

POOLED MONEY INVESTMENT BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814

MINUTES

Thursday, September 23, 2010

The meeting was called to order at 2:00 p.m.

Roll: Francisco Lujano for State Treasurer Bill Lockyer
 Dave O'Toole for State Controller John Chiang
 Cynthia Bryant for Director of Finance Ana J. Matosantos

Staff Present: Bill Dowell, State Treasurer's Office
 Catherine Brown, Attorney General's Office
 Mark Paxson, State Treasurer's Office

AB 55 LOAN APPLICATIONS (Government Code § 16312)

Mr. Phil Osborn of the State Treasurer's Office Public Finance Division presented the staff recommendations, as shown in Attachment A. It called for conditional approval of the new loan request on the agenda, as shown below. He recommended the PMIB approve the loan, but the funding would not take effect until enactment of the 2010-11 State Budget. He noted loan amount had been included in the Department of Finance's (DOF) Budget Letter 09-09 and the Legislature and the State Public Works Board had approved the project. (The other new loan request on the agenda had been withdrawn at the request of the department.) Mr. Osborn concluded by saying the PMIB should continue the freeze on disbursements for approved AB 55 loans, except for disbursements authorized by DOF's Budget Letter 09-09.

Ms. Cynthia Bryant of the DOF asked if this was a new policy to hold off on approving loans until State budget has been enacted. Mr. Blake Fowler of the State Treasurer's Office Public Finance Division explained that such a condition had not been included in the past.

Ms. Bryant asked if this delay in funding could impact the timing of the project and Mr. Osborn indicated that he was not certain and deferred to the Department of Corrections and Rehabilitation (CDCR) for comment. Mr. Robert Takeshida, representing CDCR, said this was the first of many projects initiated by AB900 and suggested it should be given top priority. Gerry Newcomb, Administrative Officer of San Bernardino County, noted the impact on public safety of the project and urged the board to give the loan request unconditional approval.

Ms. Bryant made a motion that the loan request be approved, but without the conditional terms identified in the staff report. After a brief discussion, the motion failed 1-2.

Dave O'Toole, of the State Controller's Office, noted that the Controller fully understood the importance of the project, but that the budget must be solved before funding new loans. Francisco Lujano agreed and suggested the staff proposal offered the best interim step to help CDCR.

A second motion was made to approve item 2a. with the conditional terms identified in the staff report. Ms. Bryant said she would support the motion, but did not feel it was the best option possible. The motion was approved 3-0. The board also approved the continuation of the disbursement freeze, 3-0.

Agenda Item	Loan Number	Department/Program	Adjusted Loan Amount
a.	1010011	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds, AB 900 Adelanto Detention Center: Jail Expansion Project	\$9,943,000.00

PUBLIC COMMENT

None.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 2:15 p.m.

Respectfully submitted,

Bettina Redway
Executive Secretary