

MINUTES

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY MINUTES DECEMBER 1, 2005–1:30 P.M. 915 CAPITOL MALL, ROOM 587 SACRAMENTO, CA 95814

Ed Emerson for Chairman Philip Angelides called the meeting to order at 1:30 p.m.

Present: Ed Emerson for Philip Angelides, State Treasurer, Chairperson
Winnie Scott for Steve Westly, State Controller, Vice Chairperson
Anne Sheehan for Michael C. Genest, Director, Department of Finance

Staff: Frank Vega, Executive Director
Gregory Rogers, Deputy Executive Director
Peggy Arrivas, PricewaterhouseCoopers

Absent: Michael L. Jackson
Sylvia Scott-Hayes

The Chairperson declared a quorum present.

The minutes from the California Educational Facilities Authority's June 30, 2005 and September 14, 2005 meetings were approved as submitted. (Moved by Anne Sheehan and seconded by Winnie Scott)

Frank Vega reported that as of October 31, 2005, the Authority had \$3.29 billion in outstanding bonds and that bond activity for the year included the issuance of \$610 million, not including the Woodbury University and Dominican College proposals currently on the Agenda for approval. He further stated that it was a very active year for the Authority and anticipated that the activity will continue through the next year. Mr. Vega reported the fund balance as of June 30, 2005 of \$6.38 million for CEFA, and as of October 31, 2005, the CEFA fund balance stands at \$6.56 million. The Authority ended fiscal year 2004-2005 under budget, and he thanked Greg Rogers of staff for doing a fantastic job of managing the Authority's expenditures. Mr. Vega further reported that the Student Loan Fund had a balance of \$6.59 million as of June 30, 2005, and as of October 31, 2005, the fund had a balance of \$6.63 million.

Mr. Vega stated that the Governor signed AB 947 and AB 961. As a result of AB 947, staff expects to bring a refunding issue on behalf of the Carnegie Institution of Washington for the board's consideration. AB 961 allows the Authority to set up guidelines for entities that seek to issue student loan bonds in the state. He further reported that Evelyn Gorman of staff is finalizing draft regulations to implement the requirements of AB 961 and will bring them to the board by February 2006.

Mr. Vega reported that Gilbert Associates had completed the fiscal audit of CEFA and that there were no issues or concerns raised by the auditors. Mr. Vega also stated that CEFA, along with CHFFA, is in the stages of planning a public finance conference scheduled for January 31, 2006, and information regarding the conference would be forwarded as soon as it becomes available.

Item #4

Woodbury University Resolution No. 232

Greg Rogers stated that Woodbury University was requesting \$21,000,000 in bond proceeds to fund various capital projects, including a new building for the School of Business, an on-campus residence hall, a studio building for the architecture and graphic design program, a new parking structure and the

renovation of the faculty office building. The University also intends to current refund a 1995 CEFA bond issue. Woodbury University expects a “Baa3” rating by Moody’s. However, if cost effective, credit enhancement would be used and the expected minimum credit rating would be Aa3. Representing Woodbury University: Mr. Ken Jones, Vice President for Finance & Administration, Woodbury University; Mr. Richard DeProspero, E.J. De La Rosa & Co., Inc., Underwriter; and Mr. Robert Olson, Esq., Squire, Sanders & Dempsey, LLP, Bond Counsel.

Staff recommended the Authority approve Resolution No. 232 in an amount not to exceed \$21,000,000 to issue tax-exempt revenue bonds for Woodbury University, subject to a bond rating of at least an “Baa3” or “BBB-” by a nationally recognized rating agency, certain bond covenants as described in the “Financing Structure” section and the standard bond issuance guidelines.

After discussion by the Authority, Anne Sheehan moved for adoption of the Resolution and Windie Scott seconded it. Motion adopted with a 3-0 vote.

Item #5

**Dominican University of California
Resolution No. 233**

Mary Bates stated that Dominican University of California was requesting \$20,585,000 to construct a new science and technology center, renovate existing facilities and refinance the 1995B CEFA bonds which is expected to generate a present value savings of approximately \$231,000 over the life of the bonds. Representing Dominican University of California: Mr. Roger Ono, Vice President for Finance & Administration, Dominican University; Mr. Saul Rosenbaum, Prager, Sealy & Co., LLC, Underwriter; and Mr. Robert Olsen, Squire, Sanders & Dempsey LLP, Bond Counsel.

Staff recommended the Authority approve Resolution No. 233 in an amount not to exceed \$20,585,000 to issue tax-exempt revenue bonds for Dominican University of California, subject to a bond rating of at least a “Baa3” by a nationally recognized rating agency, certain bond covenants as described in the “Financing Structure” section, and the standard bond issuance guidelines.

After discussion by the Authority, Anne Sheehan moved for adoption of the Resolution and Windie Scott seconded it. Motion adopted with a 3-0 vote.

Item #6

**Election of Vice Chairman as Required by
Article 3, Section 94120 (e) of the Education Code**

Frank Vega stated that statute requires the Board to elect a vice chairperson who’s term must begin on or after April 30 in each year. Last January the Board elected the Controller as Vice Chairperson. Staff recommended the Board nominate and elect a vice chairperson who shall serve until April 30, 2006, which is the end of the current term. After that time, the election of vice chairperson would be conducted annually on or after April 30 of each year.

Anne Sheehan nominated the Controller for the vice-chairperson and it was seconded by Ed Emerson. Motion adopted with a 3-0 vote.

There being no public comment, the meeting was adjourned.

Respectfully submitted by,

{Approved at the January 26, 2006 CEFA Board Meeting }

Frank Vega
Executive Director