

MINUTES

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
MINUTES MAY 27, 2004–1:30 P.M.
915 CAPITOL MALL, ROOM 587
SACRAMENTO, CA 95814**

Cathy Calfo, for Chairman Philip Angelides, called the meeting to order at 1:30 p.m.

Present: Cathy Calfo for Philip Angelides, Chair
Cindi Aronberg for Steve Westly, Controller
Bob Campbell for Donna Arduin, Director of Finance
Sylvia Scott-Hayes
Michael L. Jackson

Staff: Dennis A. Trujillo, Executive Director
Gregory Rogers, Deputy Executive Director
Michele Bond, Operations Manager
Robert Kittredge, PriceWaterhouseCoopers

The Chair declared a quorum present.

The minutes from the California Educational Facilities Authority's February 26, 2004 meeting were approved as submitted.

The Executive Director Reports for CEFA/SLAF were presented for the months of February, March and April 2004. Dennis Trujillo reported the fund balance as of April 30, 2004 of \$6,677,218.40 for CEFA and \$6,485,539.29 for SLAF. He also stated that staff had selected Gilbert Associates, Inc. in response to an RFP and would be entering into a two-year contract with a possible one-year extension. He also noted that staff had received a letter from the IRS which stated that they were going to perform a random audit of the 1998 A CEFA Pool. Staff has been working with the IRS agent to supply the necessary documents.

Item #4

Stanford University Resolution No. 215

Evelyn Gorman stated that Stanford University was requesting \$266,000,000 in bond financing to be used to finance and refinance capital expenditures and improvements within the University as part of an on-going capital plan. The new issue will be structured in four series and combined under one master indenture allowing for multiple modes with variable interest rates, the ability to extend various maturities, and to convert to fixed interest rates in the future. The University will be permitted to issue additional tranches of bonds over the next five years up to the maximum aggregate principal amount of \$266,000,000. Representing the University: Ms. Odile Disch-Bhadkamkar, Director of Finance & Bondholder Relations, Stanford University;

Ms. Margie Backstrom, Vice President, Morgan Stanley & Co. Inc.; Mr. Andrew Nakahata, Vice President, Goldman Sachs & Co.; Mr. Nathan Brostrom, Managing Director, J.P. Morgan Securities Inc.; and Mr. Rick Hiscocks, Esq., Orrick, Herrington & Sutcliffe.

Staff recommended the Authority approve a resolution in an amount not to exceed \$266,000,000 to issue tax exempt revenue bonds for Stanford University, subject to a bond rating of at least an “A” category (or equivalent short-term rating) by a nationally recognized rating agency and the standard bond issuance guidelines.

Cindi Aronberg moved for adoption of the Resolution and Bob Campbell seconded it. Motion adopted with a 5-0 vote.

Staff requested that Items #5 and #6 be heard and approved at one time.

Item #5

**Loyola Marymount University
Resolution No. 216**

Barry Scarff stated that Loyola Marymount University was requesting \$55,000,000 in bond financing to current refund Authority debt and to construct student housing, and other various capital needs. Representing the University: Mr. Thomas O. Fleming Jr., Vice President for Business & Finance, Loyola Marymount University; Mr. Richard Chisholm, Managing Director and Ms. Erin Gore, Vice President, both of Banc of America Securities LLC; and, Mr. Eugene Carron, Esq., Orrick, Herrington & Sutcliffe.

Staff recommended the Authority approve a resolution in an amount not to exceed \$55,000,000 to issue tax exempt revenue bonds for Loyola Marymount University, subject to a bond rating of at least an “A” category (or equivalent short-term rating) by a nationally recognized rating agency and the standard bond issuance guidelines.

Item #6

**Loyola Marymount University
Amendment to the Indenture for the Series 2001 B Bonds
Resolution No. 2004-2**

Barry Scarff stated that Loyola Marymount University was requesting to amend the Series 2001 B Indenture to allow for auction rate securities as one of the variable interest rate modes for the bonds. The University anticipates converting the bonds that are currently variable rate demand bonds to auction rate securities with a weekly interest rate reset to be effective in June 2004. Representing the University: Mr. Thomas O. Fleming Jr., Vice President for Business & Finance, Loyola Marymount University; Mr. Richard Chisholm, Managing Director and Ms. Erin Gore, Vice President, both of Banc of America Securities LLC; and Mr. Eugene Carron, Esq., Orrick, Herrington & Sutcliffe.

Staff recommended the Authority approve and authorize execution and delivery of the First Supplemental Indenture for Loyola Marymount University’s Variable Rate Demand Revenue Bonds, Series 2001B to provide auction rate securities as one of the interest rate modes for the bonds.

Bob Campbell moved for adoption of the Resolutions and Sylvia Scott-Hayes seconded it. Motion adopted with a 5-0 vote.

Item #7

**Occidental College
Amendment to the Tax Agreement for the 1997 Series Bonds
Resolution No. 2004-3**

Kristine Scully stated that Occidental College was requesting to amend the Series 1997 Tax Agreement to reallocate unexpended proceeds which resulted from a zoning change made by the City of Los Angeles, that required the use of a parking lot instead of the planned parking garage.

Staff recommended the Authority approve the proposed changes to the Supplemental Tax Certificate and Agreement to allow the College to use the remaining 1997 Series bond proceeds for other designated projects.

Cindi Aronberg moved for adoption of the Resolution and Bob Campbell seconded it. Motion adopted with a 5-0 vote.

Item #8

**Amendment to the CEFA Act to expand the definition
of "Private College" AB 2724 (Laird)
Resolution No. 2004-4**

Dennis Trujillo stated that the Authority was requesting Board Member support for AB 2724 (Laird) which would amend the definition of "private college" to include nonprofit affiliates of private colleges that are solely engaged in providing support services and to private nonprofit research organizations affiliated with private colleges and engaged in basic research and advanced education.

Staff recommended the Authority approve the resolution in support of AB 2724 (Laird).

Bob Campbell moved for adoption of the Resolution and Michael Jackson seconded it. Motion adopted with a 5-0 vote.

Item #9

Financial Review of CEFA Borrowers

Robert Kittredge of PricewaterhouseCoopers LLP made a presentation to the Authority regarding the Financial Results of its borrowers.

Respectfully submitted by,

{Approved at the June 24, 2004 CEFA Board Meeting}

Dennis A. Trujillo
Executive Director