

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBank)

STAFF REPORT

ISSUE

IBank is seeking to amend its Bylaws to reflect the changes to the Bagley-Keene Open Meeting Act (the “Act”). These changes were necessitated by SB 544 which took effect on January 1, 2024, and clarified the hybrid in-person and teleconference provisions that were originally added during the COVID-19 pandemic.

BACKGROUND INFORMATION

Section 63025 of the Government Code requires the IBank Board to adopt bylaws for the regulation of its affairs and the conduct of its business. Bylaws were first adopted by the IBank Board on October 15, 1997, and have been amended by the Board several times since, with the last amendment on July 23, 2013. As part of a general review of corporate governance policies of IBank, it was determined that best practices warranted a review and updating of IBank’s Bylaws.

NEED FOR AMENDMENT OF BYLAWS

The Act was amended on January 1, 2024 to provide a new method for conducting board meetings in a hybrid manner that provides for both in -person and remote participation. The updates to the Act include provisions related to remote participation, notice requirements, and accessibility requests for state body meetings. In reviewing the Bylaws, it was determined that an update was necessary to reflect these updated provisions of the Act.

Additionally, in the process of reviewing and updating the Bylaws to reflect the Act, staff identified the need to include additional amendments with respect to meeting procedures where the Act is silent as well as other technical changes. The proposed amendments to the Bylaws are attached in redline form as **Exhibit A**.

SUMMARY OF MATERIAL CHANGES

The proposed updated Bylaws seek to generally reflect IBank’s established and well drilled Board procedures. Other routine updates reflect sections of the IBank Act that direct process and so should logically be included in the Bylaws. The updates also provide procedure for rare but foreseeable circumstances the Board may face, such as disruptive public comment.

The material updates to the Bylaws include:

- Authorizes IBank’s Executive Director to adopt and use an official IBank seal. This fulfills a requirement of the IBank Act under Section 63025.
- Clarifies IBank Secretary shall have “Secretary Copies” of proposed transaction documents available for inspection by Board members before and during any meeting and other Board inspection rights.
- Clarifies that Board Chair may adjourn a meeting without a vote.
- Clarifies that meetings begin upon a roll call by the Secretary.
- Sets forth procedure for a Special Meeting of the Board.
- Sets forth teleconference and remote procedures consistent with the Act.
- Sets forth public comments process and expectations.

- Clarifies that Board may approve an item subject to amendment or additional terms and contingencies as determined by the Board, all subject to a roll call vote.
- Clarifies Board may hear items out of the order set forth in the published Agenda.
- Sets forth the amendment process for these Bylaws.

STAFF RECOMMENDATION

Staff recommends approval of Resolution 24-09 amending the Bylaws as proposed.

Exhibit A

Redline of 2013 Bylaws vs. 2024 Bylaws

BYLAWS

AS OF

June 26, 2024

Final Version

BYLAWS

OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

Date Adopted: June 26, 2024

ARTICLE I: NAME AND OFFICIAL SEAL

The California Infrastructure and Economic Development Bank ("IBank"), is established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act, as amended (Division 1 of Title 6.7 of the Government Code, commencing with section 63000) ("Act").

Pursuant to section 63025 of the Act, IBank's Executive Director shall be authorized to adopt and use the official seal of IBank in the operation of IBank, as it may be amended from time to time.

ARTICLE II: PURPOSE & FUNCTION OF IBANK

The purpose of IBank is to promote infrastructure and economic development within California by providing a wide range of financial assistance to businesses, governmental entities, utilities and nonprofit organizations as permitted by the Act.

ARTICLE III: IBANK STAFFING

IBank's activities are governed by a board of directors ("Board"). The business and affairs of IBank shall be conducted by the staff of the IBank, under the authority of the Executive Director, subject to the direction of the Board. IBank is located within the Governor's Office of Business and Economic Development ("GO-Biz").

The Executive Director shall designate an IBank staff member to serve as secretary of the Board ("Secretary"). The Secretary shall be responsible for preparing agendas and reports for IBank meetings. The Secretary shall also be responsible for collection of transaction documents to be approved by the Board (each a "Secretary's Copy"). The Secretary's Copy shall be available for inspection by Board members upon advance request and during any meeting.

ARTICLE IV: IBANK MEMBERSHIP

The IBank Board shall consist of those members identified in the Act, as amended from time to time. If at any time the membership of the Board identified in these bylaws differs from that specified in the Act, the Act shall control and Board meetings may continue to be duly held, irrespective of the difference, until the earliest practicable opportunity to amend these bylaws.

As of the date set forth above, the Board consists of the following persons (each a

"Director"):

- (a) The Director of GO-Biz, or his or her designee, who, subject to Article V of these Bylaws, shall serve as the Chair of the Board.
- (b) The Director of Finance, or his or her designee.
- (c) The Treasurer, or his or her designee.
- (d) The Secretary of the State Transportation Agency, or his or her designee.
- (e) An appointee of the Governor. The Governor's appointee may not appoint a designee to act in his or her place.

Each Director shall have voting privileges equal to every other Director. Prior to a Director's designee participating on the IBank Board, a Director identified by title in the Act must provide in writing authority for his or her designee to participate on the IBank Board in the place of said designating Director. Said designation may be in any written or electronic format. A Director may appoint one or more designees and once appointed that designee shall remain eligible to participate in IBank Board meetings as a Director's designee until the Director revokes such designation. The written designation shall be presented to the Executive Director and Secretary. Proxies and alternates are not permitted. Directors shall serve without compensation but shall be due any amounts provided for under the Act or applicable statute.

Each Director shall serve an unlimited term on the Board without interruption or requirement for re-election, as set forth in the Act, as amended from time-to-time.

Every Director will have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of IBank. This inspection by a Director includes the right to copy and make extracts of documents.

ARTICLE V: DUTIES OF BOARD CHAIR

The Chair of the Board shall be as specified in the Act. If at any time a Chair is not specified in the Act, or the position designated as Chair in the statute is a position that no longer exists, the Directors shall be authorized to approve a Chair by adopted resolution at any IBank meeting. In the event that the Chair, or designee, is unable to attend a Board meeting in person, the Chair or designee may preside over such meeting via teleconference, as permitted under California law. In the event that neither the Chair nor any of his or her designees is able to attend in person or participate via teleconference, with or without advance notice, such meeting shall be presided over by a temporary Chair, as designated by a vote of the Directors then in attendance, provided a quorum is present (the "Acting Chair").

Except as specified in the previous paragraph, the Chair shall preside at all IBank board meetings. The duty of the Acting Chair shall be to act as substitute Chair in the absence of the IBank Chair.

The Chair may employ the most current version of Robert's Rules of Order for determining parliamentary procedure for the Board, to the extent the procedures are not inconsistent or in conflict with, these Bylaws, the Act or applicable law.

At the conclusion of consideration of items listed in the Agenda, and if there is no further business for the Board to conduct, the Chair may declare any meeting of the Directors adjourned

with or without a vote of the Directors, as the Chair may decide.

ARTICLE VI: MEETINGS

A meeting may be held upon the request of any Director or the Executive Director. Requests shall be made to the Secretary, who shall be responsible for scheduling meetings as soon as practical and consistent with applicable law.

A special meeting may be called at any time by the Board Chair or by a majority of the Board. A special meeting may be requested at any time by the Executive Director. A special meeting may only be called for purposes allowed by, and conducted in a manner consistent with, California law. Any special meeting shall be noticed consistent with California law and as necessitated by the circumstances requiring the special meeting.

IBank shall meet regularly monthly at IBank's offices or at such times and locations as will facilitate the work of IBank, and as noticed to the public in a manner consistent with California law.

Meetings will be open and accessible to the public, consistent with California law. A meeting may be conducted, in whole or in part, by electronic transmission by and to IBank over any IBank approved video screen or meeting communication platform provided (a) Directors have a reasonable opportunity to participate in the meeting and to vote on matters, including an opportunity to read, speak, and hear in such proceedings; (b) the Secretary maintains a record of the Board's vote or action; and (c) conduct of the meeting is consistent with California law.

In a manner consistent with California law, Directors not physically present in person at a meeting may, by electronic transmission by and to IBank or by electronic video screen communication, participate in a meeting, in certain circumstances be deemed present in person, and vote, whether the meeting is to be held at a designated place, or in whole or in part by means of electronic transmission by and to IBank, or by electronic video screen communication.

The Board will ask for public comment before action on each item, as specified on the Agenda. The Board may also provide an opportunity for general public comment on any other topic even if that topic does not appear on the agenda. Public comment is expected to be respectful and relevant to topics under IBank's jurisdiction. For matters of great public concern, and as needed to address operational needs, the Board may adopt reasonable procedures to limit the time allocated to each topic and each speaker. The Board may ask to remove any person who willfully disturbs a meeting and may pause any meeting to attempt to restore order.

Agendas of upcoming Board meetings shall be sent to Directors and posted and made available to the public ten (10) days prior to any meeting. Additional supporting materials may be submitted prior to or at the meeting.

Minutes of the proceedings of all Board meetings will be drafted and presented for approval at a subsequent meeting of the Board. If the Secretary is unable to be present, the Secretary or the Executive Director may designate another person to take the minutes of the meeting. The

Secretary will keep, or cause to be kept, at IBank's office a book of minutes of all meetings and actions of the Directors. The minutes of each meeting will state the time and place the meeting was held; whether it was regular or special; if special, how it was called or authorized; the names of Directors present; an accurate account of the proceedings; a record of all votes and approvals by the Directors; and when it was adjourned.

If any action or transaction is approved by a quorum of the Board, the Board's approval shall be adopted by a resolution to officially authorize the approved action or transaction. Approval by the Directors may be made contingent upon such terms and conditions as a quorum of the Board may deem proper.

Three Directors shall constitute a quorum and the affirmative vote of three Directors shall be necessary for any action to be taken by the Board. The Directors present at a duly called or held meeting at which a quorum is present may continue meeting until adjournment, notwithstanding the withdrawal of enough Directors to leave fewer than a quorum, but may not take or approve any action by vote of less than a quorum.

Any meeting may begin upon the Chair's direction for a roll call by the Secretary and confirmation that a quorum is present.

The Board shall consider the matters set forth in the agenda for that meeting, in the order publicly noticed. At the request of any Director or the Executive Director, for purposes of administrative efficiency, the Board may consider resolutions in any order approved by the Chair. The Board may, at the request of any Director or the Executive Director, agree to postpone consideration of any item.

Upon recognition by the Chair, any Director, Executive Director or any IBank staff may present a resolution for Board consideration. Upon presentation and discussion of the resolution, including consideration of any public comments, any Director may make a motion for the Board to vote on the item. If any other Director shall second or subsequently approve such motion, the resolution will be brought forward for a vote of the Board.

Any Director may request amendments or conditions to the approval of any resolution, and, upon Board approval of such request, the resolution shall be voted on and approved as so amended.

The Board shall vote for approval of resolutions by individual roll call vote of the Directors, as recorded by the Secretary. The Secretary shall announce whether the motion passes or fails.

ARTICLE VII: AMENDMENT

Except as otherwise required by the Act or applicable law, these bylaws may be amended or repealed, and new bylaws may be adopted, by a vote of the Directors.