

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

MINUTES

Wednesday, May 15, 2019

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

Board Members Present: Genevieve Jopanda for State Treasurer Fiona Ma
 George Lolos for State Controller Betty T. Yee
 Kari Krogseng for Director of Finance Keely Martin Bosler

Staff Present: Tracey Paine, State Treasurer's Office
 Nicole Milliron, State Treasurer's Office
 Julia Zuffelato, Attorney General's Office

MINUTES

Ms. Kari Krogseng moved to approve the minutes for the April 17, 2019 meeting. Upon a second by Mr. George Lolos, the motion passed 3-0 with the following votes: Ms. Jopanda: yes; Mr. Lolos: yes; Ms. Krogseng: yes.

INFORMATION ITEM – Creation of New Interest Bearing Demand Account with JPMorgan Chase Bank, N.A.

Mr. Mark Hariri, Director of the Centralized Treasury and Securities Management Division, presented the recently established interest bearing demand account with JPMorgan Chase Bank, N.A. The purpose of the account is to manage the volatility of cash flow and meet daily liquidity needs. The interest rate shall be equal to the Federal Funds Rate on the first business day of the month, plus 15 basis points for the duration of the contract. The initial target balance is \$500 million, with a goal of maintaining a minimum average daily balance of \$300 million. The activity of this account will be reported monthly and is collateralized in accordance with State law. Either the Treasurer or JPMorgan Chase Bank, N.A may close the account by providing a 7-day written notice to the other party.

PMIB DESIGNATION

Ms. Nicole Milliron of the State Treasurer's Office presented the Portfolio Summary Report as of April 30, 2019. The total portfolio amount was \$102.744 billion, the effective yield was 2.451%, and the average life was 179 days. The amount of AB55 Loans approved was \$821 million with a disbursed amount of \$484 million. The total deposit amount for the Local Agency Investment Fund was \$23.638 billion with 2,360 participants.

Ms. Milliron then presented Designation No. 1839 in the amount of \$265.9 million.

Ms. Krogseng moved to approve Designation No. 1839. Upon a second by Mr. Lolas, the motion passed 3-0 with the following votes: Ms. Jopanda: yes; Mr. Lolas: yes; Ms. Krogseng: yes.

SURPLUS MONEY DECLARATION AND REDUCTION

Ms. Milliron presented the changes in the Surplus Money Investment Fund for the period April 1, 2019 through April 30, 2019. Declaration of Surplus Money was in the amount of \$15.391 billion. A reduction in Surplus Money was in the amount of \$13.123 billion.

Ms. Krogseng moved to approve the Surplus Money Declaration and Reduction for the month of April. Upon a second by Mr. Lolas, the motion passed 3-0 with the following votes: Ms. Jopanda: yes; Mr. Lolas: yes; Ms. Krogseng: yes.

SURPLUS MONEY INVESTMENT FUND REQUESTS

Ms. Milliron presented a request to participate in the Surplus Money Investment Fund:

Special Deposit Fund—Passenger Railcars Retention
SubFund Number: 0942359

Ms. Krogseng moved to approve the Surplus Money Investment Fund participation request. Upon a second by Mr. Lolas, the motion passed 3-0 with the following votes: Ms. Jopanda: yes; Mr. Lolas: yes; Ms. Krogseng: yes.

AB55 LOAN APPLICATIONS

Mr. Matthew Lehtonen, with the Public Finance Division in the State Treasurer's Office presented the PMIA loans monthly report. Staff recommended approval of the three loan renewal requests (Items 7.a - 7.c) on the agenda in the amounts shown on column f of Exhibit A to the staff report. Mr. Lehtonen reported that the loan renewal requests were in compliance with the current AB55 Loan Policy and upon approval, would result in a decrease to the outstanding loans balance by \$3.799 million.

LOAN RENEWAL REQUESTS

| | <u>PMIB Loan No.</u> | <u>Department</u> | <u>Amount</u> |
|----|--------------------------|---|-----------------|
| a. | 1890026 | Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Santa Barbara County Jail Project | \$77,366,000.00 |
| b. | 1890027 | Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Humboldt County Juvenile Project | \$5,713,000.00 |

| | <u>PMIB</u> <u>Loan No.</u> | <u>Department</u> | <u>Amount</u> |
|----|--------------------------------|--|-----------------|
| c. | 1890028 | Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Yolo County Jail Project | \$15,545,000.00 |

Ms. Krogseng moved to approve the three loan renewal requests. Upon a second by Mr. Lolas, the motion passed 3-0 with the following votes: Ms. Jopanda: yes; Mr. Lolas: yes; Ms. Krogseng: yes.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:15 a.m.

Respectfully submitted,

Tracey Paine
PMIB Administrator