

## MINUTES OF MEETING OF CSU INSTITUTE BOARD

Chancellor's Office  
401 Golden Shore, 6<sup>th</sup> Floor, Rm. 639  
Long Beach, CA

June 6, 2017  
10:04 A.M. – 10:15 A.M.

### Board Directors Present

1. Timothy White, Chairman
2. Steve Relyea, Treasurer
3. Loren Blanchard, Secretary
4. Garrett Ashley, Director
5. Andrew Jones, Director

### Staff Present

1. Mary Ek, Assistant Vice Chancellor/Controller, Financial Services
2. Robert Eaton, Assistant Vice Chancellor, Financing, Treasury and Risk Management
3. Syrus En, Director, Short-Term and Structured Finance
4. Allen Yin, Assistant Manager, Short-Term and Structured Finance
5. Daniel Regan, Administrative Analyst, Financial Services

Chair White called the meeting to order at 10:04 A.M.

Minutes were taken by staff (Daniel Regan).

### Approval of the Institute Board minutes of April 12, 2017 (Action Item)

Chair White asked for a motion to approve the minutes from the Institute Board meeting on April 12, 2017. Treasurer Relyea moved and Director Ashley seconded the motion. The motion was approved unanimously.

### Approval of the CSU Institute FY 2017/18 Budget (Action Item)

Robert Eaton began the presentation by providing the Board with a basic framework of how the commercial paper program works. Eaton noted that the General Fund plays a peripheral role in the program compared to the All Campus Projects segment, which provides bridge financing for campus and auxiliary projects until the permanent bonds are issued. The Equipment segment provides loans to campuses to finance IT related products at a current rate of 1.50%, which resets to the same rate for FY 2017-18.

Eaton highlighted the year-over-year changes projected for FY 2017-18, including three key areas. Firstly, a projected \$91,000 increase in program cost recovery revenue for the All Campus Projects segment from prior FY 2016-17. The increase would directly correlate with expected increase in program costs, primarily based on higher annual fees (up to 41 basis points (on a blended basis) from 37 bps), resulting from the letter of credit extension. Secondly, a projected \$1.72 million increase in BAN interest recovery revenue from FY 2016-17, directly correlating with increase in interest expense, based on increase in commercial paper financing (\$186.8 million balance) for new projects in FY 2017-18. Thirdly, a projected \$13,500 decrease in equipment financing interest revenue, based on lower loan balance.

Chair White asked for a motion to approve the FY 2017-18 Budget. Treasurer Relyea moved, seconded by Secretary Blanchard. Approved unanimously.

Update on CSU Institute Commercial Paper Program (Information Item)

Robert Eaton reported a current total outstanding commercial paper (CP) balance of approximately \$700 thousand, composed of one project not scheduled for long-term SRB financing. CP pipeline is expected to increase by approximately \$60 million (*correction*), based on 3 new SRB and auxiliary projects.

On a related matter, Eaton provided an update on the ongoing renewal of the letter of credit (LOC) facility with the two existing banks, noting that State Street Bank, N.A. will increase its bank annual fee (up 8 basis points to 45 bps) while Wells Fargo will keep theirs unchanged. The LOC facility closed the day of this meeting (June 6, 2017) and will take effect through its expiration date, June 5, 2020.

Completion of Annual Conflict of Interest (Information Item)

Chair White turned the item over to Mary Ek, who explained what the conflict of interest forms are and that they are completed annually, pointing out a draft of the form is in the packet. She also presented the Directors with copies, which they signed.

Election of CSU Institute Officers (Action Item)

Chair White turned the item over to Mary Ek who explained that elections happen once per year at the Annual Meeting.

Chair White asked for clarification on the process of appointing a new member as Director Andrew Jones would be stepping down as Interim Vice Chancellor of Human Resources. Ek explained the administrative process of drafting a new letter to instate the new member between meetings of the board.

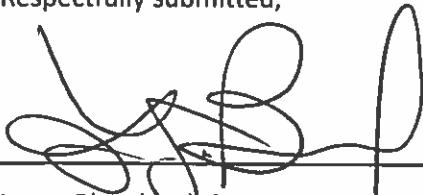
Chair White asked for a motion to approve the slate of officers. Director Ashley moved, seconded by Director Jones. Approved unanimously.

Treasurer Relyea thanked Director Jones for his participation on the board.

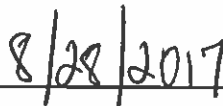
Chair White asked for a motion to adjourn. Director Blanchard moved, seconded by Treasurer Relyea. Approved unanimously.

Chair White adjourned the meeting at 10:15 A.M.

Respectfully submitted,



Loren Blanchard, Secretary



Date