



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

For the meeting held on
Tuesday, March 24, 2015, at 2:00 p.m.
Department of Food and Agriculture
1220 N. Street, Auditorium
Sacramento, CA 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, Chairman
Todd Jerue, for the Director of the Department of Finance
Alan Gordon, for the State Treasurer
Brian Annis, for the Secretary of the State Transportation Agency

Peter Luchetti, Governors Appointee, participated telephonically.

The IBank staff member in attendance:

Teveia Barnes, Ruben Rojas, Marilyn Munoz, Nancee Trombley

Information Item

2. Executive Director's Report.

The Executive Director, Ms. Teveia Barnes, introduced Fritz Pahland as the newest member of the IBank's Legal Unit.

Ms. Barnes updated the Board on the following:

Beginning Farmers Bond Program (Aggie Bonds)

Ms. Barnes indicated that she had connected with program representatives in South Dakota and found that they had experienced only two defaults since 1998 and that there is currently modest interest in the program, approximately 10 loans per year.

Nancee Trombley, Chief Compliance Officer, reported on the following:

Directives and Requirements for the Small Business Loan Guarantee Program (SBLGP)

Ms. Trombley reported that the Directives and Requirements have been drafted for the SBLGP and were provided to the Board as an informational item for review and consideration. Ms. Trombley stated that the proposed Directives and Requirements have been posted for public comments and to date no comments have been received.

Mr. Annis asked if the Directives and Requirements would be subject to Board approval in all places

Ms. Barnes stated that they would be submitted for Board approval at a later date.

Mr. Gordon, referenced page 4 section 9 of the Directives and Requirements and inquired about the process to implement a pooled account.

Ms. Barnes described the process and emphasized that the structure was in alignment with the goals of the Federal program to disburse the funds to small businesses as quickly as possible.

Mr. Gordon commented that the Directives and Requirements resembled regulations and requested clarification on the difference.

Ms. Munoz, stated that the primary differences are procedural in nature.

Mr. Jerue asked if the IBank was exempt from the APA.

Ms. Munoz stated that the IBank is exempt from APA.

Consent Item:

3. Approve minutes from the meeting held on February 24, 2015.

Chairman Rossi called for questions or comments from the Board and the public on the minutes of the February 24, 2015 IBank Board meeting. Hearing no comments, Chairman Rossi entertained a motion to approve this consent item. Mr. Annis moved to approve the minutes. Mr. Gordon seconded the motion. The Secretary of the Board took the roll call vote and the Board unanimously approved the minutes.

Action Items:

4. Resolution 15-03 amending Resolution 14-12 for the removal of the delivery of a due authorization and enforceability opinion from a nationally recognized counsel in the field of municipal finance as a condition precedent for IBank financing to the City of San Gabriel payable from Measure R Funds.

Ms. Barnes requested that the Board reconsider the requirement of the delivery of a due authorization and enforceability opinion. Mr. Gordon motioned to approve the removal of said condition. Mr. Annis seconded the motion. Chairman Rossi called for questions or comments from the Board and the public. Hearing no comments, the Secretary of the Board took the roll call vote and the Board unanimously approved Resolution 15-03.

5. Resolution No. 15-04 approving the public offering of bonds in an aggregate principal amount not to exceed \$2,500,000 to finance and refinance an eligible project for the benefit of Guided Discoveries, Inc., a California non-profit corporation, located in Santa Catalina Island, California.

Mr. Ross Turner, Executive Director of Guided Discoveries, was introduced to the Board.

Mr. Luchetti noted that this transaction was a public offering and stated that the due diligence standards are different from those of a private placement.

Ms. Munoz stated IBank remains in a conduit role and the difference is the manner of the sale of the bonds which differs from a private placement.

Mr. Rossi asked if there was a change in the IBanks liability.

Ms. Munoz stated that from a legal perspective the IBank's due diligence has not changed and that the IBank remains in a conduit role.

Mr. Gordon commented that Comerica Securities has not submitted an application to the State Treasurer's 2015-17 Underwriter Pool and to date has not committed to a date for such a submission. Mr. Gordon motioned for a conditional approval subject to Comerica Securities being accepted to the State Treasurer's 2015-17 Underwriter Pool prior to the release of the Preliminary Official Statement. Should Comerica not be approved, Comerica Securities may be replaced by Gates Capital.

Chairman Rossi called for questions or comments from the Board and the public. Hearing none, Chairman Rossi moved for approval subject to the conditional precedent as stated above. Mr. Gordon moved for approval, Mr. Annis seconded the motion. The Secretary of the Board took the roll call vote and the Board unanimously approved Resolution 15-04 conditioned upon Comerica Securities applying and being accepted to the approved State Treasurer's Office 2015-17 Underwriter Pool, prior to the release of the Preliminary Official Statement; and should Comerica not be approved, Comerica Securities may be replaced by Gates Capital.

Non-Action Business.

IBank Small Business Loan Guarantee Program Investment Report for Annual. Ending December 31, 2014.

Mr. Rossi requested clarification of the last sentence on page four of the Investment report.

Ms. Barnes stated that the Investment Report would be provided quarterly and that the last sentence would be revised.

Public Comment.

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

Adjournment.

Chairman Rossi declared the meeting adjourned at approximately 3:13 p.m. The Secretary of the Board took the roll call vote and the Board unanimously adjourned the meeting.