

MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
Wednesday, February 13, 2019 at 2:00 p.m.
1325 J Street, 13th Floor
Sacramento, California 95814

Chair Lenny Mendonca 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:

Chair, Lenny Mendonca for 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's Office
Jacqueline Wong-Hernandez for the Director of the Department of Finance, and
Marc Steinorth, Governor's Appointee

IBank staff members in attendance were

Nancee Robles, Stefan Spich and William Pahland

Information Item

2. Executive Director's Report

Ms. Nancee Robles, Chief Deputy Executive Director, began her report by introducing the new IBank Board members: Mr. Steinorth, Mr. Agee and Chair Mendonca. Ms. Robles presented all the Board members with IBank lapel pins, noting these had been designed and personally paid for by former Executive Director Teveia Barnes. Ms. Robles then introduced the newest IBank full-time employee, Jaymie Lutz, Office Technician.

Ms. Robles confirmed that IBank's 2019 Board Meetings would now be held on the fourth Wednesday of every month and that Megan Hodapp would be responsible for Board meeting administration. Ms. Robles also confirmed that IBank had executed a Master Loan Participation Agreement with the Bay Area Air Quality Management District that allows the District to participate in future IBank financings.

Ms. Robles notified the Board she had recused herself from the review and processing of Resolution 19-01 and the related project due to a personal relation to a borrower executive. Related to this recusal, Ms. Robles notified the Board that Resolution 19-01 authorized the Board Chair to execute the transaction documents.

Ms. Robles also notified the Board that Resolution 19-02 had been withdrawn from consideration.

Chair Mendonca thanked Ms. Robles for the presentation.

Consent Item

3. Approve minutes from the meeting held on December 18, 2018

Chair Mendonca opened up discussion of the previous meeting's minutes. Noting the new composition of the Board and absence of a quorum able to properly approve the minutes, Chair Mendonca delayed approval of the December 18 minutes until the following Board meeting.

Action Items

4. Resolution No. 19-01 approving the issuance of tax-exempt obligations, in an amount not to exceed \$7,400,000, to be sold to Compass Mortgage Corporation through a private placement and loaning the proceeds to Foothill Family Service to finance an eligible project located in the Cities of Covina, Pasadena, and Duarte.

Mr. John Belmont, Public Finance Specialist, introduced Resolution 19-01. Mr. Belmont then introduced Mr. Jim Siegrist, Chief Financial Officer of Foothill Family Service, and Mr. Sam Balisy, Bond Counsel. Chair Mendonca invited comments from Mr. Siegrist, and he responded by noting that Foothill was excited for this project which would secure their future operations for the coming years. Mr. Jimenez asked about the cost savings and balloon payment associated with this financing. Mr. Siegrist responded that a major element of the project was a pre-refinancing of the balloon payment which would push out the payment that was otherwise due in approximately 18 months. Mr. Steinorth noted he was aware of the positive impact of the borrower's organization and thought this was a good project. Mr. Balisy then thanked the IBank Board and staff for their flexibility and consideration of this project outside of the regularly scheduled meetings, noting that timing requirements of the real estate transaction necessitated timely approval.

Chair Mendonca asked how this project would allow Foothill's services to evolve. Mr. Siegrist responded that greater awareness of youth mental health issues meant there was a real opportunity to increase the scope of their services and strengthen funding sources. Chair Mendonca asked what new trends and challenges Foothill was experiencing. Mr. Siegrist responded that some school districts, recognizing the need for mental health services and for dedicated mental health professionals, had engaged Foothill in direct service contracts. Mr. Siegrist also noted the increased use of tele-health services to provide mental health counseling with increased accessibility to a larger population. Ms. Wong-Hernandez asked about the initial Wells Fargo loan that was now being refinanced. Mr. Siegrist said the decision to undertake that loan was a matter of both timing and the smaller size of the original transaction not being ideal for a public financing transaction. Mr. Jimenez asked about Foothill's diverse governance structure. Mr. Siegrist responded that diversity was an organizational priority and, that because they undertook a lengthy vetting process, so was stability, noting most board members served two full terms (six years total). Mr. Siegrist noted Foothill also focused on recruiting a diversity of talent and skill sets. Mr. Agee then arrived and noted he had no further questions and was prepared to consider the matter.

Chair Mendonca then asked for public comment. Hearing none, Ms. Wong-Hernandez moved for approval of the resolution and Mr. Jimenez seconded. The Board voted unanimously to pass Resolution 19-01.

Reporting/Non-Action Business

Chair Mendonca noted for the record that IBank had received a letter from the Office of the Governor, Ms. Mona Pasquil Rogers, Appointments Secretary, dated February 13, 2019 confirming Governor Newsom's designation of Nancee Robles as Acting Executive Director of IBank and thanking her for accepting the appointment.

Public Comment

There was no further public comment.

Adjournment

Chair Mendonca declared the meeting adjourned at approximately 2:21 p.m.