

MINUTES OF MEETING OF CSU INSTITUTE BOARD

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

September 15, 2016
11:30 a.m. – 11:48 a.m.

Board Directors Present

1. Timothy White, Chairman
2. Steve Relyea, Treasurer
3. Loren Blanchard, Secretary
4. Garrett Ashley, Director
5. Andy 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. Jean Gill, Assistant Controller, Financial Services
4. Michael Clements, Assistant Director, Financial Services Administration
5. Kelly Cox, Associate Director, Financial Services Accounting

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

Minutes were taken by staff (Michael Clements).

Approval of the Institute Board minutes of June 17, 2016 (Action Item)

Chair White asked for a motion to approve the minutes from the Institute Board meeting on June 17, 2016. Director Ashley moved and Treasurer Relyea seconded the motion. The motion was approved unanimously.

Update on CSU Institute Commercial Paper Program (Information Item)

Chair White turned the presentation over to Robert Eaton for the report. Mr. Eaton reviews the paper program, noting that the item presented to the Board has information up to September 1, 2016. New debt issued since September 1 brings the total to approximately \$200 million of commercial paper, \$36 million of which is new. Rates are trending upward as new money market rules get closer into going into effect. Mr. Eaton anticipates \$250 million in commercial paper by the end of the calendar year.

Chair White asks for additional details on rates and the costs associated with the commercial paper program. Mr. Eaton provides an explanation that costs could accumulate based on a series of factors and the effect on rates.

Completion of Annual Conflict of Interest (information item)

Chair White turns the item over to Mary Ek, who explains 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 notes that we have copies of the form for each Board Member to sign after the meeting or to return later.

Election of CSU Institute Officers (Action Item)

Chair White turns item over to Mary Ek who explains that elections happen once per year at the Annual Meeting and that officers stay in place until the Annual Meeting, or next election. An election did not happen at this year's annual meeting, so we are voting on the officers today, now that the new member is in place (Andy Jones).

Director Ashley moves to keep the same officers as last year, which is seconded by Director Jones. Approved unanimously (5-0).

Appointment of a new CSU Institute Audit Committee Member (Action Item)

Chair White turns the item over to Mary Ek, who describes how the bylaws require the Institute Board must approve any new members to the Audit Committee. The Committee is down to the minimum two members due to Lori Lamb leaving the CSU and Lori Redfearn resigning her position on the committee. The Audit Committee met to recommend the Board consider Brad Wells, Associate Vice President of Business & Finance, as a member. Director Ashley, also an Audit Committee Member, comments on the committee's selection of Mr. Wells and that he is willing to be a member. A motion to approve Brad Wells as a member of the Audit Committee is made by Director Ashley and seconded by Treasurer Relyea. Approved unanimously (5-0).

Update on Approval of Audited Financial Statements by the CSU Institute Audit Committee (Information Item)

Chair White turns the item over to Director Ashley, an Audit Committee member, for the report. Director Ashley reports about the Audited Financial Statements having some differences this year, namely including a Management Disclosure and Analysis (MD&A) this year, as opposed to prior year's relying on the CSU's MD&A. Additionally, there were new reporting requirements on including "fair value measurements" as part of the Financial Statements as a result of GASB 72.

The Audit Committee, as previously discussed, also recommended Brad Wells as a new committee member and also recommended that the committee charter be reviewed for potential improvements and clarifications. Chair White agrees the charter should be reviewed and asks that when staff presents their recommendations that they be redlined and be reviewed by the Office of General Counsel, which Director Ashley confirms

Update on the Certificate of Designated Representatives for the Institute signatory form (Information Item)

Chair White turns the item over to Mary Ek, who points out that the signatory form, which indicates to the Institute's banking institutions who has the right to sign on behalf of the institute, needs to be updated. Ms. Ek indicates that the draft item in the agenda is correct and that staff has the final copy for signatures upon completion of the meeting.

Discussion on the Bylaws/Charter for the CSU Institute and Audit Committee (Information Item)

Chair White turns the item over to Mary Ek who describes how the need for a review came to light when the need to appoint new members to the Board and Audit Committee came to light as the bylaws and charter have some conflicts and vague language in those and other sections.

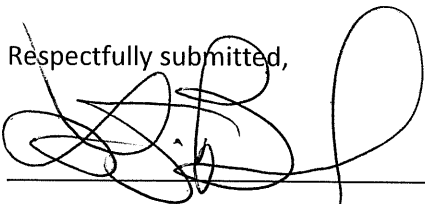
Director Ashely also points out that when reviewing the documents, staff should be mindful of updating the purpose of both groups if the language is out of date. Chair White agrees that there is a need for a review and asks that staff present ample time for the Board to review any recommended changes before the items are voted on.

Chair White calls for any additional new business, which there is none.

Director Jones moves to adjourn the meeting, seconded by Treasurer Relyea. Approved unanimously (5-0).

Chair White adjourns the meeting at 11:48 a.m.

Respectfully submitted,



Loren Blanchard, Secretary

9/27/2016

Date