



CONNECTICUT STUDENT LOAN FOUNDATION

MINUTES OF THE BOARD OF DIRECTORS

November 15, 2016

A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Tuesday, November 15, 2016 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
Sarah Sanders (designee of the Honorable Denise Nappier), Vice Chair of the Board
Martin Budd
Steven Kitowicz (designee of the Honorable Benjamin Barnes)
Julie Savino
Jeanette Weldon, Executive Director

Members Absent:

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
Samuel Rush, Deputy Director, CHESLA
Joshua Hurlock, Assistant Director, CHESLA
JoAnne Mackewicz, Controller, CHEFA
Carlee Levin, Sr. Accountant, CHEFA
Tim Webb, Vice President, Hilltop Securities*
Judith Blank, Esquire, Day Pitney, LLP
Kristen Brown, Senior Manager, CohnReznick, LLP
Joseph Centofanti, Partner, CohnReznick, 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 12:51 p.m.

II. Approval of Minutes:

A motion was made by Ms. Sanders and seconded by Ms. Savino that the Board of Directors of the Connecticut Student Loan Foundation approves the minutes of the September 20, 2016 meeting.

The motion was passed unanimously, with abstentions by Mr. Budd and Mr. Kitowicz who were absent from the September 20, 2016 meeting.

III. Auditor's Reports

Ms. Brown reviewed the Report on Management's Assertions on Compliance with Specified Federal Family Education Loan Program Requirements. She indicated that CohnReznick had reviewed and tested the various reports and representations supplied by CSLF to the U.S. Department of Education. CohnReznick found all of the items to be in compliance.

Ms. Brown next reviewed the IRS Form 990 for the fiscal year ended June 30, 2016. She discussed each of the sections of the Form 990 as well as each of the attached Schedules. She noted Schedule A indicated that CSLF, with a public support percentage of 96.96%, exceeded the public support test for being a 501(c)(3) non-profit organization. Ms. Brown also reminded the Board that the Form 990, and its Schedules, becomes a public document once it is filed with the IRS.

Various Board members asked questions about specific items in the Form 990 as well as the process for its completion, which Ms. Brown and Ms. Weldon responded to.

Mr. Budd made the following motion, which was seconded by Ms. Sanders:

WHEREAS, the Board of Directors of the Connecticut Student Loan Foundation has reviewed the IRS Form 990;

NOW THEREFORE, BE IT:

RESOLVED, that the Board of Directors of the Connecticut Student Loan Foundation approves the filing of the Form 990 with the IRS for the fiscal year ended June 30, 2016, as presented.

The motion was passed unanimously.

Ms. Brown and Mr. Centofanti departed the meeting at this point.

IV. Executive Session

A motion was made by Mr. Budd and seconded by Ms. Sanders to enter Executive Session.

The motion was passed unanimously.

Ms. Weldon requested Ms. Aguilera, Ms. Mackewicz, Ms. Levin, Mr. Rush, Mr. Hurlock, Mr. Webb, Ms. Dimitrijevs and Mr. Behm remain during the Executive Session.

The Board entered Executive Session at 1:04 p.m.

Ms. Sanders departed the meeting at 1.23 p.m.

The Board exited Executive Session at 1:26 p.m.

Dr. Lisi stated that no actions or votes were taken during the Executive Session. He further indicated that the Board had discussed unsolicited proposals to purchase the Federal Loan portfolio of CSLF and also to sell substantially all of the outstanding Bonds of CSLF. The Board declined to take further action on these proposals. Dr. Lisi requested that the CSLF Financial Advisor communicate to the entities making the proposals that the Board will be taking no action on their proposals.

V. 2017 Meeting Schedule

The meeting schedule for 2017 was reviewed. Mr. Budd requested that a change be made to the date of the June meeting due to a conflict with his schedule. Ms. Weldon was directed to determine an alternate date and circulate that information to the Board members.

VI. Financial Report – September 30, 2016

Ms. Dimitrijevs reviewed the financial status of CSLF as of September 30, 2016. 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 \$942,016 for the three month period. This was \$25,363 better than budget. Due to slightly higher interest rates, both Interest Income and Interest on the Bonds were over budget.

On the Balance Sheet she indicated the trust cash was \$1.3 million over plan in anticipation of a bond redemption in early October. It was also noted that Bonds Payable were \$1.5 million over plan, prior to the early October redemption.

Ms. Dimitrijevs noted that the Trust Parity Ratio as of September 30, 2016 stood at 109.12% and the Senior Parity Ratio was 153.97%. Assets within the Trust exceed the Funds Management Policy by \$13.6 million. Ms. Dimitrijevs reviewed the bond activity for the quarter ended September 30, 2016 and indicated that \$12.5 million of bonds had been redeemed in the quarter. She also noted that in early November CSLF had redeemed \$4.5 million of subordinate bonds from the 2004B tranche. An additional \$1.0 million of the subordinate bonds will be redeemed later in November.

VII. Executive Director's 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.

VIII. Adjournment

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

The motion passed unanimously and the meeting was adjourned at 1:34 p.m.

Respectfully Submitted by:


Jeanette Weldon, Executive Director