



CONNECTICUT STUDENT LOAN FOUNDATION

MINUTES OF THE BOARD OF DIRECTORS

March 7, 2017

A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Tuesday, March 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
Martin Budd*
Steven Kitowicz (designee of the Honorable Benjamin Barnes)
Julie Savino
Erika Steiner* (designee of the Honorable Mark Ojakian)
Jeanette Weldon, Executive Director

Members Absent:

Sarah Sanders (designee of the Honorable Denise Nappier), Vice Chair of the Board

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
Cynthia Peoples H., Managing Director, CHEFA
JoAnne Mackewicz, Controller, CHEFA
Carlee Levin, Sr. Accountant, CHEFA
Samuel Rush, Deputy Director, CHESLA
Joshua Hurlock, Assistant Director, CHESLA

* 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 1:23 p.m.

II. Approval of Minutes:

A motion was made by Mr. Kitowicz and seconded by Ms. Savino that the Board of Directors of the Connecticut Student Loan Foundation approves the minutes of the November 15, 2016 meeting.

The motion was passed unanimously, with an abstention by Ms. Steiner who was absent from the November 15, 2016 meeting.

III. Executive Directors Report

Ms. Weldon discussed the Memorandum of Agreement between the Connecticut Health and Educational Facilities Authority (CHEFA) and the Connecticut Student Loan Foundation (CSLF). This agreement is for operational support services provided by CHEFA to CSLF.

A motion was made by Mr. Budd and seconded by Ms. Savino to approve the Memorandum of Agreement as presented and to authorize the Executive Director to execute the agreement on behalf of CSLF.

The motion was passed unanimously.

IV. Financial Report – December 31, 2016

Ms. Dimitrijevs reviewed the financial status of CSLF as of December 31, 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 \$1,134,873 for the six month period. This was \$1,921,343 better than budget, primarily due to the CHESLA scholarships (\$2.0 million) which were budgeted to be approved in November 2016. 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 \$1.3 million under primarily plan due to \$1.0 million more in bonds being redeemed than were budgeted. Loan principal and interest receivable was a combined \$1.0 million over budget.

Ms. Dimitrijevs noted that the Trust Parity Ratio as of December 31, 2016 stood at 109.72% and the Senior Parity Ratio was 149.55%. Assets within the Trust exceed the Funds Management Policy by \$14.3 million. Ms. Dimitrijevs reviewed the bond activity for the quarter ended December 31, 2016 and indicated that \$14.5 million of bonds had been redeemed in the quarter, of which \$10.5 million were subordinate bonds from the 2004B tranche.

It was also noted that Fitch had completed its review of the CSLF bonds and issued a report affirming the current ratings of AAA for the Senior Bonds and AA for the subordinate bonds. Standard and Poor's issued a press release indicating the subordinate CSLF bonds continued to be on Credit Watch Positive for a possible upgrade in their rating.

V. CHESLA Funding Request

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

The Board of Directors of the Connecticut Student Loan Foundation authorizes contributions of up to \$2.0 million by June 30, 2017 to the Connecticut Higher Education Supplemental Loan Authority (CHESLA) in support of the CHESLA Scholarship Program.

The Executive Director shall determine the exact time and amount of the contribution. The Executive Director is authorized to withdraw funds from the trust estate as necessary to

complete such contributions, provided all obligations and procedures of the Indenture and Board policies are adhered to when taking such actions.

The motion was passed unanimously.

VI. Adjournment

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

The motion passed unanimously and the meeting was adjourned at 1:31 p.m.

Respectfully Submitted by:


Jeanette Weldon, Executive Director