

MINUTES

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
MINUTES MARCH 28, 2002 –1:30 P.M.
915 CAPITOL MALL, ROOM 587
SACRAMENTO, CA 95814**

The meeting was called to order at 1:38 p.m. by Anne Stausboll, Chair.

Present: Anne Stausboll for Philip Angelides, Chair
Cindi Aronberg for Kathleen Connell, Controller
Jeannie Oropeza for Timothy Gage, Director of Finance

Staff: Jennifer DuCray-Morrill, Executive Director
Terry Partington, Deputy Executive Director
Robert Kittredge, PriceWaterhouseCoopers

The Chair declared a quorum present.

The minutes from the California Educational Facilities Authority's February 28, 2002 meeting were approved as submitted.

The Expenditure Report for CEFA/SLAF was presented for the month of February 2002. Jennifer DuCray-Morrill reported the fund balance of \$7,247,164.90 for CEFA and \$6,310,472.59 for SLAF as of February 28, 2002.

Item #4

Art Center College of Design Final Resolution No. 198

Barry Scarff stated that the Art Center College of Design was requesting \$25,000,000 in bond financing to be used to advance refund non-Authority debt for present value savings of approximately \$1.9 million, and purchase a nearby building to be converted to classrooms, studios, computer labs, and administrative offices. Representing the Art Center College of Design: Mr. Ronald C. Jernigan, Executive Vice President, Art Center College of Design; Mr. Richard Chisholm, Managing Director, Banc of America Securities LLC; and, Mr. Eugene Carron, Esq., Bond Counsel, Orrick, Herrington & Sutcliffe LLP.

Staff recommended the Authority approve a resolution in an amount not to exceed \$25,000,000 for the Art Center College of Design, subject to the bonds having at least an "A" rating by a nationally recognized rating agency, the fiscal 2001 final audit being materially consistent with the financial information presented in this report, and the transaction otherwise meeting the standard bond issuance provisions for "A" rated debt.

Cindi Aronberg moved for adoption of the Resolution and Jeannie Oropeza seconded it. Motion adopted 3 aye.

Item #5

Western University of Health Sciences Final Resolution No. 199

Kristine Scully stated that the Western University of Health Sciences was requesting \$5,000,000 in bond financing to renovate and join two existing buildings to house the College of Veterinary Medicine. Representing the Western University of Health Sciences: Mr. Kevin Shaw, Treasurer, Western University of Health Sciences and Mr. Brian Sandquist, Vice President, Prager, McCarthy & Sealy.

Staff recommended the Authority approve a resolution in an amount not to exceed \$5,000,000 for the University of Health Sciences, subject to the bonds being rated at least "Baa3" by a nationally recognized rating agency, certain bond covenants as described in the "Financing Structure" section, and meeting the standard bond issuance guidelines for "A" rated debt.

Cindi Aronberg moved for adoption of the Resolution and Jeannie Oropeza seconded it. Motion adopted 3 aye.

Item #6

**Tax Exempt Commercial Paper (TECP) Program
Resolution No. 2002-02**

Terry Partington briefly summarized the components of the TECP Program, including how the program works, the benefits of TECP, and the impact the program will have on CEFA. He stated that the TECP program is for facilities that have significant or numerous projects on a continual basis, not occasional long-term funding requirements. Because of the constraints of the program, CEFA anticipates that an extremely limited number of colleges and universities will request approval for this program. Because of that, Terry stated that staff does not desire to develop a CEFA TECP program that may not exactly fill the needs of even a limited number of borrowers, but establish only basic parameters and respond to specific requests.

Staff recommended approval of the resolution that establishes minimum criteria and provides authorization to consider specific requests that may be received from eligible colleges and universities for a TECP program.

Jeannie Oropeza moved for adoption of the Resolution and Cindi Aronberg seconded it. Motion adopted 3 aye.

Item #7

Legal Counsel Contract -Law Offices of Leslie M. Lava

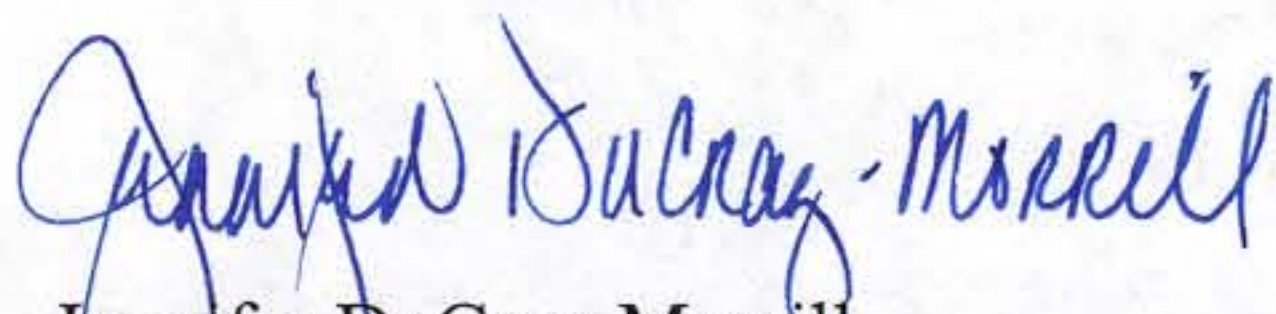
Terry Partington stated that due to the overwhelming workload at the Attorney General's Office on bond sale activity within the State Treasurer's Office, the A.G. cannot continue to provide uninterrupted counsel services to the Authority and, pursuant to Section 94181, has determined it necessary and advisable to authorize contracting with qualified outside bond counsel firms to carry out the duties and functions of the Authority.

At this time, the Authority has entered into a contract with the Law Offices of Leslie M. Lava, for a six-month period in an amount not to exceed \$75,000. Counsel will provide the same services as the A.G. on each bond issue including the opinion letter.

Because the workload of the A.G. affects numerous bond-issuing Authorities, the State Treasurer's Office will be pursuing back-up contracts with other qualified bond counsel firms as well. This will prevent bond issues that are otherwise ready to move forward from being delayed unnecessarily by workload issues or any potential conflicts of counsel that may be serving in another capacity on a particular transaction. This service will be completed on all transactions where the A.G. determines that it cannot provide representation to the Authority.

There being no public comment, the meeting was adjourned.

Respectfully submitted by,


Jennifer DuCray-Morrill
Executive Director