

MINUTES

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
MINUTES DECEMBER 5, 2002-1:30 P.M.
915 CAPITOL MALL, ROOM 587
SACRAMENTO, CA 95814**

The meeting was called to order at 1:40 p.m. by Anne Stausboll, Chair.

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

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

The Chair declared a quorum present.

The minutes from the California Educational Facilities Authority's October 31, 2002 meeting were approved as submitted.

The Expenditure Reports for CEFA/SLAF were presented for the month of October. Jennifer DuCray-Morrill reported the fund balance as of October 31, 2002 of \$6,955,257.33 for CEFA and \$6,364,316.76 for SLAF. It was also reported that a pending resolution for Southwestern University would expire on December 31, 2002. In addition, Point Loma Nazarene University requested the Authority to remove its pending resolution.

Item #4

**Southern California Institute of Architecture
Final Resolution No. 204**

Jennifer DuCray-Morrill stated that this Resolution was removed from this agenda.

Item #5

**California Institute of Technology
Final Resolution No. 205**

Martha Maldonado stated that the California Institute of Technology was requesting \$72,320,000 in bond financing to complete a number of construction, renovation and system development projects to enhance its facilities. Representing the California Institute of Technology: Mr. David Houser, Director of Institute Finance, California Institute of Technology; Mr. Christopher Cowen, Managing Director, Prager, McCarthy & Sealy.

Staff recommended the Authority approve a resolution in an amount not to exceed \$72,320,000 for the California Institute of Technology, subject to the bonds having at least an "A" rating by a nationally recognized rating agency and subject to the security and reporting requirements of the CEFA bond issuance guidelines for "A" or higher rated bond issues.

Cindi Aronberg moved for adoption of the Resolution and Annette Porini seconded it. Motion adopted with a 3-0 vote.

Item #6

**Waiver of CEFA's Bond Issuance Fee for
Western University of Health Sciences, Series 2002
Final Resolution No. 2002-06**

Terry Partington stated that this resolution would authorize the waiver of the Authority's bond issuance fee of \$7,500.00 for the recent Western University of Health Science 2002 Series A bond issue. He stated that Western University was part of substantial bondholder consent process and the first college to complete

another bond issue in the midst of amending prior loan documents and obtaining bondholder consent. Western University had to absorb substantial legal fees that were well above the normal bond issuance costs and in doing so will make the process easier and less expensive for other colleges and universities. Mr. Partington pointed out that CEFA absorbs the costs of its financial advisors, counsel and the State Treasurer's Office agent of sale fees from initial fees paid by participating colleges, but on small bond issues, the initial fee usually does not cover all of these costs and are recouped by fees on the larger issues.

Staff recommended the Authority approve the waiver of the \$7,500.00 initial fee due from Western University as a small offset of the overall costs incurred on the new bond issue and the associated corrections on their past documents.

Annette Porini requested that the Resolution be amended to clarify that the authorization is for a one-time waiver for Western University of Health Sciences only so as not to be construed to set precedence for any other fee waiver.

Annette Porini moved for adoption of the Resolution as amended and Cindi Aronberg seconded it. Motion adopted with a 3-0 vote.

There being no public comment, the meeting was adjourned.

Respectfully submitted by,



Terrence L. Partington
Deputy Executive Director