

# MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on  
Wednesday, April 19, 2023, at 2:00 p.m.

IBank's meeting was virtual participation via teleconference, consistent with recent state law changes, with Board members attending remotely and meetings accessible and open to the public via teleconference only.

Acting Chair Chris Dombrowski, delegate of the Director of the Governor's Office of Business and Economic Development, welcomed everyone to IBank's Board meeting. He started by providing instructions to participants regarding process, participation, recording, and public comment.

## 1. Call to Order and Roll Call

Acting Chair Dombrowski then called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:00 p.m.

The following Board members attended via teleconference:

Acting Chair Chris Dombrowski, as delegate of the Director of the Governor's Office of Business and Economic Development,  
Gayle Miller for the Director of the Department of Finance,  
Carlos Quant for the Secretary of the State Transportation Agency,  
Juan Fernandez for the State Treasurer, and  
Marc Steinorth, Governor's Appointee

IBank staff members attended in person:

Scott Wu, Jaymie Lutz, and Stefan Spich

## Information Item

## 2. Executive Director's Report

Scott Wu, IBank's Executive Director, delivered the Executive Director's Report.

Mr. Wu began by noting that on this day in 1919, the French Assembly approved an 8-hour work day, and on this day in 1932, President Hoover proposed a 5-day 40-hour work week. Mr. Wu then broadly discussed the origins of the 9 to 5, Monday-Friday work standard.

He noted that historically, long work weeks of grueling manual labor in the fields and factories were the norm. When the US government first tracked worker hours in 1890, manufacturing workers were found to be working 100-hour weeks. The vast majority of Americans at the time worked 12-to-14-hour days, 6 days a week and child labor was routine.

Mr. Wu then discussed the origins of the 8-hour workday for factory work. He noted it was first introduced in Spain by royal edict back in 1594, but that the modern labor movement arose during the industrial revolution first in Britain. He highlighted the Factory Act of 1833 that limited factory work to 8-hour days, but only for children aged 9-13, and to 12-hour days for those 14-18. The UK to this day has yet to achieve a universal 8-hour day in legislation. He further noted that the first national policy to provide for an 8-hour day for all workers occurred in Russia during the Bolshevik Revolution of 1917.

Mr. Wu then turned to US history, noting that a reprieve to the 7-day work week began in the early 19th century with a religious-based exception to work on Sundays. He continued that by the late 1800s, certain groups of workers in specific industries were successful in lobbying for standard 8-hour days, and that in 1869, Ulysses S. Grant issued a short-lived proclamation for the 8-hour day to apply to government workers.

Mr. Wu continued that in 1926 Henry Ford changed the game by establishing a 40-hour, 5-day work week in all of his plants. While highly controversial at the time, his experiment was declared successful, with higher productivity and better morale, causing other major businesses to adopt similar policies. Mr. Wu noted that although President Hoover enshrined the 40-hour work week for federal employees through the Economy Act of 1932, he was no friend to the working class. Hoover was America's first businessman president, an industrialist who built his wealth from mining and presided over the onset of the Great Depression. Mr. Wu highlighted Hoover's actual motivation for this law: to cut the wages of government employees to help close a budget deficit. Mr. Wu concluded this arc by noting that it was the 1938 Fair Labor Standards Act, part of FDR's New Deal, that finally enacted a 40-hour work week (after further amendment in 1940).

Looking forward, Mr. Wu noted that last month, Congressman Takano from Riverside, CA introduced a bill to amend the Fair Labor Standards Act to shorten the standard work week to 32 hours, essentially a 4-day work week. This emanates from a recent labor movement that is beginning to gain some traction. Mr. Wu explained that several trials of 4-day 32-hour work weeks conducted by 61 smaller British businesses and 33 larger US, Australian and Irish companies both concluded in recent months with stunning results. Companies reported higher productivity, increased revenues and improved employee mental and physical health. Mr. Wu highlighted that most businesses that took part in the trials declared that they will not revert to a 40-hour 5-day week.

Mr. Wu wondered how such proposals may be welcomed in various nations. France, famously protective of their leisure time, might be quite receptive. He lamented that Americans might be less so, citing widespread national violations of child labor, average work weeks exceeding 40 hours, and the only advanced economy without guaranteed paid vacations or maternity leave.

Mr. Wu offered that we are at the dawn of a new era of work standards, with hybrid and remote work, flexible hours and arrangements to meet the needs of the new economy. He concluded that it remains an open question how such proposed labor-friendly policies will fare in a global highly competitive marketplace, citing China's ongoing embrace of their 996 work culture, 9a to 9p, 6 days per week.

Mr. Wu then turned to a few Information Items:

He noted the board package included investment reports for Q1 and Q2 of the 2023 fiscal year for both the Small Business Finance Center and the IBank funds. He highlighted that IBank's cash balances continue to grow and that investment returns have been very actively managed to optimize yield relative to IBank's liquidity needs.

Mr. Wu asked the Board if they had any questions regarding the reports. They did not.

Mr. Wu then turned to staff updates and welcomed two new hires:

- **Amiko Foster** recently joined IBank's Loan Origination Unit. She has over 20 years of experience administering financial aid programs and working as a home loan consultant for some of our nation's largest banks. Mr. Wu noted she also founded the

non-profit, Youth Finance Institute of America in 2015 – which has assisted over 2500 youth to gain personal finance life skills. Amiko received a bachelor’s degree from UC Berkeley.

- **Rachel Swanson** joins as the new Senior Accounting Officer in our Fiscal Unit. She began working in accounting with the state’s Employment Development Department in 2015 and later for the Department of Justice. Rachel graduated from Cal State Stanislaus with a bachelor’s in business administration.

Mr. Wu then turned to recent promotions:

- Lydia Workman was promoted to loan officer in the loan origination unit.
- Angel Lau was promoted to Attorney IV in the legal unit.

Mr. Wu noted both promotions were enormously well deserved.

Mr. Wu concluded staff announcements by noting IBank’s “Above and Beyond” Award was presented to Pa Thao, IBank’s Senior Accounting Officer in the Fiscal Unit for the past quarter. Pa was nominated by several IBankers who expressed in numerous ways how she’s been outstanding, responsible, dedicated, and always willing to help. Nominations noted that she’s both a team player and “super nice.” Pa received a \$25 gift card and a framed certificate.

Mr Wu concluded his report by commenting on the current NBA playoff series between the Sacramento Kings and Golden State Warriors. He noted his amusement at watching the upstart Kings with their cute little flashlight, and his confidence that the Warriors would get serious with the Kings tomorrow night, even if they need to overcome league officials and play short-handed in the defense of their crown.

Acting Chair Dombrowski thanked Mr. Wu for his report, but noted he would be ignoring that final paragraph.

### **Consent Item**

#### **3. Approve minutes from the meeting held February 22, 2023**

Acting Chair Dombrowski opened up discussion of the previous meeting’s minutes. Mr. Steinorth moved to approve the minutes, and Ms. Miller seconded the motion. The Board unanimously approved the February 22, 2023 meeting Minutes.

### **Action Item**

#### **4. Resolution No. 23-05 approving the issuance of tax-exempt revenue bonds, in an amount not to exceed \$50,000,000, to refund the outstanding IBank Revenue Refunding Bonds (Segerstrom Center for the Arts), Series 2016B, initially issued for the benefit of Segerstrom Center for the Arts and used to finance an eligible project located in the City of Costa Mesa.**

John Belmont, Public Finance Specialist, introduced Resolution 23-05. Mr. Belmont started by introducing representatives from the Segerstrom Center: Justin Brian Finck (CFO), Seila Heng (Controller), Doug Brown and Stephen Dougherty (Underwriters, Wells Fargo), and Kerrigan Bennett, (Bond Counsel, Stradling Yocca).

He then discussed the project elements, noting the project would refund the previously issued Series 2016B Bonds used to build the performance facilities in Costa Mesa with new 15 year bonds.

Acting Chair Dombrowski thanked Mr. Belmont, welcomed the representatives from Segerstrom Center, and asked them to comment on the project.

Mr. Fink thanked the Board for its support. He noted original Segerstrom project was now 17 years old, and had become a center of culture for the community. He noted they had a full calendar of events and great support from the public.

Acting Chair Dombrowski thanked Mr. Fink and asked if the Board members had any questions on the matter. They did not.

Acting Chair Dombrowski then asked for any public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Mr. Quant seconded. The Board voted unanimously to pass Resolution 23-05.

Acting Chair Dombrowski congratulated Segerstrom Center on the approval.

### **Reporting/Non-Action Business**

#### **Public Comment and Adjournment**

Acting Chair Dombrowski asked for a final general public comment.

Mr. Fernandez noted he wanted to be sure that Mr. Wu's comments on the playoff series were accurately reflected in the minutes.

Acting Chair Dombrowski mused in response whether he should direct staff to replace that final paragraph of Mr. Wu's report with a simple "Light the Beam".

Acting Chair Dombrowski declared the meeting adjourned at approximately 2:16 p.m.