



**MINUTES OF THE  
CALIFORNIA INFRASTRUCTURE AND  
ECONOMIC DEVELOPMENT BANK**

For the meeting held on  
August 19, 2014 at 2:00 p.m.  
980 9<sup>th</sup> Street, Conference Center, 2<sup>nd</sup> Floor  
Sacramento, California 95814

Chairman Mike Rossi called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:02 p.m.

**1. Call To Order and Roll Call.**

The following Board members were in attendance:

Mike Rossi, Senior Advisor to the Governor  
Eraina Ortega, represented the Director of the Department of Finance  
Blake Fowler, represented the State Treasurer  
Augustine Jimenez, represented the Secretary of the State Transportation Agency  
Peter Luchetti, Governors appointee

The following IBank staff members were in attendance:

Ruben Rojas, Marilyn Munoz, and Diane Cummings

**Information Item:**

**2. Deputy Executive Director's Report.**

Deputy Executive Director, Ruben Rojas brought two items to the Board:

- A. Nancee Trombley has been hired as the IBank's new Compliance Officer.
- B. Tad Thomas has been promoted to ISRF Program Manager.

Mr. Rojas summarized the qualifications of the new members of the IBank team, welcomed and congratulated each individual.

**Consent Item:** Approval of the minutes from the meetings held on the following dates:

**3. Minutes from the meeting held on July 22, 2014**

Chairman Rossi called for questions or comments from the Board and the public on the minutes of July 22, 2014. Hearing none, he entertained a motion to approve this consent item. Ms. Ortega moved to approve the minutes of July 22, 2014. Mr. Fowler seconded the motion and Mr. Jimenez abstained from the vote. The Board approved the minutes of July 22, 2014.

**Action Item:**

- 4.** Resolution No.14-10 approving the issuance of tax-exempt obligations in an amount not to exceed \$40,000,000 in a private placement to First Republic Bank to provide financial assistance for eligible projects and refund existing tax-exempt bonds for the benefit of

Brentwood School, a California Nonprofit Corporation located in the City of Los Angeles.

If approved by the Board, the IBank will issue up to \$40 million in fixed rate tax exempt obligations that will be evidenced by a Master Loan Agreement between the IBank, Brentwood School, and First Republic Bank. The proceeds are expected to be used as follows: (1) refunding the Issuers Revenue Refunding Bonds (Brentwood School) Series 2007A and Series 2007B (outstanding in the aggregate principal amount of approximately \$11,005,000), (2) financing the cost of educational facilities including the acquisition, design, development, construction, renovation, equipping and furnishing of the real property and improvements located at 100 S. Barrington Place, Los Angeles, California including a new middle school building, a theater, a parking lot, athletic fields and related infrastructure and other ancillary facilities, and (3) paying certain costs of issuance.

### Discussion

Chairman Rossi called for questions and or comments from the Board.

Mr. Jimenez inquired about the anticipated growth and expansion of the school.

Mr. Mitch McDiffett, Director of Finance, indicated that Brentwood School currently has an enrollment of 695 students in grades 7-12 and 300 students in K-12. The expansion of the campuses through the new construction and modernization will allow Brentwood to increase enrollment to approximately 1260 students. The expansion will also improve the teacher/student ratio.

Mr. Jimenez requested Mr. McDiffett to address the cultural diversity of the school's student body.

Mr. McDiffett stated that he did not have the data pertaining to the student body diversity at hand but offered to provide such upon his return to the school. Mr. McDiffett stated the following:

1. Diversity was a key issue with the school board.
2. Out of a \$38 million dollar budget, \$5 million was spent providing student aide.
3. 16% of students in the lower division grades are on financial aid.
4. 17% of students in the upper division grades are on financial aid.

Chairman Rossi called for any additional questions or comments from the Board and the public. Hearing none, he entertained a motion on this action item. Mr. Fowler moved to approve and Mr. Luchetti seconded the motion. Roll call of the Board followed and the Board unanimously approved Resolution: No.14-10.

5. Resolution No.14-11 approving lending Infrastructure State Revolving Fund Program funds to the City of Pittsburg in an amount not to exceed \$12,000,000 to finance an eligible infrastructure project known as the Water System Modifications Project located within the City of Pittsburg.

The Project consists of modifications to the Pittsburg Water Treatment Plant that will result in improved water quality production and reliability through the installation of 9,100 feet of transmission lines. The Project will position the City to meet domestic and fire flow requirements.

### Discussion

Chairman Rossi called for questions and or comments from the Board.

Mr. Luchetti commented on the debt service coverage ratio (1.25) required to be maintained by the City. Mr. Luchetti also commented that most credit agencies would require a minimum of 180 days of operating costs in cash reserves (approximately \$7 million for this transaction) to achieve an investment grade rating. Mr. Luchetti commented that the required debt service coverage ratio should be complimented by a required minimum cash reserve balance.

Tina Olson, Director of Finance and Administration, commented that City Council adopted a policy which requires the City to maintain a minimum reserve of 30% of operating expenses.

Mr. Luchetti proposed that the City agree to the following:

1. Maintain the minimum reserve level of 30% of operating expenses, and
2. Not reduce the minimum reserve level of 30% without IBank consent.

Ms. Olson agreed to the requirements as stated above.

Mr. Rossi directed staff to incorporate this requirement into the loan documents.

Mr. Jimenez inquired about the status of the EIR.

Mr. Luchetti commented that the City had an updated master plan and thus a programmatic EIR which attaches to all build outs.

Chairman Rossi called for any additional questions or comments from the Board and the public. Hearing none, he entertained a motion on this action item. Mr. Fowler moved to approve and Mr. Luchetti seconded the motion. Roll call of the Board followed and the Board unanimously approved Resolution: No.14-11 contingent on 1 and 2 above.

6. IBank monthly Investment Transaction Report
  - a. IBank Quarterly Investment Report for Quarter Ending June 30, 2014.

Chairman Rossi called for any additional questions or comments from the Board and the public. No comments from the Board or the public were received.

### **Other Non-Action Business.**

Chairman Rossi called for any other business; there was none.

### **Public Comment.**

Chairman Rossi called for any other public comment; there was none.

### **Adjournment.**

Chairman Rossi declared the meeting adjourned at approximately 2:42 p.m.