

MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
Wednesday, November 20, 2019 at 2:00 p.m.
Bergeson Peace Board Room
1325 J Street, 13th Floor
Sacramento, California 95814

Acting Chair Chris Dombrowski, designee of the Director of the Governor's Office of Business and Economic Development, called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:00 p.m.

1. Call to Order and Roll Call

The following Board members were in attendance:

Acting Chair, Chris Dombrowski, for the Director of the Governor's Office of Business and Economic Development,
Augustin Jimenez for the Secretary of the California State Transportation Agency,
Jovan Agee for the State Treasurer,
Richard Gillihan for the Director of the Department of Finance, and
Marc Steinorth, Governor's Appointee

IBank staff members in attendance were:

Nancee Robles, William Pahland Jr., and Stefan Spich

Information Item

2. Executive Director's Report

Ms. Nancee Robles, Acting Executive Director, delivered the Executive Director's Report. She began by noting the departure of Diane Nanik, IBank's Fiscal Manager, for a new position, and thanking Diane for her years of excellent performance. Ms. Robles noted that IBank's 2019 Comprehensive Annual Financial Report (CAFR) was ready excepting only the OPEB numbers that IBank, and the rest of the State, were waiting for from the State Controller's Office.

Ms. Robles also noted that IBank's Annual Report was complete but currently awaiting approval from the Governor's Office. Upon approval a copy would be circulated to the Board members.

Ms. Robles then informed the Board that IBank had a number of promotions to celebrate. First, Lina Benedict had been promoted to Loan Origination Manager, after working at IBank as a Staff Loan Officer for almost 4 years. Ms. Robles discussed Ms. Benedict's depth of experience in banking and public finance. Second, Ms. Robles discussed IBank's need for and effort to recruit new loan officers by process of internal IBank staff development, via Training and Development positions. In this manner three Loan Officer positions have been filled: Megan Hodapp in the Small Business Finance Center, Karen Kawada in Loan Servicing, and Steven Wright in the Bond Unit. The Board congratulated all the new promotions with a round of applause.

Consent Item

3. Approve minutes from the meeting held on October 23, 2019

Acting Chair Dombrowski opened up discussion of the previous meeting's minutes. Mr. Jimenez moved to approve minutes and Mr. Agee seconded the motion. After asking for and receiving no public comment, the Board approved the October 23, 2019 Meeting Minutes, with Mr. Gillihan and Mr. Steinorth abstaining.

Action Items

4. Resolution No. 19-21 approving entry into Master Loan Agreement and other documents for the issuance of tax exempt obligations to be sold to First Republic Bank through a private placement in an amount not to exceed \$23,000,000 to (i) refund the outstanding First Republic Bank 2019 obligations, initially issued for the benefit of Seneca Family of Agencies (Borrower) and used to finance eligible projects located in the Cities of San Jose, Petaluma, San Rafael, Lake Forest, Atascadero, San Leandro, and Crockett, and (ii) to provide the Borrower additional funds to finance another eligible project located in the Cities of San Francisco and Oakland.

Mr. Steven Wright, Public Finance Analyst, introduced Resolution 19-21. Mr. Wright described Seneca's work and the project and the public benefits of the financing, and then introduced Seneca's representatives: Ken Berrick, CEO, Janice Briggs, CFO, Dirk ten Grotehuis, Underwriter (First Republic Bank), and Sean Tierney, Bond Counsel (Hawkins). Acting Chair Dombrowski welcomed the representatives and invited comment on the project. Mr. Berrick thanked the Board and noted he was pleased to be working with IBank again. He specifically praised IBank staff and their responsiveness and professionalism.

Mr. Jimenez asked about Seneca's expected cost savings from the financing's conversion from a variable to a fixed interest rate. Mr. Berrick responded that the majority of the project was related to the new money financing, but that the variable rate conversion to fixed rate was expected to result in net present value savings of approximately \$3M which would be used for Seneca's operations. Mr. Jimenez then asked whether Seneca was currently providing services in Los Angeles County. Mr. Berrick responded that Seneca had just opened an office in Inglewood and were working with the County to start to provide services directly to Los Angeles public school districts and also to the Antelope Valley area. Mr. Jimenez thanked the representatives for their good work on behalf of the community.

Acting Chair Dombrowski asked about the capital improvements that would be undertaken with the new money portion. Mr. Berrick responded that the majority of those funds were to renovate the residential facility located at Seneca's Church of the Holy Redeemer property, located at a former church site. The facility had been built in 1926 and was undergoing needed renovations to update the facility while retaining its historical character. The building would be used as a central administration and training facility, with other operations located in nearby buildings. Acting Chair Dombrowski thanked Mr. Berrick.

Acting Chair Dombrowski then asked for public comment. Hearing none, Mr. Agee moved for approval of the resolution and Mr. Steinorth seconded. The Board voted unanimously to pass Resolution 19-21.

5. Resolution No. 19-22 approving substitution of leased asset in San Luis Obispo County for Agreement No. ISRF 17-116 for the benefit of the County of San Luis Obispo.

Jim Rennie, Municipal Finance Specialist, introduced Resolution 19-22. He discussed the County's request for substitution of leased assets and the need for Board action as this request was beyond the scope of authority delegated to IBank's Executive Director.

Mr. Jimenez praised the quality and directness of the Staff Report, noting the issue was clearly presented to the Board. Acting Chair Dombrowski asked IBank staff how often substitutions had occurred or were requested. General Counsel William Pahland responded that this was only the second request that he had seen in his 5 years of working at IBank. He noted the previous substitution, for the City of Del Mar, was contemplated and negotiated for at the time of the Board's approval of the original financing, and so was a bit different.

Acting Chair Dombrowski then asked for public comment. Hearing none, Mr. Agee moved for approval of the resolution and Mr. Jimenez seconded. The Board voted unanimously to pass Resolution 19-22.

Reporting/Non-Action Business

Public Comment

Adjournment

Acting Chair Dombrowski declared the meeting adjourned at approximately 2:14 p.m.