terms were moved out of the underwriter section, and a few terms were added to the professional services section. Ms. Thompson explained that these terms included verification agent and escrow bidding agent.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Lillard made a motion to approve the revisions to the policy, and Mr. Eley seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that concluded the agenda for the meeting and the only remaining item was a motion to adjourn. Mr. Hargett made a motion to adjourn, and Mr. Eley seconded the motion.

The motion was approved unanimously.

The meeting was adjourned.

Approved on this 7th day of September, 2021.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary