

MINUTES

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
MINUTES DECEMBER 7, 2000 -3:55 P.M.
915 CAPITOL MALL, ROOM 587
SACRAMENTO, CA 95814

The meeting was called to order at 3:55 p.m. by Jennifer DeCray-Morrill, Chair.

Present: Jennifer DeCray-Morrill for Philip Angelides, Chair
Cindi Aronberg for Kathleen Connell, Controller
Annette Porini for Timothy Gage, Director of Finance
Kenneth Secor
J. Clark Kelso

Staff: Terry Partington, Deputy Executive Director
Robert Kittredge, PriceWaterhouseCoopers
Mimi Budd, Senior Staff Counsel

The Chair declared a quorum present.

The minutes from the California Educational Facilities Authority's July 27, 2000 meeting were approved as submitted.

The Expenditure Report for CEFA/SLAF was presented as of October 31, 2000. Terry Partington reported the fund balance of \$6,962,896.24 for CEFA and \$6,894,702.19 for SLAF. He also presented the Authority's Quarterly Comprehensive Debt List Summary of Borrowers with \$50,000,000 Outstanding CEFA Debt as of September 30, 2000 totaling \$1,756,930,684.

Item #3

**Dominican University of California
Final Resolution No. 183**

Evelyn Gorman stated that Dominican University was requesting \$7,835,000 in bond financing to construct new student housing. Representing Dominican University: Mr. William Bailey, Vice President for Finance & Administration; Mr. Richard DeProspero, Managing Director, Prager, McCarthy & Sealy, Underwriter; and Ms. Harriet Welch, Bond Counsel, Arter & Hadden LLP.

Staff recommended the Authority approve a resolution in an amount not to exceed \$7,835,000 for Dominican University, subject to the bonds having at least a "Baa" rating by a nationally recognized rating agency and meeting the standard bond issuance provisions for "Baa" rated debt.

Annette Porini moved for adoption of the Resolution and Cindy Aronberg seconded it. Motion adopted 5 aye.

Item #4

**Cal Loan Program Reissuance
Final Resolution No. 84**

Eric Thomas stated that the Cal Loan Student Loan Program was projected to run out of funds by August of 2001. In preparation for issuing bonds next year to continue the program, staff was requesting approval to seek a \$40 million bond allocation from the California Debt Limit Allocation Committee (CDLAC) in January 2001; commit to a loan for certain program reserves and cash flow requirements in an amount not to exceed

\$700,000 from the Student Loan Program Fund and work to develop a program enhancement to further improve program accessibility with the understanding that the enhancement may require an additional loan from the Student Loan Program Fund of approximately \$200,000 - \$400,000.

Representing the Program: Mr. William D. Markenson, President & CEO, California Alternative Loan Marketing Association and Mr. Richard DeProspero, Managing Director, Prager, McCarthy & Sealy.

Staff recommended the Authority approve Resolution 184 authorizing the staff to seek a \$40 million bond allocation in January 2001 from CDLAC; commit an approximate \$700,000 loan to the program from the Student Loan Program Fund to finance certain program reserves and cash flow requirements and allow the staff to begin the development of a program enhancement to improve accessibility with the understanding that the enhancement may require an additional loan from the Student Loan Program Fund of approximately \$200,000 - \$400,000. Staff also recommended that a follow-up report be given to the Board containing the final structure of the Cal Loan Program and the exact amount of funds necessary for reserves and enhancements. It is anticipated that this will be scheduled for the March 2001 meeting:

Ken Secor moved for adoption of the Resolution and Clark Kelso seconded it. Motion adopted 4 aye (Porini left prior to vote).

Item #5

**Engagement Letter Between Public Financial Management (PFM)
And the California Educational Facilities Authority
For Financial Advisory services
Final Resolution No. 2000-4**

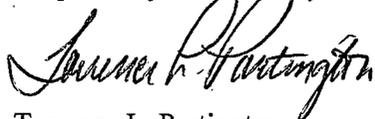
Terry Partington stated that this resolution would authorize the Executive Director to enter into an Agreement with Public Financial Management (PFM) for financial advisory services related to the bond sale process. The Agreement would be for a period of three years and would be utilized by CEFA on an as-needed basis and that PFM would invoice the Authority for professional services at the accepted hourly rate.

Staff recommended the Authority approve the resolution for a three-year contract in an amount not to exceed \$300,000 with Public Financial Management.

Clark Kelso moved for adoption of the Resolution and Ken Secor seconded it. Motion adopted 4 aye.

There being no further business, the meeting was adjourned at 4:20 p.m.

Respectfully submitted by,



Terrence L. Partington
Deputy Executive Director