

POOLED MONEY INVESTMENT BOARD
915 Capitol Mall, Room 587
Sacramento, CA 95814

MINUTES

Wednesday, December 12, 2018

The meeting was called to order at 10:00 a.m.

Roll: Tim Schaefer for State Treasurer John Chiang
Richard Chivaro for State Controller Betty T. Yee
Jacqueline Wong-Hernandez for Director of Finance Keely Martin Bosler

Staff Present: Tracey Paine, State Treasurer's Office
Sean Collier, State Treasurer's Office
Julia Zuffelato, Attorney General's Office

MINUTES

Mr. Richard Chivaro moved to approve the minutes for the November 14, 2018 meeting. Upon a second by Ms. Jacqueline Wong-Hernandez: the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

PMIB DESIGNATION

Mr. Sean Collier of the State Treasurer's Office presented a Portfolio Summary Report as of November 30, 2018. On that day, the portfolio stood at \$80.446 billion. The effective yield was 2.256%, the quarter-to-date yield was 2.175% and the year-to-date yield was 2.068%. The average life of the portfolio was 207 days. AB55 Loans approved were \$758 million, with a disbursed amount of \$366 million. The Local Agency Investment Fund had \$20.204 billion total deposits, with 2,376 total participants.

Mr. Amin Pirasteh of the State Treasurer's Office Centralized Treasury and Securities Management Division presented a summary of forecasted revenue changes in the portfolio for the Pooled Money Investment Account (PMIA) for the period December 10, 2018 through February 22, 2019. Anticipated receipts for this eleven-week period total \$75.177 billion. Mr. Pirasteh highlighted the key receipts.

Ms. Van Tran of the State Controller's Office, Cash Management Bureau and Division of Accounting and Reporting continued the presentation. Ms. Tran highlighted the major disbursements anticipated for the reporting period of December 10, 2018 through February 22, 2019. Projected disbursements for the eleven-week period total \$63.895 billion.

Mr. Chivaro moved to approve Designation No. 1834. Upon a second by Ms. Wong-Hernandez the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING

Mr. Collier presented this document, which authorizes the General Fund to borrow from internal sources to meet its cash needs during periods of shortfall. The Authorization for General Fund Internal Borrowing is for the period January 1, 2019 through March 31, 2019, in the amount of up to \$47.448 billion. Mr. Chivaro moved to approve the Authorization for General Fund Internal Borrowing. Upon a second by Ms. Wong-Hernandez, the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY

Mr. Collier presented the changes in the Surplus Money Investment Fund for the period November 1, 2018 through November 30, 2018. Declaration of Surplus Money was in the amount of \$10.236 billion. A reduction in Surplus Money was in the amount of \$12.505 billion. An attached list from the State Controller's office showed the breakdown.

Mr. Chivaro moved to approve the Surplus Money Declaration/Reduction for the month of November. Upon a second by Ms. Wong-Hernandez, the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

SURPLUS MONEY INVESTMENT FUND REQUEST (SMIF)

Mr. Collier presented two requests for multiple funds to participate in the Surplus Money Investment Fund:

State Treasurer's Office
Conduit Bond Financing Program Fund
SubFund Number: 0930002

State Treasurer's Office
Alt Energy Advanced Transportation Financing Authority
SubFund Number: 9332001

Conduit Bond Financing Program Fund
SubFund Number: 9332002

Mr. Chivaro moved to approve staff recommendations of the Surplus Money Investment Fund participation requests. Upon a second by Ms. Wong-Hernandez, the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

INVESTMENT POLICY REVIEW – INFORMATION ITEM

Mr. Jeff Wurm of the State Treasurer's Office Investment Division noted the PMIA Investment Policy is annually presented to the PMIB for review. He presented an update that included a streamlining in language clean-up to the policy that more accurately reflects the current investment practices. A list of approved investments was included for the board's review. Mr. Schaefer requested to have a copy of the

updated investment policy forwarded to the Executive Director of the Infrastructure and Economic Development Bank.

ARRANGEMENTS WITH DEPOSITORY BANKS -- INFORMATION ITEM

The Centralized Treasury and Securities Management Division (CTSMD) presents this Information Item annually to the PMIB. Mr. Mark Hariri, Director of CTSMD, submitted a written report which outlined the annual cost details of banking services for the state's depository institutions.

AB55 LOAN PROGRAM (Government Code § 16312)

Mr. Matthew Lehtonen, with the Public Finance Department in the State Treasurer's Office presented the PMIA loans monthly report. Staff recommended approval of the five loan renewal requests (Items 9.a - 9.e) on the agenda in the amounts shown on column f of Exhibit A to the staff report. Mr. Lehtonen reported that the new loan requests were in compliance with the current AB55 Loan Policy and upon approval would result in an increase to the outstanding loans balance of \$39,761,000.

NEW LOAN REQUESTS

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
a.	1890010	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Ironwood State Prison HVAC	\$79,785,000
b.	1890011	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Yolo County Juvenile Project	4,842,000
c.	1890012	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Tuolumne County Jail Project	\$12,323,000
d.	1890013	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Tuolumne County Adult Local Criminal Justice Facility Project	18,683,000
e.	1890014	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds San Luis Obispo Unit Headquarters Replacement	3,000,000

Mr. Chivaro moved to accept the staff recommendation and approve the five new requests. Upon a second by Ms. Wong-Hernandez, the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:25 a.m.

Respectfully submitted,

Tracey Paine
PMIB Administrator