

MINUTES OF MEETING OF CSU INSTITUTE BOARD

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

January 20, 2017
10:32 A.M. – 10:44 A.M.

Board Directors Present

1. Timothy White, Chairman
2. Steve Relyea, Treasurer
3. Garrett Ashley, Director
4. 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. Kelly Cox, Associate Director, Financial Services Accounting
4. Syrus En, Director, Short-Term and Structured Finance
5. Michael Clements, Assistant Director, Financial Services Administration
6. Allen Yin, Assistant Manager, Short-Term and Structured Finance

Chair White called the meeting to order at 10:32 A.M.

Minutes were taken by staff (Allen Yin).

Approval of the Institute Board minutes of September 15, 2016 (Action Item)

Chair White asked for a motion to approve the minutes from the Institute Board meeting on September 15, 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. Eaton reported that \$40 million in new commercial paper (CP) had been issued since the last Institute board meeting in September 2016, increasing the total outstanding CP balance to approximately \$200 million. Eaton noted that all but \$800,000 of the outstanding commercial paper will be paid down in May with bond proceeds.

Chair White asked for any potential impact on the bond issuance due to changes in leadership in Washington. Eaton noted that rates moved up since the election, but remained low compared to historical rates and does not expect any issues that will significantly increase debt service to the point of jeopardizing the bond sale.

Director Ashley asked about the process to make a decision not to move forward. Eaton responded that any aberration in the market causing a sudden spike in rates would result in a discussion with the financing team on whether or not to postpone a bond sale. Treasurer Relyea added that a discussion with the Board of Trustee's Finance Committee Chair Peter Taylor would also take place.

Eaton also updated the board on the current process of renewing the current letter of credit (LOC) backing the CP program, noting the proposed LOC fee from Wells Fargo Bank will remain unchanged at 37.5 basis points, while State Street Bank proposed an increase to 45 basis points. Other banks have provided proposals, indicating that pricing for the LOC will be in the low 40 basis points. Eaton also informed the board of possibly increasing the size of the short term financing program for academic and deferred maintenance projects through additional LOC facility and/or direct bank loans.

Recommendation of CSU Institute Audit Committee to approve IRS Form 990 for the 2015-16 Fiscal Year (action item)

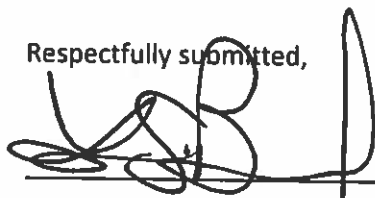
Chair White turned the item over to Mary Ek, who went over Form 990, showing no changes. Ms. Ek then explained questions from Brad Wells about Form 990 regarding private use for Fullerton Auxiliary Services and whether Fullerton Auxiliary Services is treated as a related entity in relation to the Campus. Ms. Ek reviewed the process she took to show private use was not an issue adding most of the Fullerton housing units were sold and most of the related commercial paper balance paid off. She then addressed Brad Wells' second question, verifying Fullerton Auxiliary Services is related to the Campus, and not the Institute, ensuring all the "Yes-No" boxes were correctly answered in Form 990.

Chair White asked for a motion to approve IRS Form 990. Director Ashley moved and Treasurer Relyea seconded the motion. Approved unanimously.

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

Chair White adjourned the meeting at 10:44 A.M.

Respectfully submitted,



Loren Blanchard, Secretary

March 27, 2017

Date