



CONNECTICUT STUDENT LOAN FOUNDATION

MINUTES OF THE BOARD OF DIRECTORS

November 7, 2017

A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Tuesday, November 7, 2017 at 12:00 p.m., at the office of the Connecticut Health and Educational Facilities Authority, 10 Columbus Boulevard, Hartford, Connecticut 06106.

Members Present:

Dr. Peter Lisi, Chair of the Board
Julie Savino, Vice-Chair of the Board
Martin Budd
Steven Kitowicz (designee of the Honorable Benjamin Barnes)
Jeanette Weldon, Executive Director

Members Absent:

Denise Nappier
Erika Steiner (designee of the Honorable Mark Ojakian)

Other Attendees:

Denise Aguilera, General Counsel, CHEFA
Darlene Dimitrijevs, Principal, Education Solution Partners, LLC
Randy Behm, Principal, Education Solution Partners, LLC
Tim Webb, Vice President, Hilltop Securities*
Lisa Cohen, Vice President, Goal Structured Solutions, Inc.*
Cynthia Peoples H., Managing Director, CHEFA
JoAnne Mackewicz, Controller, CHEFA
Carlee Levin, Sr. Accountant, CHEFA
Joshua Hurlock, Assistant Director, CHESLA
Natalia Rozio, Intern, CHESLA
Judith Blank, Esq., Day Pitney LLP

* Participated in the meeting via conference telephone that permitted all parties to hear each other

I. Call to Order

Dr. Lisi called the meeting to order at 1:02 p.m.

II. Approval of Minutes

A motion was made by Mr. Budd and seconded by Mr. Kitowicz that the Board of Directors of the Connecticut Student Loan Foundation approves the minutes of the September 20, 2017 meeting.

The motion was passed unanimously.

III. 2018 Meeting Schedule

A motion was made by Mr. Budd and seconded by Ms. Savino that the Board of Directors of the Connecticut Student Loan Foundation approves the 2018 Meeting Schedule as presented.

The motion was passed unanimously.

IV. Extension of Financial Advisory Agreement

Ms. Weldon discussed the existing Financial Advisory Agreement with Hilltop Securities (formerly First Southwest Company) that will expire in January 2018. She proposed a three-year extension of the existing contract.

The following motion was made by Mr. Budd and seconded by Mr. Kitowicz:

The Board of Directors of the Connecticut Student Loan Foundation approves the extension of the Financial Advisor agreement with Hilltop Securities to January 3, 2021. Further, the Board directs and authorizes the Executive Director to proceed with the negotiation and execution of a contract extension with Hilltop Securities containing such terms and conditions as the CSLF Executive Director deems appropriate and in the best interests of CSLF.

The motion passed unanimously.

V. Executive Directors Report

Ms. Weldon noted the CSLF Board members had received ethics training in the Board meeting of the Connecticut Higher Education Supplemental Loan Authority (CHESLA), which occurred immediately prior to this meeting of the CSLF Board. She indicated that the same responsibilities and requirements apply to the performance of their duties as members of the Board of CSLF.

Ms. Weldon introduced Lisa Cohen, Vice President Trust Administration, Controller and Treasurer, of Goal Structured Solutions, Inc. Ms. Cohen will be the primary contact for CSLF as the Portfolio Administrator.

VI. Financial Report – December 31, 2016

Ms. Dimitrijevs reviewed the financial status of CSLF as of September 30, 2017. She presented the Net Change in Position, the Balance Sheet on a consolidated basis, a comparison of the Funds Management ratios to the policy guidelines, the Balance Sheet by fund and information on the current bonds outstanding.

Ms. Dimitrijevs indicated the Net Change in Position for CSLF was a positive \$712,543 for the three-month period. This was only \$52,578 below budget, primarily due to a \$130,000 timing issue that negatively affected the accrual of Interest on the Bonds at the beginning of the fiscal year. The timing item will be offset at the end of the current fiscal year. Due to slightly higher interest rates, both Interest Income and Interest on the Bonds were over budget. Interest rate movements are not forecast in the budget since both the bonds and the loans have variable interest rates and tend to move together.

On the Balance Sheet, she indicated the trust cash was \$9.8 million over plan due to no bond redemptions being made in the quarter while CSLF reassessed its trust position. Loan principal and interest receivable was a combined \$400,000 over budget.

Ms. Dimitrijevs noted that the Trust Parity Ratio as of September 30, 2017 stood at 110.85% and the Senior Parity Ratio was 143.86%. Assets within the Trust exceed the Funds Management Policy by \$16.1 million.

Ms. Weldon noted that this would be the last board meeting with Education Solution Partners serving as CSLF administrator. Ms. Weldon and Dr. Lisi thanked Mr. Behm and Ms. Dimitrijevs for their service to the Foundation.

VII. Executive Session

Dr. Lisi asked if any Board Members desired to enter executive session as indicated on the agenda. No Board Members asked for an Executive Session.

VIII. Adjournment

Ms. Savino made a motion, which was seconded by Mr. Kitowicz, to adjourn the meeting.

The motion passed unanimously and the meeting was adjourned at 1:13 p.m.

Respectfully Submitted by:

Jeanette Weldon, Executive Director

DRAFT -- Not Yet Approved