

MINUTES

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
MINUTES FEBRUARY 24, 2000 -2:30 P.M.
915 CAPITOL MALL, ROOM 587
SACRAMENTO, CA 95814

The meeting was called to order at 2:40 p.m. by Barbara Lloyd, Chair.

Present: Barbara Lloyd for Philip Angelides, Chair
Loren D. Suter for Kathleen Connell, Controller
Annette Porini for Timothy Gage
Kenneth Secor
J. Clark Kelso

Staff: Susan Baltake, Executive Director
Terry Partington, Deputy Executive Director
Robert Kittredge, PriceWaterhouseCoopers
Irene Tamura, Attorney General's Office

The Chair declared a quorum present.

The minutes from the California Educational Facilities Authority's October 20, 1999 Board Off-Site Planning Meeting and the approval of the minutes from the October 28, 1999 meeting were approved as submitted.

The Expenditure Report for CEFA/SLAF was presented as of January 31, 2000. The Executive Director reported the fund balance of \$6,865,472.72 for CEFA and \$6,711,794.66 for SLAF.

Susan Baltake reported that the new CEFA Bond Issuance Guidelines were highlighted in the December 1999 NAHEFA newsletter.

Susan Baltake reported that Holy Names College was unable to obtain credit enhancement for its portion of the 1998 CEFA Pool. As a result, Moody's downgraded the College to "Ba1" and, in turn, downgraded to "Ba1" the rating of the 1998 CEFA Pool, which includes 4 other borrowers. She further stated that it was too soon to determine what effect this would have on the Authority's future pool issues but there was no financial loss to the Authority as a result of the action.

Susan Baltake also provided an update on the status of the new ideas from the Board's October off-site meeting:

1. Tidal Wave 2 potential needs – Staff is working with AICCU to send out a letter and survey to borrowers and potential borrowers. Results from the survey should help staff determine whether any specific financing programs need to be developed for the Authority's borrowers.
2. Staff is working with the Department of General Services to learn more about the pooled energy purchase program and is assessing the demand for telecommunications and energy financing programs.

3. Legislation has been introduced in the Senate - SB 1094 - which would expand CEFA statute to issue debt for eligible cultural institutions & museums; private foundations of public colleges; and faculty housing.
4. Staff is working on identifying the most cost-effective way to use part of the Student Loan Authority fund balance to encourage more teachers to work in low-income or underperforming areas, either through student loan forgiveness or interest-rate reduction programs.

Susan Baltake also stated that CEFA held it's first-ever borrower seminar last month in Los Angeles with the California Health Facilities Financing Authority and that there has been a lot of positive feedback.

Item #4

**San Francisco Conservatory of Music
Final Resolution No. 175**

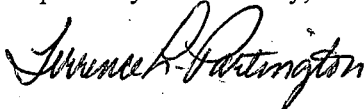
Ray Artinian stated that the San Francisco Conservatory of Music was requesting \$10,000,000 in bond financing to purchase real estate to replace a currently outdated and undersized facility. Representing San Francisco Conservatory of Music: Ms. Kathryn Wittenmyer, Director of Finance, Ms. Ann Otter, Chair, and Mr. Colin Murdoch, President, San Francisco Conservatory of Music; Mr. Ashford D. Wood, Senior Managing Director, Sutter Securities Incorporated; and Ms. Anne Kupfer, Vice President, Union Bank of California.

Staff recommended the Authority approve a resolution for an amount not to exceed \$10,000,000 for the San Francisco Conservatory of Music subject to the bonds being rated at least "A" by a nationally recognized rating agency.

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

There being no further business, the meeting was adjourned.

Respectfully submitted by,



Terrence L. Partington
Deputy Executive Director