

## MINUTES OF THE MAY 30, 2017, FINANCE COMMITTEE MEETING

The Finance Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) held a meeting on May 30, 2017, at the Smithsonian Castle in Washington, D.C. Participating were Committee Chair John Fahey and Committee members Representative Doris Matsui,\* Steve Case,\* and Timothy O’Neill.\*

Also present by invitation of the Committee were Secretary David J. Skorton; Office of the Regents Senior Officer for Programs & Operations Jennifer Ehlinger (recorder); Liaison to Senator Perdue Lauren Hancock; Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath; General Counsel Judith Leonard; Smithsonian Enterprises President Chris Liedel; Director of Planning, Management, and Budget David Voyles; and Chief of Staff to the Regents Porter Wilkinson.

### CALL TO ORDER

Committee Chair John Fahey called the meeting to order at 3:00 p.m.

### DEFEASANCE OF SERIES 2010 BONDS

Under Secretary for Finance and Administration/Chief Financial Officer Albert Horvath presented management’s recommendation that the Smithsonian’s outstanding Series 2010 Bonds be legally defeased by purchasing, and depositing into escrow, securities sufficient to satisfy future debt service requirements. Mr. Horvath explained that in April 2010, the District of Columbia issued Series 2010 refunding revenue bonds on behalf of the Smithsonian to refinance debt from 1997, which funded the Discovery Center at the National Museum of Natural History (“NMNH”). The original debt also financed the construction of an IMAX theater, the primary food concession, and retail store space at the museum.

The Smithsonian has sufficient funds to purchase the requisite amount of securities and the removal of the Series 2010 Bonds from the Smithsonian’s debt portfolio will better position the Institution for agency rating assessments and potential future debt issuances. The Committee discussed the recommendation and upon motion duly made and seconded, voted to approve the following motion:

**VOTED** that the Finance Committee recommends that the Board of Regents approves the defeasance of the Smithsonian’s Series 2010 Bonds.

### ADJOURNMENT

There being no further business to consider, the meeting was adjourned at approximately 3:11 p.m.

Respectfully submitted,

John Fahey, Chair

*\*Participated by telephone*