

## MINUTES OF MEETING OF CSU INSTITUTE BOARD

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

January 14, 2016 11:30 a.m. – 11:40 a.m.

### Board Directors Present

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

### Staff Present

1. Robert Eaton, Assistant Vice Chancellor, Financing, Treasury, and Risk Management
2. Mary Ek, Assistant Vice Chancellor/Controller, Financial Services
3. Jean Gill, Assistant Controller, Financial Services
4. Kelly Cox, Associate Director, Financial Services
5. Lori Redfearn, Assistant Vice Chancellor, Systemwide Advancement
6. Syrus En, Senior Financial Manager, Financing and Treasury
7. Randy Libunao, Assistant Financial Manager, Financing and Treasury

Chair White called the meeting to order at 11:30 a.m.

Minutes were taken by staff (Syrus En).

### Approval of the Institute Board minutes of October 22, 2015 (action item)

Chair White asked for a motion to approve the minutes from the Institute Board meeting on October 22, 2015. Treasurer Relyea moved and Director Ashley seconded the motion. The motion was approved unanimously.

### Approval of Tax Year 2014 CSU Institute IRS Income Tax Form 990 (action item)

Mary Ek presented the action to approve the Institute's IRS Form 990, remarking the filing contained no substantial changes from the previous year. Ek also commented that staff along with KPMG thoroughly reviewed the current year's IRS 990 Filing to ensure the completeness of the form, mitigating any possible controversy or further queries from the IRS.

Director Lamb commented that the Audit Committee also provided a complete assessment of the IRS 990 Filing with KPMG's guidance and felt very comfortable with the final document. Treasurer Relyea agreed and affirmed his satisfaction of the Institute's 990 IRS Filing.

Chairman White asked for a motion to approve the action item. Secretary Blanchard moved and Treasurer Relyea seconded the motion. The motion was approved unanimously.

Presentation of an Update of the Institute's Commercial Paper Program (information item)

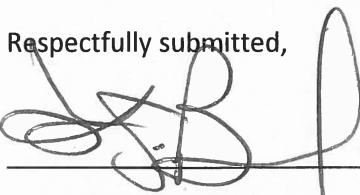
Robert Eaton gave an update on the commercial paper (CP) balance referencing the \$4.2 million of CP outstanding as stated in the Information Item. Eaton indicated that the balance decreased approximately \$1 million from the October meeting due to the normal amortization of the equipment program and one campus project on very light activity. Chair White asked Eaton for an update on possible future CP transactions. Eaton replied by stating the Institute has \$100 million forecasted for the remainder of the current fiscal year, although some planned transactions may be pushed to next fiscal year. Chair White also asked for Eaton's opinion of any possible implications of the Federal Reserve's interest rate increase. Eaton remarked that the Institute should not see a material impact on the cost of CP near term, but could possibly see CP interest rates increase above .10% due to the Federal Reserve's move.

Lastly Chair White inquired about any significant exposure to variable interest rates. Eaton responded and explained that the Institute's CP program is the only variable rate financing currently utilized by the CSU. Eaton further commented that the CSU is exploring the use of certain short term structures on the 2016 State Public Works Board Bond refinancing which could lead to some variable interest rate exposure.

Treasurer Relyea supported Eaton's statement and agreed that the possible use of certain short term structures in the 2016 State Public Works Board Bond refinancing could lead to some interest rate risk, however the CSU in general would stand to benefit from the current low interest rate environment. Treasurer Relyea added that CSU Trustee Peter Taylor advocates this idea as well. Eaton lastly noted that any variable interest rate exposure would be limited to less than 5% of the CSU's overall debt outstanding.

Meeting was adjourned at 11:40 a.m.

Respectfully submitted,



Loren Blanchard, Secretary

2/24/2016

Date